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**Study on the contribution of local
development in delivering interventions
co-financed by the European Regional
Development Fund (ERDF) in
the periods 2000-06 and 2007-13**

First Interim Report

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Table of contents

Acronyms	3
Foreword	4
Executive summary	5
1 Literature review.....	9
1.1 Introduction: the aim and structure of the Literature Review	9
1.2 Towards a definition of Local Development Approach	11
1.2.1 <i>The rediscovery of place.....</i>	<i>11</i>
1.2.2 <i>The integration imperative.....</i>	<i>21</i>
1.2.3 <i>The strength of cooperative behaviours.....</i>	<i>27</i>
1.2.4 <i>A framework for the analysis of LDA</i>	<i>40</i>
1.3 How the local development approach works	43
1.3.1 <i>The theory of social mechanisms.....</i>	<i>43</i>
1.3.2 <i>The main mechanisms at work</i>	<i>44</i>
1.3.3 <i>The link between policy process/design and the effectiveness of LDA.....</i>	<i>52</i>
2 Results of the OPs analysis	56
2.1 Evaluation question 1 and 2: whether or not OPs have employed the local development approach and for which kind of interventions	57
2.1.1 <i>Presence/absence of local development approaches: whether the Programmes provide for the use of local development approaches.....</i>	<i>57</i>
2.1.2 <i>Type of interventions implemented using a local development approach.....</i>	<i>60</i>
2.2 Evaluation question 3 - How local development approaches have been implemented on the ground: delivery mechanisms for local development approach and actors involvement	70
3 Regional case studies.....	73
3.1 Proposed case studies	73
3.2 Refined overall methodological approach for regional case studies and mini case studies	87
3.3 Regional case study template	90
3.4 Mini case study template	108
3.5 Work organisation	112
Bibliography.....	113
Annex: Guide to research tools to be used	124

Acronyms

CED	Community Economic Development
DATAR	Inter-department delegation for Territorial Management and Regional Attractiveness (Délégation interministérielle à l'Aménagement du Territoire et à l'Attractivité Régionale)
EIB	European Investment Bank
ERDF	European Regional Development Fund
EU	European Union
GDP	Gross Domestic Product
ICLEI	International Council for Local Environmental Initiatives
IMF	International Monetary Found
LAG	Local Action Group
LAU	Local Administrative Units
LDA	Local Development Approach
LED	Local Economic Development
LEED	Local Economic and Employment Development
NEG	New Economic Geography
NGA	Networks Governance Arrangement
NGO	Non-Governmental Organisation
NIE	New Institutional Economics
NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organisation for Economic Cooperation and Development
OP	Operational Programme
PGA	Participatory Governance Arrangement
R&D	Research & Development
RTD	Research and Technological Development
RTDI	Research, Technology Development and Innovation
SEA	Strategic Environmental Assessment
SMEs	Small and Medium Enterprises
TC	Transaction Costs
TEPs	Territorial Employment Pacts
ToR	Terms of Reference
UN	United Nations

Foreword

IRS and IGOP have been selected for carrying out the “*Study on the contribution of local development in delivering interventions co-financed by the European Regional Development Fund (ERDF) in the period 2000-06 and 2007-13*”.

This report is the First Interim Report of the study, following the overall structure outlined in the Inception Report. It presents the results of the study activities completed so far and summarises the activities planned to complete the study.

This Report contains:

- an analysis of a literature review;
- the comparative results of the OPs analysis;
- a description of the case study activity. The report covers the list of possible case studies, the case study methodology and a common template for analysis;
- an Annex for research tools.

Executive summary

The purpose of this First Interim Report is manifold: drawing a picture of the key features of the LDA as emerging from the review of the economic and socio-political literature on territorial development and more general development policies; explaining how and to what extent the features of the local development approach as described in the literature are internalized in the 38 OPs foreseen by the study; selecting 5 regional case studies, accompanied by 5 mini case studies, that seem interesting for the purpose of the study (how the local development approach contributes to the delivery of interventions co-financed by the European Regional Development Fund); and last creating a common framework to be used by the regional experts in drafting the 5 regional case studies and mini case studies.

As stated above, *the first step of the report is to define the analytical framework and the research design by an analysis of the economic and socio-political literature on local development.*

A preliminary search for “local development” on Google Scholar and, moreover, a first overview of the literature on local development show that the notion of local development is not only a very popular one, but that it is very diverse in scope, orientation and theoretical assumptions and that its object is not always clear. In fact, some of the main questions arisen from this preliminary overview focus on what does one speak about when it refers to local development: i.e. does local development refer to the triggering of a process of endogenous growth? Or, does it refer to development policies and programmes implemented only at local level? Or, is it a tool for delivering development policies created at other levels than the local one?

As the study focuses on the contribution of LDA to the delivery of ERDF interventions, the choice is to focus on the third alternative described above. Therefore, the report conceives LDA as *a conscious effort developed at the European, national and regional level to trigger a process of economic growth, social development and improvement in the quality of life in disadvantaged areas, which has some specific characteristics.* According to the literature review, *the main features* that characterize the local development approach and difference it from other approaches consist in:

1. *focus on the social and economic development of disadvantaged areas;*
2. *reference to a specific territory in which there are resources that can be exploited in order to reach the development goal;*
3. *integration of different sectoral policies;*
4. *mobilisation of a plurality of different actors also at the local level.*

Firstly, the focus on the social and economic development of disadvantaged areas means that LDA is a conscious effort conceived by an institutional actor to deal with development problems. Therefore, the local development approach is not to be confused with local development. Literature review shows that the latter is brought about without

conscious and targeted policy actions and furthermore without the involvement of political actors. It seems, for instance, that industrial districts “occur” through a process that cannot be re-created by means of specific policy interventions. Insistence on the path dependency of trajectories of local development, often pointed out in the economic literature, or on the role of social capital, a notion ever mentioned in the socio - political literature, shows that the focus of most of this literature is not on the local development approach, because it does not refer to how conditions deemed necessary for triggering an endogenous process of local development can be created by specific policy interventions.

Secondly, reference to a specific place is an essential characteristic of the LDA. Here the focus is not only on territory as a source of agglomeration dynamics, but also as an integrated socio-economic system able to be the maker of its own development. This emphasises the role of resources that can be found in that specific territory. However, this point is not always detailed in the literature on local development. Sometimes local knowledge and/or the untapped potential of people living in the respective territory is recognized as crucial for triggering an endogenous local development process and sometimes this aspect is disregarded. Nevertheless, the majority of the literature focuses more on the “soft” side of the development process than on its “hard” side (namely, physical resources). There is, however, a variation when it comes to territorial boundaries: dimension might oscillate from NUTS 3 to LAU 1. Literature review shows that if the area is too large it is quite impossible to deeply involve local actors, while if the area is too small there is the risk of creating a short-term development that will not prove to be sustainable and coherent on long term.

Thirdly, integration is another essential feature of the LDA. In fact, the literature review shows that the ability to group different types of interventions in a meaningful framework, to combine efforts to stimulate growth with specific attention to the social and environmental consequences, and to exploit the specialized knowledge of the different policy communities, are considered fundamental characteristics of the LDA. Furthermore, it seems that policy integration is always considered a good thing and that it is possible only at the local level as otherwise it is difficult to consciously govern such a complexity. However, increased focus on integration brings about the risk of forgetting one of the main lessons drawn from the economic literature on local development: i.e. the advantages of specialization and the division of labour between different areas.

Lastly, literature review shows that in the absence of mobilisation of a plurality of actors also at the local level one cannot speak of local development approach. This is one of the points on which there is the largest variation on how policies and programmes based on a local development approach should be designed. Partnership might be considered as a goal in itself of the LDA policies/programmes or as a tool for delivering such policies/programmes. Furthermore, partnership might be inclusive and possibly built from bottom-up or selective, encompassing the actors able to bring the necessary resources, not necessarily at the same territorial level.

Drawing on the combination of the above features of the LDA, three models seem to configure, at least at a theoretical level:

1. *pure LDA* characterized by: small territorial focus; (mostly) integrated thematic approach; partnership as a goal and inclusive partnership.
2. *LDA as a corrective in sectoral policies* characterized by: wide or small territorial focus, depending on the policy; single thematic focus; partnership both as a tool and as a goal and selective partnership.
3. *LDA in regional policy* characterized by: wide(r) territorial focus; integrated thematic approach; partnership as a tool and selective/strategic partnership (including multi-level governance).

Besides focusing on what is and what is not the LDA, another point of the literature review is how the LDA works. Here the local development approach is analyzed from the point of view of the mechanisms that can be activated by the LDA specific strategies and tools in order to bring about the expected results. The main mechanisms identified in the literature review that can be used for explaining positive and negative results in the case of LDA and that will be tested in the empirical research are:

- *imitation/bandwagon effect/threshold*, the mechanisms explaining how individual actors enter the partnership;
- *attribution of opportunity/threat*, the mechanism explaining how the actors choose a specific strategy of action;
- *actor certification/de-certification*, the mechanism explaining how is possible to enhance/reduce the role of a specific actor;
- *rules of coordination*, the mechanisms favouring to the institutionalisation of the development partnerships and facilitating their activity;
- *public disclosure*, the mechanism defining the sanctions against defection or free riding;
- *performance feedback*, the mechanism for feeding the process of learning and at the same time promoting the feeling of efficacy of the cooperation.

The second step consists in assessing how and to what extent the local development approach, as defined above, is the methodology typically used to implement territorial policy interventions.

To this end the ToR identified 38 2007-2013 OPs implemented by the 16 Member States, which allocated the largest absolute amounts of ERDF resources to territorial policy interventions.

The review of the 38 OPs shows that 23 OPs have adopted a broader local development approach (they refer to all the LDA features), 9 OPs have adopted LDA at a limited extent (they are not always referred to all features of the local development approach) and 6 have not adopted a local development approach.

As to the types of interventions, LDA is typically used to implement territorial policy interventions. In fact, all the 23 OPs use it for delivering territorial interventions and only 8 OPs use it for delivering also other types of intervention such as interventions aimed at increasing the competitiveness and attractiveness of territorial productive system and interventions targeted at knowledge economy and research and innovation.

All the 23 OPs are characterized by the use of a place based approach, even though the boundaries of the territory are different: in some cases it refers to specific urban or metropolitan areas or to specific disadvantaged neighbourhoods, while in other cases it corresponds to wider and homogenous areas. In all these OPs, one of the main ideas at the basis of the local development approach is that geographical concentration of economic resources will benefit local communities. Furthermore, in all these OPs the territorial dimension is linked to both integration between policies and actors and bottom-up participation.

Another relevant aspect pointed out by the OP analysis is that the 23 OPs show continuity in the use of the local development approach between the 2000-2006 programming period and the 2007-2013 programming period.

As to the delivery mechanisms, the analysis of the OPs shows that the local development approach is delivered through Action Plans or Integrated Programmes. Furthermore, the sub-delegation to intermediate bodies, usually municipalities or other local authorities is used by many of the 23 OPs. In some cases, however, municipalities are not sub-delegated, but they represent the only eligible beneficiaries of LDA interventions. When sub-delegation is employed, it is more common that coordination structures of LDA strategies/interventions are created

The third and last step is concerned with the testing of the theoretical assumptions on the local development approach within 5 regional case studies.

In particular, the 5 regional case studies are aimed at deepening knowledge on the local development approach in place in the analyzed regions, its characteristics, its evolution over time, its results in tackling social, economical and territorial development problems and the main mechanisms that condition the success of LDA in the region.

The 5 regional cases were selected based on the fulfillment of all the LDA features (place based, integration and mobilization of a plurality of actors also at the local level) and on some additional criteria: territorial and geographical coverage, continuity and history and innovative experiences, different interventions typologies covered by the Programmes, procedures and delivering mechanisms implemented. Thus, the case studies are represented by Andalucía Region in Spain, Puglia Region in Italy, Northwest Cohesion Region in the Czech Republic, West Wales and the Valleys in UK and Berlin in Germany.

1 Literature review

1.1 Introduction: the aim and structure of the Literature Review

The general aim of the Literature Review, according to the Terms of Reference (ToR), is "*to draw some key features of the theoretical approach to be used in the rest of the study*".

In other words, the first goal is the definition of the analytical framework and of the research design by a careful analysis of what has been written on local development, with a particular focus on the issues indicated in the terms of reference.

A preliminary step, then, is the clarification of a cluster of concepts linked to the notion of local development, in order to strive for a shared and sharper definition of what is and what is not the local development approach. One has to remember that a search for "local development" on Google Scholar gives back 3,420,000 hits, the most cited one with only 123 references. The impression, therefore, is that not only it is a very popular notion, but that the concept encompasses very different phenomena, in many different disciplines.

The problem is that the existing literature is very diverse in scope, orientation and underlying theoretical assumptions. Even its object is somewhat unclear. Does it refer to the *reality* of local development, i.e. to the fact that some localities are able to improve their economic and social situation to the benefit of their citizens, triggering a process of endogenous growth? Or is it concerned with all the development policies and programmes taking place solely or mainly at the local level? Or again do we need to concentrate on LDA as a way to deliver development policies formulated, and financed, at a superior level?

As one of the questions explicitly posed in the ToR is to provide evidence on "*the added value of LDA to cohesion policy*" and the very title of the study is "*the contribution of LDA in delivering [emphasis added] interventions co-financed by ERDF*", we will explicitly choose the third of the above mentioned alternatives. This choice means that we conceive the LDA as a **conscious effort developed at the European, national and regional level to trigger a process of economic growth, social development and improvement in the quality of life in disadvantaged localities**; an effort, one has to add, characterized by a series of specific features that is the goal of the Literature Review to identify.

In this Literature Review, as already stated in the Inception Report, we will try to answer the following research questions:

1. what do we mean by Local Development Approach (LDA)? This means to identify the elements that are necessarily included in a definition of LDA, keeping in mind the fact the ToR asks for a specific attention to the different LDA approaches.

2. why should it work? Which theoretical arguments are advanced by the economic, managerial, planning, sociological, political literature in order to explain why the adoption of the approach - and/or of the individual elements comprising it - should generate the desired results?;
3. how does it work? Which characteristics of the context, of the policy or programme design, of the process through which is implemented are able to account for the quality of the results achieved, i.e. for the effectiveness of the LDA in delivering cohesion policy?

The Literature Review will be divided into two different sections.

In the next section we will search for the answers to the first two research questions proceeding in the following way.

- Firstly we will point out the basic element of LDA. i.e. those features in the absence of which we are outside the field of analysis; as stated in the Inception Report one of the aims of the whole exercise is a shared definition of what the LDA is all about, large enough to encompass most of the experiences that we find in the real world, but also sharp enough to distinguish the LDA from other, different, types of development policy. As in the LDA three different strands of the literature converge, that we have labelled *The Rediscovery of Place*, *The Integration Imperative* and *The Strength of Co-Operative Behaviours*, we will in turn analyse the concepts of territory, policy integration and stakeholders involvement.
- In the second place we will review the literature pointing out the importance of each element by understanding the underlying assumptions and the consequences that the different theories have on how we look at the LDA.
- Thirdly we will try to identify at least one example of a concrete programme or a model in which the element is of paramount importance, i.e. that stresses either the territory, or policy integration, or again the stakeholder involvement.
- This, and it is the fourth point of our analysis, will allow us to answer some of the questions of the ToRs: on the one hand the strengths and weaknesses of the different approaches and, on the other hand, the added value of LDA in delivering cohesion policy.
- Lastly we will discuss, as already anticipated, the type and amount of variation one should expect for each element. This exercise will provide the basic framework to be used in the empirical part of the research, in order to classify the different models that will emerge from the regional case studies as at a sound analytical level, and thus better understanding under which conditions the individual approach seems to work better.

This sequence will be repeated three times, in order to account for the three elements stated above, and a final paragraph will summarise the work already done by providing a basic definition of the Local Development Approach and the analytical framework that we will use for classifying the concrete instances to be found in the real world.

The second section of the Literature Review will turn the attention to the question of "how LDA works?", i.e. which are the contextual, processual and policy design characteristics that the literature, and mostly the available evaluations of LD policies and programmes, point out as causal factors able to explain the successes or failures of the approach. As already spelled out in the Inception Report we will use the causal mechanisms theory in order to identify, at different levels of abstractions, the causal chains that could operate in generating the results. This will also permit to answer the questions of the ToRs regarding the importance of institutional capacity and the role of monitoring and evaluation. The outcome of this section will be a list of hypotheses about the factors able to explain the outcomes, that will be used in the empirical part of the research.

1.2 Towards a definition of Local Development Approach

1.2.1 The rediscovery of place

1.2.1.1 The first element: territory

The first, and most obvious, aspect of LDA is the fact that it makes reference to a specific, and possibly not too large territory.

One can see the rediscovery of place (Schlögel, 2003) as an answer to fundamental technological, economic, social, cultural and political changes - often bundled in the concept of globalization - that struck the economically most advanced countries of the so-called Western world from the end of the 60' onwards. The progressive change from a standardized to a flexible production involved a redefinition of the role of the local dimension. If mass production pushed to distance and centralization - denying any territorial differences - differentiation led to proximity and decentralization. From this new perspective, the territory was no longer to be seen as the container of development, but a resource in itself, a resource that local actors should know how to manage to get the most of it (Sanchis Palacio, 1999 p. 50).

In the countries that were lagging behind, notably in Latin America, the paradigm shift was more associated to the failure, often with dramatic endings, of the top-down approaches to development that had been sponsored by the national elites and mostly encouraged and supported by international institutions. In these same countries it has been frequently argued that the rediscovery and revaluation of the local, that touched them too, were not intentional, not aims in themselves but unavoidable side-effects of the progressive hollowing of the nation state (Milward and Provan, 2000). This was a plausible line of thought where the local development discourse came together with the hard restructuring programs of the IMF and the World Bank. Apparently, the new role reserved to local governments – in countries with almost no records of local self-government - was not to foster local development but to absorb the negative social impacts of a growth strategy based on fiscal austerity, privatization, deregulation and liberalization (Coraggio and Quiroga, 2005).

The idea of alternative types of development emerged in the late 1970s. For different reasons, the prevailing paradigms had not managed to fulfil the aspirations of growth and wellbeing of lagging areas and countries. Paradoxically, modernization and dependency theories shared the same fundamental objectives: economic growth, industrial development, urbanization, physical infrastructures, consumer markets etc. At the same time, their recipes would apply regardless of any specificity. These internal weaknesses combined with external criticism, coming from movements and organizations protesting against the existence of uneven opportunities.

1.2.1.2 Economic theories on the nexus between territory and development

At a more theoretical level the evolution of economic theories on local development suggests that approaches based on the supply-side have increasingly replaced traditional perspectives of Keynesian origin. The theoretical and analytical emphasis has progressively shifted from the role of local/regional demand, sustaining local and regional growth paths, to factors connected to the supply side and, more precisely, concerning the local/regional territorial system. Traditional or spontaneous equilibrium mechanisms have with time appeared insufficient to produce positive economic outcomes, but also to explain the evolution of economic landscapes. Local and regional development paths appeared multiple and diversified and did not respond to deterministic readings.

Interpretative criteria have therefore been refined, also in the context of globalization. Confronted with this scenario, the central concern has become the attractiveness and competitiveness of local areas and regions. The most recent insights on development point therefore to the fundamental role played by local supply-side factors. In contrast to previous analyses, however, supply-side factors, ensuring competitive performances, do not coincide solely with traditional physical endowments such as capital, workforce, land and infrastructures –although these are still important-, but with more intangible resources. As emphasised by a number of scholars from different disciplines (Camagni 1999, 2002; Capello, 2004; Sforzi, 2005; Seravalli, 2006; Seravalli and Boggio, 2003; Trigilia, 2005), at present local development and competitiveness seem to heavily rely on the presence of immaterial and relational resources, of contextualised social and institutional relationships and on more open systems of governance.

The first theory one has to mention in the context of the discussion on the importance of the local is *New Economic Geography*. NEG offers explanations of the geographical concentration of industries and of the agglomeration of economic activities. It suggests that the structure of the economy displays an uneven geographical concentration of resources which benefits localities endowed with tangible factors, mainly affecting transportation costs, economies of scale and factor mobility (Krugman, 2011).¹ Specifically, the spatial organisation of production is a result of the interplay of centripetal and centrifugal forces. Centripetal tendencies depend on (a) the interaction

¹ What makes this model possible is the development by Dixit and Stiglitz (1977) of a formal model for the theory of monopolistic competition.

between scale economies, transport costs and the size and relative location of output and input markets, and (b) the mobility of labour. Countervailing centrifugal forces stem from three sets of factors. The first is the relative immobility of land-based agricultural activities, natural resources and the population they support. This immobility creates an offsetting incentive to locate establishments where there are few local competitors. The second is the ordinary operation of factor markets: wages and rents are higher in the neighbourhood of existing centres of economic activity; high costs can encourage activities to locate in areas where costs are lower. The third is external diseconomies. What is important to stress is that, in this perspective, development derives from the spatial interaction between production and demand more than from the initial resources endowment. Increasing returns emerge, first, within firms; later, they become external economies mainly in the form of pecuniary externalities and costs advantages within markets. In other words, agglomeration creates externalities that are augmented by firms' interaction exploiting internal economies of scale (Capello, 2004). As suggested by Krugman himself, the NEG is essentially a stylised, macro-economic perspective concerned with the explanation of growth at the aggregate level rather than with the analysis of tangible and intangible factors contributing to growth. No attention is, in fact, paid to the material and immaterial factors that, thanks to proximity and reduced transaction costs, might impact on productivity and to relational capital. As such, this theory has very little to offer to a territorial analysis as the latter emerges only as the space where economic dynamics take place. At the same time, consideration of history is made but it is treated as exogenous (Krugman, 1999 quoted in Dunford and Greco, 2006).

More convincing explanations of localised economic and industrial dynamics have been offered by a number of heterodox economists. According to Perroux (1961), the economic space is dominated by agglomeration forces and, as a result, it tends to be organised around development poles. In this view, the territory is characterised by an uneven distribution of tangible resources (physical infrastructures, services, capital and human assets, etc.). By exploiting such resources, leading firms act as propulsive actors, also affecting investment decisions of other firms functionally linked to them. The role and dynamism of leading firms is central to the agglomeration dynamic and, consequently, to local development processes. Production agglomeration in fact produces a series of effects: direct effects on salaries and local demand, indirect effects on the creation of new firms and services; and multiplier effects, for instance, on the rise of new activities that are important for the population living in that area. In this perspective, therefore, local development is conceptualised as a polarised and relational process benefiting the most endowed localities.

But maybe the strongest argument for LDA comes from the reality of *industrial districts*. The contribution of the well-known Italian literature on industrial districts to local development has therefore been of paradigmatic importance: the discovery of 'local societies' (Colasanto, 1993) has provided a completely different perspective of development able to overcome the traditional dichotomic categories of tradition vs. modernity, community vs. society, economic vs. social action. In this perspective,

development depends on a unique mix of immobile resources, of economic and socio-institutional nature that are in certain areas and that assume a functional coherence. For this reason, they become immobile or scarcely productive elsewhere. The territory therefore is supposed to generate localised advantages, reducing the costs of transactions but especially increasing the efficiency of factors of production.

From the enormous amount of socio-economic literature on the topic, three distinctive dimensions emerge to characterise the Marshallian district model: (a) the economic and production dimension, (b) the socio-cultural dimension and (c) the institutional dimension, connecting the structure of production and the social fabric of the area (Sforzi, 2005; Colasanto, 1993; Becattini, 1989, 2000; Dei Ottati, 1995; Trigilia, 1992; Bagnasco, 1977; Brusco, 2008; Seravalli, 2006). This model of local development combines the features of a production, of a spatial and a social model: the territory and the society are strictly connected and mutually interdependent and therefore cannot be easily detached (Garofoli, 2002). Each of these dimensions displays specific, immobile, resources and mechanisms characterising the local area and distinguishing it from others (Seravalli, 2006; Ciapetti, 2010).

First, in the district there is a population of firms (Becattini, 1989) that are linked by a dense network of input-output. Firms cooperate, but also compete, towards the realisation of a single product. Given their abundance, SMEs tend to create external economies, although internal to the area, made of collective goods, services and infrastructures, working towards the support of incremental innovation. Districts' activity depends precisely on the capacity to produce collective goods that a single firm cannot produce due to its limited dimensions (Trigilia, 2005). The district therefore is home to relatively abundant and immobile resources made of firms working for specific production processes (Seravalli, 2006).

Second, local development is based on the presence of highly specialised workforce. Workers hold cognitive and tacit professional knowledge – a localised ability to make -, share language and practices, often transmitted through personal relationships, allowing them the adaptation of codified knowledge to specific production problems. In addition, they are flexible and able to adjust to different tasks. These features of the area's human capital derive from their common production history and traditional values (Becattini and Rullani, 1993; Dematteis, 2001).

Third, resources and mechanisms indicated above work because they are intertwined with specific and homogeneous communitarian values, such as work ethic, attitude to entrepreneurship, artisanal mentality, attitude to cooperation but also to competition, acquisitive mentality, flexibility, reputation. Transmitted by a number of institutions from the family to workers associations, to political parties and other institutions, these values increase the reliability of transactions, but especially they increase mutual trust. Values are therefore another type of resources, allowing the district socio-economic production and reproduction.

Finally, local development in the district model is ensured by the existence of institutional resources. The presence of previous political sub-cultures has had a twofold

impact in that they have reinforced trust relationships between firms and workers and they have influenced both industrial relations and institutional activity. Industrial relations have a localised and cooperative character, whilst local institutions have historically supplied collective services and infrastructures to sustain development (Trigilia, 1991). In addition, they have favoured the social acceptance of the district model, regulating the system of prices and redistributing income (Arrighetti and Seravalli, 1999; Trigilia, 1992; Bagnasco, 1999).

A series of economic, cognitive and socio-institutional resources, spatially localised, allow the working of the district and confer it an identity. A special role is assumed by social capital (Putnam et al. 1993; Coleman, 1990; Bagnasco et al. 2001). For economists, it refers to the rules, behaviours, and relationships that facilitate exchanges and innovation and therefore affect the process of development. On the one hand, social capital should be considered as an asset or a stock that generates beneficial effects on the economy. On the other hand, evidence suggests that it can be accumulated only through slow historical processes. As suggested by a number of scholars (among others, Bagnasco, 2002; Camagni, 2002), rather than trying to measure it and add it to other factors of production, social capital can be more usefully considered as a public good producing positive externalities for the whole economy. It can act along the formal-informal continuum, but also along the micro-macro one. To sum up, cognitive and socio-institutional dimensions, territorially concentrated, have an effect on economic activities as resources are fully employed and made much more efficient.

More or less in the same vein research on *scientific parks, technopoles, innovative milieux, regional systems of innovation and clusters* has also highlighted the importance of geographical agglomeration for contemporary economic development; in these streams of literature, in contrast to the district model, the territory becomes a source of dynamic efficiency for economic activities (Capello, 2004). Two complementary factors have accentuated the importance of territories for firms: the globalization process and the emergence of a knowledge-based economy. Knowledge in particular occupies a central position at the heart of post-industrial and tertiary societies as it lies at the basis of innovation and entrepreneurship (Rychen and Zimmermann, 2008; Foray, 2000). Faced with the imperatives of competition and in the context of globalization, firms are urged to gain competitive advantages via innovative products, processes and technologies. What renders it possible innovation is firms' knowledge base. Recent research has therefore focused on the way in which knowledge and innovation are deemed to occur. Although with different nuances, a vast array of studies suggest that innovation depends on people, on their accumulated knowledge and capabilities gained through education and experience; nonetheless, for knowledge to be built, accumulated, reproduced and exchanged, a necessary condition is the territorialisation of interactions (Lundvall and Borrás, 1997; Cooke and Morgan, 1998; Malmberg and Maskell, 1999; Isaken and Haug, 2002)². Proximity among actors (mainly firms) is essential for

² Research on innovative milieux, from the GREMI group (European Research Group on Innovative Milieux) in the eighties, tends to give greater emphasis to the role of formal and informal relations between firms and suppliers, between public and private actors, institutions and organisations with regard to the technological development of a given region or particular geographical area (relational proximity).

knowledge to be produced, exchanged and modified and for learning to occur. The information-intensive nature of technological activities and the need of face-to-face interactions favour those places that can offer high level of competences and human capital, academic and cultural activities, research and development centres, external communications, etc. Further effects are due to increasing returns. Conceived as a semi-public and collective good, knowledge is supposed to 'spill over' from its initial source and to spread over, by producing the so-called knowledge externalities. In general terms, intangible links or untraded interdependencies (Storper, 1995) exist in such localities and they are as important as more traditional externalities.

Innovation therefore does not depend on embedded traditional knowledge and routines, but on the continuous creation of knowledge, creativity and experimentalism. Spatial proximity appears to play a fundamental role especially with regard to tacit knowledge, the one that cannot be easily formalised (Polanyi, 1967). Local development therefore depends not only on the activities present in an area, but especially on relational and institutional resources that can be activated by firms to foster their innovation capacity. As explained by Storper (1997), such resources should be considered of key relevance for organisations and for territories which owe them; they are even more important than the stock of physical capital since the process of their production and reproduction is extremely slow, and costly and in some cases impossible to imitate.

Focusing their work specifically on this topic, Malmberg and Maskell (1999) explain that the development of industrial agglomerations and innovative clusters can be explained (and is also a consequence) as the outcome of localised innovative learning. Clusters represent a mediating environment that support inter-firm relationships and higher level of untraded interdependencies (Porter, 1990; Rosenfeld, 2007). Tacit information and knowledge about new technologies, products, markets and services are gleaned from personal relationships and collaborative business arrangements; knowledge flows or leaks unintentionally. Proximity allows these interactions to work: it is the driving force of agents' interaction and coordination (Pecqueur and Zimmermann, 2004; Gilly and Torre, 2000). Favoured by spatial proximity, the development of localised capacities acts as a catalyst of new activities and firms, which in turn increase learning activities, following a reinforcing dynamic. The choice to implement a number of policies promoting the concentration of innovation activities, particularly within local systems of innovation, relies precisely on this stance (Torre, 2008; Porter, 2000). From a transaction costs perspective, Storper and Venables (2004) suggest that such places correspond to buzz environments. These are characterised by high level of formal and informal interactions that have beneficial effects on regional innovation and development as they ease coordination problems and avoid free riding

Studies on technopoles highlight the advantages of co-locating innovative and high tech firms in the same territory not only because this would lead to a concentration of potential for research and innovation, but also because this would enhance cooperative relations among such firms. Similarly, regional innovation systems assume that firms are inserted into local networks on the basis of technological complementarities; at the same time, they require a specific institutional set up, including companies and local scientific and research structures (institutional proximity) (see Capello, 2004).

behaviours. Buzz environments are also important as they become local connections of global networks.

In the perspectives reviewed in this section, development depends on a concentrated territorial organisation in which socio-cultural and institutional factors are intertwined with economic factors, contributing to the success of the local economy. First, the territory constitutes an economic resource, an autonomous factor, an active element of development that generates static (in the Marshallian district) and dynamic (in clusters, according to a neo-Schumpeterian vision) advantages. Second, it assumes a relational connotation: for market mechanisms/production processes/ innovation activities/ economic advantages to take place; the presence of specific socio-institutional and cognitive characteristics is of strategic importance. Such characteristics connote the area and bestow an identity to it. It deals with dense networks of relationships that emerge with time through practices of socialisation and learning: they represent the configuration of the area where they are more easily found, activated and reproduced. The process of local development is therefore a systemic process. In this sense the LDA has overcome the mere rediscovery of space, even if, the territorial dimension remains absolutely fundamental.

1.2.1.3 The World Bank approach

A good example of a LDA that is basically mainly if not only concerned with the territorial dimension has been developed by the World Bank.

The *World Bank* has a specific area devoted to local development initiatives, called the *Unit for Urban Development*, which since the 1990's has fostered the program LED (Local Economic Development, www.worldbank.org/urban/led) and the network *Cities of Change*, designed to give support, advice and share knowledge related to local economic development strategy. Recently, the *World Bank* has launched the *Urban and Local Government Strategy* which delivers some precise instructions for urban governments to promote economic and social prosperity.

The World Bank's approach on LDA came also as a reaction to 1940's to 1970's views of regional development. If the old view on development made emphasis on public investments in transport facilities and subsidies for national heavy industries, the new approach is based on four premises:

- the local level of government has an essential role for economic development.
- LED requires a global strategy and local economy assessment.
- the most important and effective local economic development activity that a municipality can undertake is to improve the regulatory processes and procedures to which business are subjected. So, the main activity that local government can undertake is to establish the best conditions for business.
- Successful private enterprises and productive public-private partnerships create wealth in local communities. Therefore, the task of governments is to offer support to private initiatives.

The possible aims of this strategy are listed as follows:

- Ensuring local investment climates and functional environments for local business.
- Supporting small enterprises.
- Encouraging the foundations of new enterprises.
- Attracting external investment.
- Investing in physical hard and soft infrastructures.
- Supporting particular clusters of business and new emerging business.
- Regenerating cities.
- Targeting certain disadvantaged social groups.

Local development is therefore conceived mainly as an economic process, in which social and cultural aspects are mostly considered as by-products. The LED Strategy aims to create the kind of environment that businesses need to grow and expand leaving little space for other concerns: *“The purpose of local development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation”*. (Swinburn, Goga and Murphy, 2006).

1.2.1.4 Strengths and weaknesses of a territorial approach

A territorial focus for social and economic development programmes has a lot of appealing aspects that were largely already mentioned in the previous pages. Even beyond the more theoretical arguments, it simply makes sense to state that the main strengths of a localised development policy are:

- in the first place the fact that the efforts are more focused and therefore the use of resources is potentially more efficient;
- and in the second place the possibility to take into account the specificity of the territorial system (typically its main underexploited resources), thus reaping the competitive advantages of specialisation.

However, the consideration of the territorial dimension has a number of disadvantages that represent the weaknesses of a LDA that pays attention only to this element.

The first weakness resides in the fact that improving the competitiveness of a territory can also mean decreasing the chances of success of others. While LDA is ideally conceived as a chance for freedom for localities and territories, others see it as a forced answer to an increasingly challenging global environment: *“What are the options for the people, firms and communities in the localities and regions that are struggling with the new economic situation? What approaches can be taken to address the weaknesses that limit the economic potential of individuals, firms and territories globally? People, firms and societies may need to raise their awareness of –and become more capable to*

respond to and, perhaps, more able to shape- the challenges presented by the new economic conditions. Within an increasingly dominant and pervasive capitalist global economy, an increased capacity to respond and adjust to global challenges necessarily implies endowing individuals, firms and territories with the factors that will allow them to place their skills, products or services in the global marketplace and to compete with others. Alternatively, it may mean constructing shelters and bulwarks against the harsh forces of global competition by forming assets and resources focused upon local and regional needs and aspirations” (Pike, Rodríguez-Pose and Tomaney, 2006 p. 12).

It's a fact that, in the era of global flows, the criteria of success in development can be hardly set by the locality itself. But, paradoxically, the LDA attributes the local institutions and agents the responsibility for the actions and for the results of development. This is why LDA also entails a shift from the duality rich-poor (have/have not) to the duality winner-loser, and the consequences of being a loser are probably harder than those of being simply poor, because you take the blame for your misery and nobody feels obligated to help you. So, although the LDA much praises cooperation, this new scenario is set for a harsh competition between cities and between territories, a competition that, in principle, can take multiple forms, from the crude lowering of social and environmental standards to sophisticate and costly marketing and branding strategies.

Possibly, the main problem of the LDA lies in the unsolved tension between competition and cooperation. What is prevalent and what should be prevalent? Is LDA a mostly win-win game or is it mostly a zero-sum game? The answers to these questions are fundamental for the future prospects of the LDA.

If competition is prevalent and no coherent concept of territorial (regional and local) development exists, what we can expect from LDA is a continuous generation of development winners and development losers. And very hard questions will be posed: what are we willing to do with its *loser territories*? How are we going to cope with the explosive potential of a diversity that turns into inequality? And what could and should do a regional, national or supranational development policy against this? As A.J. Scott already wrote in 1998, the question is “*how, in a prospective global mosaic of regional economies, individual regions can maximize their competitive advantages through intra-regional policy efforts while simultaneously working together collaboratively to create an effective world-wide inter-regional division of labour with appropriate built-in mechanisms of mutual aid, and especially with some modicum of collective assistance for failing or backward regions*” (Pike, Martínez-Pose and Tomaney, 2006, p. 266).

The second weakness is the simple reflection of the fact that the ability to trigger cumulative causation is very often elusive. It is apparent that the industrial district paradigm refers to a largely spontaneous process of economic development, relying on tacit factors that acquire value as they are incorporated in new products. Immobile resources and socio-institutional capitals have a consistent geographical and historical specificity. As such, it downplays other forms of local development as well as the possibility that tailored policies and interventions can reproduce the conditions to foster economic growth especially in less developed areas (Provasi 2002). Initially dismissed,

the question of the reproducibility of the local development model has later been overcome not only because of the variety of systems of production existing all over Europe (see Crouch et al., 2004; OECD and DATAR, 2001), but also because of the rapid emergence of territorially based policies, seeking precisely to promote local development: e.g. Italian territorial pacts, the EU employment and territorial pacts etc. In this perspective, local development still refers to the economic development based on small and medium manufacturing industries in a small territory, often forming networks of companies. Nonetheless, processes of local development are fostered by policies' interventions providing support to economic activities via the improvement of institutional contexts. The underlying idea is that in many areas, especially in the lagging ones, tangible resources are likely to exist, but they combine with institutional inefficiency in what can be considered as an underdevelopment equilibrium. In particular, the insufficient use of production assets is deemed to be due to the incapacity to produce collective goods (Consiglio italiano per le scienze sociali, 2005). As underlined by Barca (2006; 2009), the failure of the market consists precisely of the incapacity to produce collective goods as latent groups do not have enough incentives to act, even if they share common interests. In addition, as such interests are not clear enough, it becomes difficult to intervene. It is in this precise context that the role of central institutions (State or regional governments) becomes of fundamental importance. The aim is to unlock the specific potential of local territories through the production of collective goods rather than of physical infrastructures.

1.2.1.5 How local should be the local development approach?

Before concluding this analysis, it is necessary to emphasize how the fact of focusing on the territorial dimension makes absolutely crucial the question of the "right" size of the place. On the one hand, it is apparent how a territory too large makes it very difficult to fulfil the other requirements of LDA.

However, on the other hand, it is mostly the literature on rural development that has pointed out how strategies focused on too small units of territory can possibly promote improvements in the short term, but are unable to establish a sustainable, coherent and long-term pattern of development (Moyano Estrada 2009, Moscoso Sanchez 2005).

Therefore one first dimension on which is possible to distinguish the different LDAs is the question of the size, putting on one end of the continuum the dimension of the individual community and at the other extreme the regional dimension. In the language of the European statistics this means from NUTS3 to LAU2 even if it likely that the main dimension will oscillate between NUTS3 and LAU1.

Obviously linked to this question is the problem of who decides the borders. However, this shifts the attention from the territory to the actors and is one of the points on which we will come back in the last section of the Literature Review.

1.2.2 The integration imperative

1.2.2.1 Towards an holistic dimension of development policy

A second feature of the LDA, according to the literature, is the fact that it predicates the need to act simultaneously in a number of different policy fields. By recognising that competitiveness depends on the territory as a whole, territorial development takes a strategic approach. It encourages local authorities to take an active role in coordinating with other actors to stimulate competitiveness. A key feature of territorial development is therefore its **holistic approach**, notably **integrating sectoral policies at territorial scale**, promoting economic and institutional transformation and strengthening linkages within and outside the territory itself.

This dimension of co-ordination and integration obviously is linked to the territorial element: the underlying assumption is that only at a local - however defined - level it will be possible to develop the level of cooperation between decision-making agents that represents one of the cornerstones of economic development.

1.2.2.2 Why integration?

Asking which are the theoretical reasons underlying this move towards integration is sometimes considered a strange question. According to a vast literature on planning and management, integration and coordination are by definition a good thing as they define a situation in which there are no conflicts, no important gaps, the interrelations between the different activities are synergic and overlaps do not occur.

At a more normative level is the evolution from a concept of economic growth to one of socio-economic development that asks for integration.

In fact, the connection between growth and development has been seriously challenged, as new, more refined indicators of quality of life have been designed and applied to determinate the degree of well-being of the world's population, and have found out that the fastest growing countries are not always the most developed in human terms³. All this explains the claim for a new balance between the manifold aims of development – less material and quantitative, more immaterial and qualitative.

As it becomes clear that a purely economic understanding of development misses the point of what is development for, an increasing number of voices say that LDA's discourse and actions should fully stand for "*a multidimensional concept of change bringing together economic, social, cultural and environmental dimensions; with innovation across and in the spaces between these dimensions*" (ADETEF, 2010, p. 10). Moreover, its aims should be "*improving quality of life, supporting or accelerating empowerment of ordinary people, developing or preserving local assets, overcoming market failures, strengthening cohesion, and defining and delivering grass-roots development projects*" (ADETEF, 2010, p. 10).

³ See the Inequality adjusted Human Development Index of 2010 <http://hdr.undp.org/en/reports/global/hdr2010>.

All this obviously asks at least for policy integration, both sectorally and at different territorial scales. The need to exploit the synergies between public policies and private interventions goes in the same direction.

In a more analytic way, we have already pointed out, in the case of industrial districts and of the innovative milieux, the importance of human capital, i.e. of the existence of a skilled workforce as well as, more in general, of the existence of relevant knowledge in the population at large. Some models of endogenous growth - associated principally with Romer (1990) and Lucas (1988) - point out how the relative performance of different regional economies depends on the relative weight of two sets of forces. On the one hand, there is a set of centrifugal forces, of which one of the most important is the transfer of technological and organisational knowledge to less developed areas or less advanced enterprises. On the other, there is a set of centripetal forces that arise as enterprises and areas that are developed create new sources of competitive advantage through, in particular, further investments in knowledge and skills. The presence of human capital becomes therefore a key asset for territories in the context of international competition; this is both because it improves existing economic activities but also because it attracts new ones in the area. Human capital embeds competences and knowledge; more importantly, these factors can evolve innovatively when they intertwine with creativity and entrepreneurship (see also Dunford, 2002).

This implies that the development policies, in order to be effective, should combine monetary transfers - for instance incentives for start-ups - with training and educational policies, overcoming the separateness of the existing policy communities. Obviously the same goes with other different policies, as the infrastructural one.

1.2.2.3 Local development as policy integration: some experiences

If we now look at the concrete experiences of policy integration at the local level we are confronted with a plurality of examples.

Some of them are characterized by the fact that they are derived from sectoral policies "discovering" the need for inter-policy coordination and/or integration at the local level.

The clearest and oldest example is probably to be found in the field of **rural development** with the LEADER initiative. Its name (coming from the French *Liaison entre actions de développement de l'économie rurale*) is indicative of a commitment to an integrated approach, that "...emphasises locally-based, bottom-up approaches for rural development with a strong focus on multi-sectorality. Central to the participative, partnership-working method is the requirement to set up Local Action Groups (LAGs) of public and private stakeholders to identify development needs within their rural communities and to develop and test small-scale, innovative projects to tackle the identified needs. These distinctive features, commonly referred to as the "Leader method", are often singled out as generating significant added value, notwithstanding several non-trivial challenges (Barca 2009, p. 126).

But the same goes in other sectoral policies:

- in **urban policies** where one has to mention the URBAN initiative in the programming period 1994-1999, renewed in 2000-2006 (URBAN II). The strength of URBAN seems to lie in the fact of focusing not on cities as a whole but on specific neighbourhoods aiming at fighting against social exclusion at the local level by promoting place-based approaches and integrated strategies. A proof of the ongoing interest generated by the European urban policies, is the launch of the JESSICA (Joint European Support for Sustainable Investment in City Areas) initiative, developed by the European Commission and the European Investment Bank that enables Member States to use part of their EU funding (the so-called structural funds) to make refundable investments in urban environment.
- in **environmental policies** where one has to mention the key role given to local governments in the Local Agenda 21 movement. The same goes in the European environmental policies, as “..municipalities have been one of the main beneficiaries of environmental measures funded by the ERDF as it has been a major channel to cover local infrastructure to ensure final services”; moreover “some good examples of integrated action plans have been reported at local level” (Ex post Evaluation of Cohesion Policy Programmes 2000-2006 co-Financed by the European Fund for Regional Development (Objectives 1 and 2) – Work Package 5b: Environment and Climate Change, 2009, pp. 136; 138).

One can find this emphasis on policy integration in several other sectoral policies as in the fight against social exclusion (think of the EQUAL Initiative), in the field of employment policy (think of Territorial Employment Pacts), of innovation and R&D policy, in territorial cooperation policies, etc.

What all these experiences have in common is basically the fact that from one overarching concern they evolved by understanding the interconnections with other policy problems and trying to tackle them simultaneously in a specific territory. *Policy integration* is considered as a necessary condition for the success of sectoral initiatives.

At a more general level one can think of the model of LDA popularised by OECD who considers “*local development (...) a wide ranging concept that can be seen as a process through which a certain number of institutions and/or local people mobilise themselves in a given locality in order to create, reinforce and stabilise activities using as best as possible the resources of the territory*” (OECD, 2001, pp. 22). This organisation has created a line of services to give advice, to evaluate and to guide projects of local and regional development. These tasks are carried out in the context of the LEED programme⁴. The LEED methodology includes the dimensions of strategy, operational structure and actions or projects, as we can see in the following table.

⁴ http://www.oecd.org/department/0,3355,en_2649_34417_1_1_1_1_1,00.html.

Table A: OECD's methodological recommendations for Local Development

Levels of the LEED	Dimensions
Strategy building	<ul style="list-style-type: none"> – Clear framework – Strategies tailored to local circumstances – Consultation – Endogenous Development – External Linkages – Sustainable Development – Integrated Solutions – Flexibility and feedback
Operational Structures	<ul style="list-style-type: none"> – Partnership – Capacity building with local agencies and people – Careful recruitment and training of staffing – Viable and autonomous structures – Leadership – Local empowerment – Strategic financing and multiple sources – Gradually starting and development of structures
National and regional actors	<ul style="list-style-type: none"> – Decentralization – Technical Support – Coordination – Flexibility in the local application of national or regional plans – Dissemination of good practice – Funding
Evaluation	<ul style="list-style-type: none"> – Statement of Rational. The justification of the program and its relevance to local needs. – Statement of objectives. Specific objectives that can be measured for each program and project. – Data collection about expenditure, activities and outputs. – Pre-established procedures for evaluation. – Assessment of impacts or outcomes, and the accomplishment of objectives (outputs). – Alternatives – Feedback.
Mechanism for Policy Exchange	<ul style="list-style-type: none"> – Seminars – Publications – Networks of Local Development Practitioners

In fact, the OECD approach strictly resembles a mechanism of (territorial) strategic planning with its emphasis on long term goals and strategies, involvement of all the relevant actors of a territory. Not surprisingly, then, the "good practices" pointed out by the organisation reproduce some of the most common recommendations of the literature based on a rational (synoptic) planning⁵, as for instance (OECD, 2010):

⁵ For a discussion on the characteristics and limits of the rational planning, see Boyne et al, 2004.

- Clear understanding of local requirements and needs.
- Leveraging pre-existing strengths.
- To design a good system of communication among actors.
- Clear leadership.
- A certain separation between strategy and policy making and their implementation.
- The feedback, flexibility and continuous recalibration of the process.

1.2.2.4 Strengths and weaknesses of integration

The advantages of integrated planning are apparent. The possibilities to exploit the synergies between the different sectoral policies should certainly increase the efficiency and the effectiveness of the interventions. The ability to bundle together in a meaningful way different types of interventions, to combine efforts to stimulate growth with the attention to the social and environmental consequences, as well as the possibility to exploit the specialised knowledge embedded in the different policy communities, are all very important, one could say fundamental, aspects of the LDA. Only to make an example, it is exactly this aspiration at comprehensiveness that is able to prevent the failure of big investments to generate a balanced, socially acceptable and environmentally sustainable development.

The importance of integration in bringing about added value to cohesion policy has been pointed out by many evaluations. Thus for instance in the case of the Urban initiative evaluation there was *"strong evidence of integration within URBAN II programmes, both at a thematic and project level. There are many examples where projects have addressed multiple objectives, across the economic, social and physical themes. These include physical projects that have bought a redundant building back into use for economic benefits or a community childcare project that has also reduced a large barrier to employment for local women"* (ECOTEC 2010, p.129). Furthermore *"The integration of URBAN II with other programmes has added to the impact of URBAN II, allowing for a pooling of resources and a forging of links with other policies and programmes. There are examples where URBAN II has been integrated with national programmes and also with the mainstream Structural Funds to provide more 'flexible' resources that were targeted at specific local neighbourhoods (whereas the mainstream programmes tended to have a regional or sub-regional focus). In many programme areas URBAN II played a central role in providing the conditions for integration, mostly through partnership working and in getting individuals across departments and agencies to work together"* (ECOTEC 2010, p.129)⁶.

However a strong emphasis on policy integration has also some disadvantages. For instance a totally integrated programme runs the risk of fragility: if all its parts need each other, the defection of one relevant actor, representing a specific policy concern,

⁶ http://ec.europa.eu/regional_policy/sources/docgener/evaluation/expost2006/urban_ii_fr.htm.

can endanger the whole construction. Obviously, given the inevitably long time lag between the inception of the programme and its completion, the possibility of exogenous shocks has to be considered and this is the reason why the literature recommends to complement the integration imperative with a strong amount of flexibility.

However, maybe the bigger weakness of too much emphasis on integration is represented by the fact that it asks for an institutional and administrative capacity often beyond the possibilities of the local actors it wants to involve. Increasing integration means increasing complexity and it cannot be given for granted that the partnership activated is able to cope with it. For instance, in the case of environmental policies the effectiveness of LDA was hampered by the fact that *“territorial planning capacities were too centralised in some countries while in others, a lack of adequate capacities for developing a territorial vision of the area was seen especially at regional/local institutional levels”*. The problem of the limited capacities seems to be very relevant and pervasive in this policy field. As a result of it, *“...programmes covered a large set of environmental projects, most often coherent with sectoral plans but geographically dispersed and showing poor integration between each others and with other measures or axes of regional/local policies”*. Therefore the final recommendation to the Commission for the next round is that it *“should make sure that local and regional authorities have sufficient experiences to manage environmental policies and climate-friendly interventions”* (Ex post Evaluation of Cohesion Policy Programmes 2000-2006 co-Financed by the European Fund for Regional Development (Objectives 1 and 2) – Work Package 5b: Environment and Climate Change, 2009, pp. 138; 139; 151)

1.2.2.5 Which type of policy integration?

As we have already pointed out the experiences of policy integration that can be included in the LDA are different. By and large the main distinction is between the policy integration that is brought about by the need to increase the effectiveness of a sectoral policy and the policy integration that stems from a comprehensive approach to the problems of socio-economic development of a given disadvantaged area.

In the first case the main thrust of the approach goes in the direction of addressing one specific policy problem albeit considering different aspects of it and taking into account the possible consequences on the problem itself of other policy actions. Typically in the case of environmental policies in order to achieve greater sustainability one has to take into account the physical structure, the main economic activities, the consumption patterns of the households, but also the level of environmental awareness of the population at large and/or of some specific target groups. But the existence of a sectoral focus at the same time influences the governance structure - as the actors in charge of the sectoral policy will in all probability be part of the relevant policy community - and influences the criteria for the assessment of the policy or the programme.

In the second case the policy integration is made around a specific territory, basically taking into consideration all the aspects that are potentially able to help triggering the endogenous economic growth and/or are requested by the different policy actors. In this

case the coalition will probably be much larger, with the problem of understanding how to establish the priorities, how to involve the different participants, how to assess, in the short and in the long term, the actual success of the effort.

1.2.3 The strength of cooperative behaviours

1.2.3.1 Involving local stakeholders and forging partnerships

The third, and possibly the most original, element of the LDA consists in the assumption that socio-economic development requires the mobilisation and the co-operation of local actors and the forging of stable partnerships between them. According to some part of the literature (see for instance ADETEF 2010), we can actually speak of local development only if there is a mobilisation of local actors. LDA appears to be, in essence, a social and a political process, based on the primary attribution of the decision-making capacity to define a course for the future of a particular local setting to the stakeholders living in that place. Under a LDA, ideally local actors work on the development of their place voluntarily and without being subordinated to external political decisions (Rofman, in: Rofman and Villar, 2006, p. 38), and what counts most in this process is the correlation of forces that binds the different social sectors that live in that place⁷.

Actually things are more complicated than that. As it has been noted "*there are innumerable types of partnership operating at every spatial level from global strategy through neighbourhood delivery of essential services. Some are official. Others are bottom-up. Some command powers and resources, others are flaccid talking shops*" (Menziez 2010).

However, as in the case of policy integration, and basically for the same reasons, the dimension of co-operation is linked to the territorial element. Significant evidence shows that individuals/companies behave in a highly cooperative way in situations for which the standard economic theory of rational payoff maximization predicts strictly selfish behaviour. The most convincing approach to explaining the phenomenon of cooperation is the existence of conditional cooperative behaviour (Schikora, 2011). This obviously refers to the theory of the Transaction Costs (TC), based on the work of Coase, developed by Williamson (1975), and it stands to reason that these TC should be lower at the local level, as the proximity facilitates the exchanges, also for the reasons that we will see in the following chapters of this review.

1.2.3.2 The importance of local actors cooperation

The fundamental importance of the mobilisation of local actors was pointed out as early as 1974 during a conference in Mexico, giving rise to the approaches labelled as basic

⁷ Notice that the "local" in LDA does not refer to something tiny, parochial or localist, but to the common condition of a population that shares a history of settlement and face to face daily life - more or less unequal, more or less conflictual or supportive - , in an area of variable size, whose problems are instantly interconnected, and from where it links to other towns or micro-regions, and to its broader regional or national environment. See Coraggio (1), in: Rofman and Villar, 2006, pp. 24.

needs and self-reliance. At their basis laid a theoretical paper written by Dudley Seers in 1969 entitled the “Meaning of development”. On the basis of economic models, it was showed that the eradication of poverty and an equal distribution of income and other resources would ensure positive development outcomes. To achieve these goals, it was suggested that dependency from external resources should be reduced in favour of local productions: the underlying idea was that factors affecting development, i.e. from physical infrastructures to the workforce, are rather immobile and therefore should not depend on external decisions. Development should be seen primarily as an endogenous process. *“It (self-reliance) simply implies the autonomy to establish proper objectives and achieve them using one’ own efforts, using one’s own forces including economic factors. In general terms, the way to fight economic penetration is not a reverse penetration, trying to do what the centre has always done with periphery, but it is to become autonomous”* (Galtung et al. 1980).

The self-reliance approach came therefore from the periphery and the local dimension had a central relevance within it. It meant to valorise local decisions, resources and actions. What is important to stress is that, during the 1980s and 1990s, the World Bank adopted these alternative perspectives on development which, in its view, had to complete the effects of macro-economic policies. Later on, when the debt crisis of the Third World emerged and adjustment policies launched by the International Monetary Fund prevailed, such approaches became NGOs’ flagship.

We have already pointed out a second set of explanations of the importance of co-operation when we were talking about the industrial districts, and the production of collective goods, achieved through the co-operation of local actors in a territory.

Cooperation is the focus of Elinor Ostrom’s work (2006). She analyses the conditions leading to collective action. Specifically, her contribution lies in an original interpretation of the mechanisms governing the use and exploitation of common goods. In the face of the dichotomic choice between the State (collectivism) and the market (privatization) for the management of common goods, she suggests a ‘third way’. The existence of a community and, more precisely, the secular consolidation of common rules within it, allows the exploitation of local resources, but at the same time, implies obligations on the individuals, which are required to take care of the management, maintenance and reproduction of those resources. It is the respect of those rules that leads to the inclusion or exclusion from the community. Ostrom’s communitarism emphasizes the key role of the community, of its participatory decision-making and of its organised civil society. In this perspective, therefore, a fair behaviour does not emerge only on the basis of a rational calculus but primarily from rules that are perceived as fair by the community to which an individual belongs. According to Ostrom, there exists evidence that people inherit a capacity to use social and reciprocity norms to solve common problems. Reciprocity implies to react positively to positive actions and negatively towards negative actions and behaviour. The quest is to enrich collective decision-making by sustaining collective participation from the initial to the final stage.

This, in turn, points in the direction of the notion of social capital.

There are two influential streams of thought concerning the notion of social capital.

The first one is represented by scholars as Putnam and Fukuyama, among others. It interprets social capital as norms and values. Such an interpretation tries to explain why it serves as a factor that can foster economic development. For Putnam, “*social capital embodied in norms and networks of civic engagement seems to be a precondition for economic development, as well as for effective government. Development economists take note: Civics matters*” (Putnam 1994). According to Fukuyama, the economic function of social capital is to reduce the transaction costs associated with formal co-ordination mechanisms like contracts, hierarchies, bureaucratic rules, and the like: “*The fact of the matter is that co-ordination based on informal norms remains an important part of modern economies, and arguably becomes more important as the nature of economic activity becomes more complex and technologically sophisticated*” (Fukuyama 2001).

If, according to this interpretation, we assume social capital as norms and values that enable participants to act together more effectively to pursue shared objectives (Putnam 1995), we should conclude that a local development approach works only where resources of social capital already exist, or where it can be maintained or strengthened.

For our reflection, the crucial point regards the relationship between local development approach and social capital. The position that we have just mentioned states that the relation is unidirectional: the latter is a precondition for the former.

A different position states, on the contrary, that the relationship is biunivocal: the former mobilizes the latter, the local development approach uses but also builds the conditions to reproduce social capital.

This is the position, whose main representative is Pierre Bourdieu that interprets social capital as networks of interaction. According to Bourdieu, the existence of a network of relations is neither a natural nor a social fact, but the product of an establishment and maintenance work necessary for creating and reproducing long lasting and useful relations likely to provide material or symbolic profits. In other words, the network of relations is the product of investment strategies consciously or unconsciously oriented towards the creation or reproduction of social relations directly expendable on short term or long term. This means that they can be used for transforming contingent relations, such as neighbourly relations, working relations or family relationships, in necessary and facultative ones. This implies long lasting obligations subjectively felt (gratitude, respect or friendship) or institutionally ensured.⁸

This interpretation, giving emphasis to the interactive dimension of social capital, introduces two crucial elements:

⁸ Bourdieu (1980) defines social capital as a group of current relations or potential ones, which are related to being part of a network of long lasting relations more or less institutionalized on the mutual knowledge or mutual gratitude. In other terms, social capital refers to belonging to a group, defined as a set of agents, which have not only similarities (that can be noticed by an observer, the others or themselves) but are also linked by continuous and useful relations.

- social capital is localized, it is rooted in a place. The extent of such a place can vary deeply, from a neighbourhood to a region. It rarely coincides with administrative boundaries, unless if such boundaries have an historical background. The “space” of social capital is socially constructed and has to make sense for the actors.
- social capital is the set of resources, capabilities, endowments that can be used to make a joint action possible, and the process to reproduce it as well.

Having in mind such characteristics, we could affirm that social capital is a key-component of local development approach. The mobilization of actors therefore is:

- a precondition to detect the presence of social capital,
- an outcome of the social capital existence, and
- the factor that allows its reproduction.

So, a new question emerges: if the local development approach has a relation of co-evolution with the social capital, which are the means that could induce or favour the mobilization of actors?

One of the first answers that come to the mind regards the role of institutions.

The New institutional economics (NIE) posits that institutions (i.e. norms, rules) influence economic activities and development as they favour the reduction of the costs of transaction within economic processes or, more precisely, the costs of using the market. By guaranteeing contracts and obligations, by solving firms’ legal problems and governance, by regulating conflicts and monopolistic practices, institutions create a favourable environment for businesses; this in turn becomes a catalyst for the localisation and cooperation of other companies. According to North (1997), institutions represent the rules of the game in a society or, more formally, the limits that individuals have agreed upon to condition social interaction. It is anticipated that efficient institutions, able to reduce transaction costs, will favour the division of labour between companies, their specialisation and cooperation and, consequently, they will facilitate collective actions between private partners. The improvement of coordination mechanisms affects economies of scale and secures cooperation advantages. By contrast, the presence of high TC implies hierarchical solutions and more concentrated growth.

NIE recognizes the importance of institutions for economic action, but it also assumes that the object of the exchange (or of the relationship) is known to the actors involved. However, in complex and dynamic contexts, unpredictable situations are the rule and not the exception. What is important to assume is therefore that economic action takes place in condition of uncertainty. This concerns not only the relationships between economic actors –as conceptualised by NIE- but also the very same object of the relationship. It follows that contracts are normally incomplete: law can grant protection to the parties, but not all contingencies can be written, simply because they cannot be foreseen (Guiso, 2007). At the core of the stream of literature, known as incomplete contract theory, lies precisely the concept of uncertainty and the failure of coordination

mechanisms (Grossman and Hart, 1986; Hart, 1995). Incomplete contract theory stresses the role of bounded rationality and incomplete information for the definition of perfect contracts. Uncertainty, the inability to calculate and the lack of information will raise TC. Such costs are deemed to be even higher if economic actors act in isolation. In such situation, in fact, potential increasing returns, connected to the division of labour, will not display their effects. In general terms, it can be said that the market works well only if economic actors in it have the information and capacity to envisage future possible scenarios. But this is impossible: market coordination therefore reveals its inability to define tomorrow's remuneration on the basis of today's demand and supply.

The importance of institutions, therefore, does not mean, in modern times, the dominance of the nation-state, the overwhelming importance of political, administrative and legal power, the central role of the Weberian bureaucracy. The uncertainty dominating the markets and the society generates the rise of the transformation that has been described through the concept of governance.

Governance studies underline a shift from state-based public policy to a more pluralistic or polycentric system, as partnership and inclusive strategies are considered the appropriate response when public institutions have to deal with the challenge of desire for participation and the need for public goods not sufficiently covered by the standard decision-making process. Indeed, governance is conceived as an alternative governing system to the hierarchical and market based ones, founded on self-organized and inter-organizational networks (Mayntz, 2003; Rhodes, 1996). Governance is furthermore considered to be also an end in itself as it is a way of achieving equity, equality and transparency, of exerting good democratic governing by allowing to maximize values such as inclusion, transparency, responsibility.

In order to introduce the notion of governance, we can divide the huge amount of contributions concerning governance into two strands: one strand collects all those contributions which try to answer to the question "Why governance?", as an attempt to overcome the crisis of traditional means of governing. Another strand of contributions answers to the question "How governance?", in order to affirm and strengthen the governance perspective.

For the first strand, a contribution by Kooiman can help: "*The central idea is that the world is more complex, dynamic and diverse, and that governing instruments should take it into account and become complex, dynamic and diverse*". Conditions favourable to the emergence of social-political governance are the following: traditional structures of authority have failed; new fields of social-political activities exist in which organisational forms and patterns of interest-mediation are not yet strongly established; issues are of great concerns of different actors involved; there is sufficient convergence of objectives and interests to make it possible to reach a synergetic effect or a win-win situation (Kooiman, 1993).

On the same vein, Mayntz introduces an historical view, considering governance not only a response to the loss of a "stable state", but also a new approach after the demise of the neo-liberalism perspective: "*A shift to more cooperative modes of governing is*

observed from the 1970s, when disappointment of the belief in the state as an effective political steering centre of society gave rise to the search for alternative modes of guiding socio-economic development. After a first interest in the market (neo-liberalism, Thatcherism) attention moved to governance” (Mayntz, 2003).

For the second strand, a basic contribution concerning how governance works is that provided by Stoker: *“Governance is ultimately concerned with creating the conditions for ordered rule and collective action. The outputs of governance are not therefore different from those of government. It is rather a matter of a difference in processes” (Stoker, 1998).*

He describes governance highlighting five features: 1) Governance refers to a complex set of institutions and actors that are drawn from but also beyond government. 2) Governance recognizes the blurring of boundaries and responsibilities for tackling social and economic issues. 3) Governance identifies the power dependence involved in the relationships between institutions involved in collective action. 4) Governance is about autonomous self-governing networks of actors. 5) Governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority. It sees government as able to use new tools and techniques to steer and guide (Stoker, 1998).

Governance, instead of defining a single mode of governing, seems to represent – according to Kooiman – *“a mix of all kinds of governing efforts by all manner of social-political actors, public as well as private; occurring between them at different levels, in different modes and orders” (Kooiman, 2003).*

So, if governance emerges as a result of different efforts, as a concept between state and market, it might be interesting to detect which concrete arrangements define the different governance modes along the continuum that goes from the extreme of Hierarchy, passing through Networks (constituted by Arguing and Bargaining) and arriving to Market (Lowndes and Skelcher, 1998).

Bassoli (Bassoli 2010) introduces another distinction between Networks Governance Arrangements (NGAs) and Participatory Governance Arrangements (PGAs).

On the one hand, NGAs are represented by partnerships that involve both private and public actors at different levels. Partnerships stay in a continuum, from private self-regulation (market) to public regulation (hierarchy), and they make use of bargaining as the main mode of governance. On the other hand, PGAs use instead deliberative settings to involve “representatives of those collectivities that will be affected by the policy adopted” (Schmitter, 2002), and arguing is the mode of governance that they prefer.

The distinction between NGAs and PGAs refers to two theoretical perspectives: one is that of governance studies (in particular, network analysis and multi-level governance), the other one is that of participatory approach to public policy. For the former, crucial elements are the decision-making process, the typologies of actors and their vertical and horizontal integration. The latter emphasizes the combination of different forms of knowledge to pursue more effective policy, with particular attention to “ordinary knowledge”.

A first contribution tries to explain why partnership emerges, as a consequence of “resource dependency” issues. Lowndes and Skelcher argue that the starting point is how to deal with an increasingly fragmented organizational landscape: network like situations require partnerships as a mean to develop strategic direction and coordination within a polycentric terrain, to address in innovative ways those issues that cross organizational boundaries. Finally, the growth of multi-agency partnerships is a way to open up local decision-making processes, switching from a role of monopolistic provider to community governance.

Showing a significant link of networks theory with the social capital studies, Lowndes and Skelcher point out that “*networks arise from a view that actors are able to identify complementary interests. Interdependent relationships based on trust, loyalty and reciprocity enables collaborative activity to be developed and maintained. Conflicts are resolved within the network on the basis of members’ reputational concerns*” (Lowndes and Skelcher, 1998).

Analogous starting point and similar conclusions are proposed by Hooghe and Marks. They point out that many concepts against unitary government, that is considered insensitive to varying scale of efficiency from policy to policy, are developed in different fields: E.g., multi-tiered, multi-level, network governance are present in European Union studies as well as in Public policy; multi-perspectival, multi-centred governance concepts are used both in International relations and Federalism; polycentric governance and multiple local jurisdictions in Local government. These concepts share a common postulate: Dispersion of governance across multiple jurisdictions is more flexible than concentration of governance in one jurisdiction. “*Efficiency requires that a policy’s full effects – positive and negative – be internalized in decision making. [...] Under multi-level governance, jurisdictions can be custom-designed with such variation in mind. In short, multi-level governance allows decision makers to adjust the scale of governance to reflect heterogeneity*” (Hooghe and Marks, 2003).

If it is clear that networks and multi-level governance provide powerful tools against the unitary concept of government, we should make a step forward to understand how they work in practice. In particular, coherently with the scope of this review, we are interested in knowing to what extent network and multi-level governance studies are relevant for the local development approach. Indeed, the opening of policy processes does not always guarantee the ability to define problems and find the right solutions. This is particularly relevant in weak territories that do not have the competences, resources, and abilities needed in order to find the right solutions to complex problems. In these contexts, introducing a trajectory of development requires a significant policy change. Are there particular governance arrangements or specific network configuration that can foster policy change?

For this reason, Silke and Kriesi propose to connect two dimensions (type of interaction and power distribution) in order to detect the potential for policy change.

Table B: Type of interaction and distribution of power

Distribution of Power	Type of interaction		
	Conflict	Bargaining	Cooperation
Concentration	Dominance Moderate potential for rapid (serial) shift	Asymmetric bargaining Low to moderate potential for incremental change	Hierarchical cooperation Low potential for change – maintenance of status quo
Fragmentation	Competition High potential for rapid (serial) shift	Symmetric bargaining Moderate to high potential for incremental change	Horizontal cooperation Low to moderate potential for change – maintenance of status quo

“We suggest that the type of interaction within a policy network determines the form of policy change. In conflicting situations we expect rapid (serial) policy shifts, whereas incremental changes are most likely to result in bargaining situations. Cooperative policy structures are likely to maintain the status quo. The degree of concentration of power is expected to determine the potential for change: we assume the potential for each type of change to be greater if power is fragmented (scales are more easily tipped in favour of the challenging actor coalition), whereas power concentration is hardly challenged” (Silke and Kriesi, 2007).

Silke and Kriesi raise an interesting point that is the different behaviour of cooperation and conflict vis-à-vis the potential for change: the former tends to reproduce inertia, whilst the latter is much more oriented towards innovation⁹. This point is relevant for our discussion: the local development approach, based on a bottom-up perspective and on local partnerships, does not necessarily entail a broad consensus among actors or a cooperation type of interaction. It implies a potential for innovation that can be better pursued in situations of fragmented distribution of power and of bargaining or conflict types of interaction. The actors can engage in locally coordinated interactions, find opportunities for their involvement and reach partial agreements, despite the lack of a full consensus.

A subsequent question concerns whether networks are a significant variable helping to understand, explain and predict policy outcome. Howlett argues that policy change is determined by whether or not new actors or interests have been introduced into policy processes. *“A change in the episteme or knowledge base of policy ideas, for example, can result in either rapid or slow paradigmatic policy change depending on whether a change in key actors/interests is present. Without a change in ideas, policy change will be incremental, but its tempo will also be determined by whether or not new actors or interests have been introduced into policy processes”*. In particular Howlett, analyzing several case studies of policy change in Canada, draws the following conclusion:

⁹ A similar opinion is expressed by Albert Hirschman in a well known essay against the revival of neo-communitarian thought (Hirschman 1994).

“Patterns of policy change are linked to two specific structural characteristics of policy subsystems, both related to the manner in which discourse communities and interest networks interact within a subsystem. These two dimensions of subsystem structure – the degree of insulation of the network from non-“interest-related” actors, and the extent of symmetry existing between communities and networks – proved to be significant inhibitors and facilitators of policy change” (Howlett 2002).

The position of Howlett allows us to better understand how multilevel networks characterized by both vertical and horizontal integration can favour innovative solutions. According to such a view, a *“diffused decision making responsibility”* is not only a value in itself (e.g. in the deliberative democracy approach). It is a learning process for public and private actors due to involvement of non traditional participants, with a particular focus on non local actors (Seravalli, 2006; Dente, Bobbio and Spada, 2005).

Finally, we turn our attention to the literature on citizen participation in public policy. The main reason why the involvement of grass roots actors improves public policy making has been pointed out many years ago, in the discussion about the limits of the *“professional social inquiry”* to solve collective problems and about the usefulness to mobilize *“ordinary knowledge”* to pursue more effective policy (Lindblom and Cohen 1979). It is worth noting that exactly the same issue has gone through various attempts to re-think different fields of policies, from urban design to spatial planning, from social policies to educational policy or environmental policy.

For example, in *urban design*, the community architecture movement led by John Turner as early as the nineteen fifties, proposed participation as an antidote to self referential systems of service provision (Turner, 1976).

In *spatial planning* participation seems an appropriate strategy when replication of standardised models is impossible and innovation must be fostered to create *“design contexts”* in which all the kinds of knowledge can interact to generate new ideas and new solutions (Healey, 1997). In this sense, participation is a methodology that is more efficient than traditional methodologies in simultaneously mobilising all the cognitive resources available and stimulating interaction between all the stakeholders to solve a complex problem. Participation seems appropriate for promoting negotiations, when there are conflicts between actors, over interests or problem definition (Rein and Schön, 1994). By anticipating these conflicts and making them explicit, it makes it possible to deal with them in a public arena and avoids the risk that they will arise in or after the implementation stage. It also encourages agreement between the actors (Innes, 1995).

In *social policy* the economic unsustainability and the ineffective treatment of social problems are in fact the causes of the crisis in public sector intervention. It is the crisis of a model that Antonio Tosi (1984) has described as the *“administrative theory of needs”*, a bureaucratic way of intervention that produces a standardised treatment for each type of social need. This model fails to interpret the diversity and the specific characteristics of pluralistic societies. It acts by matching types of population or categories of needs with types of services or public amenities: children with schools,

health with hospitals, urban sociability with new squares, etc. Another issue concerns the relation between social exclusion and public participation. If the former refers to the state of multiple deprivation or lack of participation in key aspects of society (Hills et al., 2002), the latter has been seen as an antidote.

In *educational policy* there is a huge amount of literature concerning initiatives of community involvement in educational programs, of creating local school councils with the presence of parents and community representatives, of promoting the role of the schools as mean to strengthen social cohesion. Such initiatives are promoted in Western and in Developing Countries, by public agencies, NGOs, international organizations. Their main purpose is to foster communities' sense of ownership and responsibility for their schools, maximizing community-based resources, both human and material. In particular, since it is well known that education takes place not only in schools but also within families, communities, and society, and each of them plays a different role in contributing to children's education, there must be efforts to make a bridge between them in order to maximize the contributions. Education takes place most efficiently and effectively when these different groups of people collaborate. Accordingly, it is important to establish and continuously attempt to develop partnerships between schools, parents, and communities (Uemura, 1999).

In *environmental policy*, even discounting the Local Agenda 21 movement, it is in the field of environmental conflicts management that the involvement of affected communities has been proposed. The rationale is that, in order to effectively overcome the Nimby syndrome¹⁰ and cope with controversies that often seems untreatable, a process of negotiation is needed (Susskind and Cruikshank, 1987).

1.2.3.3 Bottom up-approaches to local development

The emphasis on the involvement of local actors has been present in the European policies and programmes since the mid-80s in an "*effort to transform the spontaneous phenomenon of local development into a genuine component of European economic development. This took the form of an increasingly sophisticated and varied range of interventions, programmes and measures*" mostly by focusing on "*the 'excluded segments', either in the form of target groups (social inclusion, reintegration into the labour market ...) or target areas (rural, urban districts in crisis)*" (ADETEF 2010, p. 19).

One could mention the 1995 European Strategy for Encouraging Local Development and Employment Initiatives. As it was widely thought that the problem of job-free growth could only be tackled at local level, a big effort was put in identifying new sources of local development, with significant growth potential for the future. Under the leadership of president Santer, in 1997 the European Commission launched the Territorial Employment Pacts (TEPs), which represented probably the most complete

¹⁰ Nimby is an acronym for the phrase *not in my back yard*. The term is used to describe opposition by residents to a proposal for a new development close to them (Bobbio and Zeppetella, 1999).

EU-wide approach in the mainstream programmes, fully in tune with LDA (McAleavey and Stefan, pp. 25-27).

Or again the LEADER and LEADER+ initiatives in the field of rural development we have already mentioned. According to the Leader European Observatory, the specific features of LEADER are the following: the area-based approach, the bottom-up approach, the local groups (horizontal partnerships), the innovative character of actions, the linkage between actions (i.e., the integrated and multi-sectoral approach), networking (including transnational cooperation), methods of management and financing (Leader European Observatory, 1999). A Local Action Group is responsible for the design and the implementation of the program, and for the construction of partnerships.

But this emphasis on grass roots approach is widespread also outside European policies. There is in fact a huge amount of experiences at international level, with particular attention to developing countries, which try to improve the conditions of local areas through the involvement of the local communities. From the capacity building programs implemented by NGOs and international organizations to local pioneering initiatives as those conducted in Sicily by Danilo Dolci more than fifty years ago.

Of particular interest is the British experience of Community Economic Development (CED) continuing the tradition of alternative approaches to conventional economic development. In the UK, local economic initiatives have a long tradition; they emerged in the early 1970s following the scepticism above the ability of national governments alone to resolve economic problems. The new perspective stated the necessity and desirability of influencing economic dynamics from and at the local level. As suggested by Eisenschitz and Gough (1993), the original idea was to promote public-private partnerships, but the pursuit of this goal changed over time due to political pressures. For instance, it is well-known that, under Conservative Governments, some of these local experiences (TECs -Training and Enterprise Councils- or EZs -Enterprise Zones-), favoured private interests. By contrast during the 1990s, local development started to include more social and environmental issues; in addition, the idea of partnership shifted again to include local public authorities. In the UK, CED initiatives were born to overcome the main shortcomings of the UK urban policies of the 1970s-1980s; in the mid-1990s, they became part of the UK's Structural Funds programmes. CED initiatives are widely developed also in Canada.

In general, the underlying idea is to challenge mainstream economic approaches to development, with their emphasis on economic efficiency goals, pursued by firms in national and international contexts, and to switch towards more local/area-based and community-level initiatives (Haughton, 1999; Geddes and Newman, 1999; Pike et al., 2006). More qualitative dimensions in development issues are also pursued.

The reduction of poverty, the ease of multiple deprivation, the fight of social exclusion from labour and other markets, such as housing, the pursuit of local economic re-conversions and of sustainable development are among central objectives of CED initiatives (McGregor and McConnachie, 1995; Social Exclusion Unit, 2000). As

explained by Armstrong et al. (2001), the aim is to maximize resources coming into each area and to lever in other funds; to favour the within-area circulation of incomes preventing significant income leakage; to recognise residents the ownership of assets.

In contrast to top-down, short-term, externally driven and extensive economic interventions, such goals can be achieved essentially through the targeting of the most disadvantaged communities, the analysis of their needs and the establishment of community partnerships engaging mainly in employment creation. This approach is deemed to produce more sustainable development conditions due to: a) the subsidiarity method allowing for more locally tailored economic priorities and initiatives and b) the cooperation between a variety of stakeholders c) the limited scale of intervention. A primary role is attributed to Third sector organizations not only as beneficiaries of initiatives but also as participants in policy making.

Said it another way, CED initiatives are deemed to produce positive effects as they solicit capacity building, that is the mobilization of local communities which are asked to participate in the definition and implementation of development choices. Through local economic development initiatives, local government and a broad range of stakeholders – small and medium enterprises, local development agencies, Third Sector organisations, interests associations -, are increasingly involved in the creation of sustainable growth opportunities and in responding to the needs of the territory in which they operate (Laville, 2007; Amin, 2009). Political and social debates are central to the process of generation of informed and reflected choices. The underlying idea is that development, conceived and implemented by a variety of actors in restricted territories, holding a specific identity, can empower local societies also in making an efficient use of resources. Local people are urged to adopt more proactive attitudes towards their future and, in the most optimistic views, towards the creation of a stronger civil society and more accountable institutions. CED initiatives are also supposed to work because they offer a broader idea of development which goes beyond narrowly economic concerns. Finally, based upon their specific interpretation of what is better for them, localities seem to reach their own model of economic and social development conditioned by community values and traditions and therefore more likely to be achieved. In other words, CED initiatives enhance processes of development occurring in restricted areas qualified by everyday interactions and relationships involving families, enterprises and institutions. Such a ‘place of life’ (Giovannini quoted in Sforzi, 2005) suggests a development path from below in which a more social perspective emerges.

1.2.3.4 Strengths and weaknesses of bottom up approaches

The fact that, as we have seen, the involvement and empowerment of local actors is often seen as a goal and as a value in itself rather than as a tool in order to bring about socio-economic development and better quality of life makes an evaluation of its strengths and weaknesses rather difficult. A large part of the literature is more concerned with advocating LDA than with evaluating the conditions under which it works.

This said, the elements that can be derived by the literature itself are that the main strengths of a LDA centred on the mobilisation of local partnership are on the one hand its resilience and on the other hand its low cost of implementation (ADETEF 2010, p.18).

Basically because it involves a learning process, once certain acquisitions are reached, they tend to stay in place for a long time. At the same time, the resilience is fostered by the fact that, contrary to other more traditional approaches, the process depends only on a limited amount from external resources.

The low cost of implementation basically depends on the fact that the main development agents are the very same interested stakeholders, and if, of course, some sort of incentive is probably needed in order to mobilise them, this is far less expensive than the alternative ways predicated by the traditional approaches.

There are, however, a number of weaknesses associated with an approach solely based on a bottom up involvement of local stakeholders.

In the first place, in order to gain the active participation of grass roots actors very often the size of the programmes is too small to be able to make a significant difference (Moyano Estrada 2009).

The second aspect is sometimes not described as a weakness but is certainly at odds with some of the requirements of modern policies: LDA in order to be effective needs time, often a lot of time. As has been put by ADETEF (2010, p.17): "*The added value of local development lies more in its long-term - even very long-term - outcomes rather than its immediate quantitative and qualitative outputs*". But even apart from this somehow structural feature, there is the fact that reaching consensus in large and diverse partnership means building a common vision or, at the very least, solving the conflicts that inevitably arise between the partners. This is a point often overlooked by the literature, but nevertheless important, if only because it makes rather unpredictable the amount of time needed in order to deliberate the action plan.

A last weakness mentioned by the literature, is more dangerous. From an evaluation of the Italian Territorial Pacts it emerged how many of the partnerships between institutional and societal actors were in fact "collusive", created only in order to gain from the financial opportunities secured by national or European programmes (Cersosimo, Wolleb, 2001). This is not restricted to clientelistic systems, if it is true that in the UK the definition of partnership has been presented as follows "*a loose collection of people and organisations with conflicting interests held together by the prospect of securing government money*" (Cowan 2005, cited in Menzies, 2010). This is certainly an exaggeration but it is at the same time a warning not to be ignored: "local people" are not always selfless actors only interested in the common good and, even when they act in good faith, they are not necessarily right in identifying the problems and the solutions.

1.2.3.5 *The different types of partnership*

The last point concerns the variance that we find in the real world in the ways in which the involvement of local stakeholders takes place. As we have already said partnerships come in many different guises. From the point of view that interests us, however, two dimensions seem particularly important.

The first dimension concerns the ways in which the partnerships are created. At one end of the continuum there are partnerships that are at the same time inclusive and built from the bottom up. This characteristic is one often associated with LDA in the literature, claiming that the empowerment of the local actors is a necessary and sufficient condition for priming the learning process in which the exercise ultimately consists. At the other end of the continuum, and based on the idea that after all LDA, being a social and political process is at least partly initiated from the top-down, the partnership should be selective, encompassing the actors able to bring the relevant resources (money, legal authority, consensus, knowledge), not necessarily all at the same level. The idea in this second case that for instance multi-level governance, a useful ingredient of many LDA experiences, is unlikely to be created spontaneously but implies some form of strategic central steering.

A second, partly overlapping, dimension is even more fundamental. By a careful reading of the literature - and mostly of the evaluations of the LDA experiences - one derives the impression that sometimes the building of a partnership is considered as an end in itself, an outcome of the policy or the programme, while in other cases it is treated as an important instrument for the delivery of the policy. Somehow in the first case the idea is that there is the need to create, and possibly institutionalise, a collective actor as the only way of identifying and creating the common goods that allow the triggering of the endogenous development process. The alternative is more traditional and treats the building up of the partnership as a necessary step, but in an instrumental way as a device created in order to reach a set of goals already identified.

1.2.4 **A framework for the analysis of LDA**

This first part of the literature review has provided the answer to one of the fundamental issues raised in the Terms of Reference (ToR), namely the point about the added value of LDA to cohesion policy. There is in fact between the scholars and the practitioners, as we have seen in the previous pages, the widespread belief that LDA is, at the very minimum, one of the not many ways in which is possible to trigger the self-sustained process that we call socio-economic development. If one of the goals of cohesion policy is to reduce the disparities between the different areas of the Union, the use of the approach seems to be necessary.

In order to answer to the other two issues that we tackle in this first part of the literature - namely which are the most frequently used local development approaches and which the strengths and the weaknesses of each one we have posed ourselves the question: *What do we mean by Local Development Approach?* Actually, a certain level of consensus about what the Local Development Approach is all about exists already.

This is based on four main points:

1. LDA is a social and political process whose goal is the social and economic development of disadvantaged areas;
2. LDA is place based in the sense that it should necessarily refer to a specific territory in which there are resources that can be exploited in order to reach the development goal;
3. LDA entails the ability to link together a number of different sectoral policies;
4. LDA implies the mobilisation of a plurality of different actors also at the local level.

The **first point** means that the LDA is necessarily a conscious effort by some institutional actor to tackle development problems. In this sense there is a fundamental difference between local development and LDA: the first can, and actually is, often brought about without any involvement of political actors, and can be explained by factors that are actually outside the realm of possible policy interventions. The insistence on the path dependency of the local trajectories of development, very often pointed out by the economic literature, or on the role of social capital, ever present in the socio-political one, shows how a lot of theoretical thinking is not really concerned with LDA because it does not provide any useful insights on how some of the conditions deemed essential for endogenous (local) development can be created or fostered through policy interventions. Actually it looks like, for instance, industrial districts “happen” through a process that can be described and even partially explained but not artificially re-created.

The **second point** is essential: the relevance of territory is certainly fundative of the very notion of LDA and this is expressed in many different ways but it boils down to the fact that the territory is regarded not only as a source of agglomeration dynamics but as an integrated socio-economic system able to act on its own in order to bring about the desired development. This points out in the direction of the resources that can be found (only) at the local level. Very often, the latter point is not spelled out in detail. Sometimes the existence of local more or less tacit knowledge is emphasized and often the untapped potential of the people living in that specific place is recognized as fundamental. This of course does not exclude the consideration of more physical resources, but, all in all, the majority of the literature seems more concerned with the “soft” side of the development process than with the “hard” side, possibly on the basis of the consideration that the physical resources (think of mineral resources, but also of natural beauty or cultural heritage) in a globalized world can be identified and exploited by far away. The main variation regards the territorial boundaries. Here the point seems to be that if the area is too large it is impossible to develop the actual involvement of local actors, while if it is too small the development process runs the risk of being too fragile and not really sustainable. In any case the different sizes of the area entail important consequences as far as the other characteristics of LDA are concerned.

The **third point** – the ability to link together different types of policies and interventions – is very often implicit in the literature but seems nonetheless essential.

This derives, on the one hand, from the fact that the notion of development generally shared goes beyond mere economic growth and includes social inclusion, quality of life, preservation of the environment, human development, etc.; here the link between different policy problems and concerns is apparent. On the other hand the idea seems that policy integration is always considered, by definition, a good thing and that is actually possible only at the local level because otherwise the inherent complexity is too large to be dominated by conscious efforts. This point about integration is by far one of the less developed and raises more than a doubt about the risk of losing one of the lessons that can be drawn from the economic literature on local development, i.e. the advantages of specialization and the division of labour between different areas. Furthermore many actual examples of LDA are general and encompassing potentially all the possible policy sectors, others are much more focused on a specific issue (environmental protection, fighting social exclusion, active labour market policy, etc.).

The **fourth and final point** is on the contrary one on which there is a large consensus among the students of local development: without the active involvement of a plurality of actors – including some local ones – one cannot speak of LDA. Here the catchword is the necessity to build (local) development partnerships and the debate sees an overlap between different disciplinary strands including terms like governance, subsidiarity, participation, etc. This point is one that provides the largest amount of variation on how the policies and programmes using the LDA should be designed. In particular we have found that the two distinct but interconnected dimensions of partnership building efforts are on the one hand the fact of considering the partnership as an end in itself or as a tool, and on the other hand the alternative between the creation of selective (strategic) partnerships and the preference for an inclusive partnership, possibly built from the bottom up.

Coming back to the issue raised in the ToR, we have considered the basic elements of LDA as the analytical base on which to classify the different experiences that we find in the real world and in the previous pages we have pointed out what the existing literature tells us on the strengths and weaknesses associated with a stress on one of them (territory, policy integration, local actors involvement).

Equally important is the fact that we have derived from the analysis the variables that we will employ in the empirical part of the research, namely the analysis of the Operational Programmes and the five regional case studies. In order to classify them we will use the following matrix.

Table C: Main Local Development elements

Elements	1	2
Territory	Wide territorial focus	Small territorial focus
Policy integration	Sectoral focus	Integrated thematic approach
Partnerships	Partnership as a tool	Partnership as a goal
	Selective partnership	Inclusive partnership

We expect that the combination of these elements will result in three ideal models of LDA and namely:

1. "pure" LDA

- small territorial focus
- (mostly) integrated thematic approach
- partnership as a goal
- inclusive partnership

2. LDA as a corrective in sectoral policies

- wide or small territorial focus depending on the policy
- single thematic focus
- partnership both as a tool and as a goal
- selective partnership

3. LDA in regional policy

- wide(r) territorial focus
- integrated thematic approach
- partnership as a tool
- selective/strategic partnership (including multi-level governance)

Obviously this is, for the time being, merely an analytical exercise: only the empirical research will fill the different boxes of the matrix and will allow the building of a typology. However this is a first necessary step in order to clarify, in a sound analytical way, the object of our research and possibly also in order to start a debate between the many different disciplinary traditions that discuss LDA.

1.3 How the local development approach works

1.3.1 The theory of social mechanisms

In this part of the literature review we analyze the local development approach from another point of view, i.e. the mechanisms that can be activated by LDA specific strategies and tools in order to bring about the expected results. This perspective allows to shift the attention from a very general consideration of what LDA is all about (importance of territory, stakeholder involvement and integration between different actions) to the tools that are actually used in the concrete programmes as well as to the different strategies that can be employed.

The concept of causal mechanisms has a long tradition in the social sciences, but also quite different meanings in various disciplines (it is typical in biology but is by now usual in psychology, behavioural economics, sociology and more recently in the political sciences). Some scholar has pointed out that it is a concept “popular but

imprecise”; in fact, Mahoney detected 28 different definitions of this concept (Mahoney, 2003). One of the more complete review of the concept in the social sciences has been edited by Hedstrom and Swedberg (1998), which grounds the sociological origin of the concept in the Robert Merton’s middle-range theory. All of them seem to converge on the idea that the study of causal mechanisms can offer insights that are not usually found in mainstream statistical analysis. The ambition of the mechanisms-approach promoters is to open the black box linking inputs and outputs with deeper explanations. These deeper explanations are mechanisms: the processes that can describe in a thoughtful and satisfactory way the occurrence of results of particular interest.

In this review we adopt a specific definition: with this concept we refer to the patterns of influence among actors that can activate or strengthen the social resources, coordinating efforts of the actors in order to reach the expected results. In this sense, the analysis is located not at the macro-level but tries to observe how “real” actors relate each other in concrete policy-making situations. In this perspective, we consider as actors not only the individuals but also institutions, economic and social groups showing homogeneous kind of objectives and system of rationality in the policy game (Coleman, 1974; Scharpf, 1997). In effect, this approach implies that the activation of specific causal chains can be detected by looking to the concrete characteristic of contexts and types of actors in real situations: the very same mechanism can be at work in some situation while in others stays latent and, depending on the characteristics of actors and context, can have either positive or negative effects. In a similar manner, Provasi questioned about the reasons of the different vitality of apparently similar solutions of local development (Provasi, 2002). Posing these cautionary premises, in the following review we try to describe some general mechanisms that can be relevant as they can be triggered by purposive strategies of local development. In order to do so we will try to follow the scheme spelled out in the Inception Report: we will start with the mechanisms that are linked to the structural characteristics of the actor network, then we will shift the attention to the issue of institutional and administrative capacity, afterwards we will focus on the structure of the partnerships and finally we will talk about monitoring and evaluation. Actually, because of the different level of analysis it will be impossible to adhere strictly to this scheme, and some back and forth between these issues will be necessary.

1.3.2 The main mechanisms at work

As far as the characteristics of the actors’ network are concerned, the first point refers to the sheer size of the network: i.e. reaching the minimum number of needed in order to make the transformation possible. One of the most well known mechanisms explains how the propensity of an individual to behave in some way varies with the prevalence of that behaviour in some reference group containing the individual. Depending on the context, this kind of effect has been labelled by various students in different fields as “endogenous effect”, “social norms”, “peer influences”, “neighbourhood effects”, “conformity”, “*imitation*”, “contagion”, “epidemics”, “*bandwagons*”, “herd

behaviour”, “social interactions”, or “interdependent preferences” (Manski, 1993, pp. 531; Barbera, 2004, pp. 82). The point here is that in under-developed areas the LDA approach predicates the need to develop a sufficient level of cooperation between the actors in order to adopt promising solutions; but no one can guarantee the success of the proposed solution before it has been realized. So the strategies for gathering together and convincing the needed partners is one of the most challenging problems of local development interventions.

A stream of literature has observed that one of the best ways to raise consensus and adhesion doesn't lie in the good quality of the proposal in itself, but in the number of people that have expressed their concrete adhesion to it. Conlisk (1980) has shown that, if the decision making is costly, it may be optimal for individuals to imitate the character of other persons who are considered best informed. In *bandwagon models*, a collectivity is defined as a set of members where, when one member of the collectivity adopts an innovation, other members obtain information about this adoption (Abrahmson and Rosenkopf, 1993). As observed by Granovetter (1978) often there is a *threshold* that is critical to convince the laggards, or the fearful, to reach the innovators adding the needed resources. As a consequence, in local development contexts the problem of convincing actors becomes a problem of convincing the minimum necessary level of partners that can compel the adhesion of the others. The evaluations of the ERDF co-financed innovative projects in various categories (research and technological development, support for enterprises, information society, energy, tourism etc), has shown that “building networks and partnerships (i.e. interaction among firms, between firms and other actors) is a key objective in all cluster projects and in some cases an end in itself”, and moreover that one of the key implementation obstacles – the characteristics of some group of involved actors – can be overcome by careful negotiations using successful examples from elsewhere to convince the potential adopters that the proposed solution would have been offered benefits for all concerned. (Technopolis group, 2008).

But, apart from the bandwagon effect, how can the participation of the relevant actors be stimulated? The literature refers to the mechanisms of *attribution of threat and opportunity* as powerful ways to characterize previously inert populations (McAdam, Tarrow, and Tilly, 2001, 43; Barzelay, 2007, 534).

The mechanism of attribution of opportunity is of central importance to studies of policy change, especially to Kingdon's (Kingdon, 1984) idea that policy entrepreneurs respond with intense effort to situations where they perceive that the window of opportunity may open. The classical example, in the case of local development policies, is the fact that the participation to the network allows the actors to reach their own goals by using the financial resources coming from above.

The mechanism of attribution of threat has a similar power of characterize, but for the opposite reason: it is activated in case of a diffuse feeling of menace, usually coming from the exterior, to asking for a joint response. One interesting case in this respect is the experience of the Turin's Strategic Plan. Started around 2000, the Plan had the force to join a very impressive amount of local actors around a process of reframing of the

future of the city, changing the image from the “one-company town” based on the car industry to that of the city of culture, tourism, sport, and internationality. A main reason for the success of this strategy is explained by the overwhelming crisis that Turin was facing in those years, both on the political and economical side: the Nineties in fact ended with a forceful campaign against bribery, that swept away the political and administrative apex of the town, and with the overwhelming crisis of FIAT, the biggest car industry of Italy with the headquarters and main plants in the city. The heaviness of the crisis impelled the commitment of new political actors and a broad partnership of stakeholders in order to find new, counter-intuitive opportunities of reaction, one of which was found in the candidacy for the Winter Olympic Games, held in 2006 (Dente and Melloni, 2005).

Both opportunity and menace can be sometimes also be the result of a complex process of *framing* (McAdam, Tarrow, and Tilly 2001; Came and Campbell, 2010) the contextual factors that define the very existence of threats or opportunities and that require the presence of actors able to conduce the process.

A specific case of framing is the case in which the LDA regards as strategic the presence of multi-level actors: in this case, the relevance of the local initiative is strengthened by *coupling* their objective to those of higher-level policy priorities (Seravalli, 2007); for this reason, the vertical dimension of local partnership is considered crucial for the success of local development strategies and introduces the strategic capacity of policy entrepreneurs to frame the cooperation of the others as a win-win game. As the ex post evaluation of EQUAL noticed: “*Successful mainstreaming also depends on the links between the innovation that is being mainstreamed and policy priorities; another reason why it is crucial to involve policy makers in development partnership structures as they bring in the policy priority perspective. (...) Most of the success factors for mainstreaming focus on “vertical” mainstreaming*” (Metis, 2010, 161).

On the other hand, the interaction between bottom-up involvement and national or regional policies can also trigger a virtuous circle providing to the local actors the “frame” in which their initiatives, however small and incremental, can acquire a meaning transcending the place in which they are located. Both in the Equal initiative evaluation (Metis 2009, 87) and in the field of the local employment development initiative (IDELE) this point was perceived as relevant (Ecotec 2006, p.2010).

Specific programmes features – for example linking a financial amount to the realisation of specific objectives or to a specific geographical area of intervention – can help the *framing* of the problem to be tackled by the local partnership. These features of course aim to promote compliance to the objective of the funding institutions or larger scale strategies, but they also aim to balance the well known mechanism of *selective perception* (H. Simon, 1947; DeWitt and Simon, 1958; Lindenberg 2000), for which people perceive what they are “ready” to perceive. Selective perception is a general cognitive phenomenon applied particularly in organizational theory but it is very useful in the local development problems, which are composed by a variety of sectoral programs and policies. The territorial focus on a specific area of intervention, and the

correspondent organisation of a formal structure of coordination (such as the program monitoring committee) force the synthesis and coordination among different and sometimes conflicting objectives carried on in different sectoral fields and by actors of European, national or regional level. As the European Policies Research Centre (EPRC) summed up: *“One of the most frequently cited spillovers associated with Cohesion policy is in the field of institutional cooperation or partnership. Past evaluation have generally concluded that this fundamental principle of Cohesion policy has brought enhanced transparency, cooperation and co-ordination to the design and delivery of regional development policy. (...) A range of benefits have been stemming from this practice, such as the improved vertical coherence of policy, the stronger involvement of local actors in policy making, a greater awareness of “bigger picture”, collaborative working and cooperation on economic development initiatives, improved decision-making, and opportunities for exchange of experiences both within and beyond the regions”* (EPRC, Metis, University of Strathclyde, 2009, 85-86).

The strengthening of partnerships between the authorities and those involved in the implementation of programmes on the ground is recognised to be one of the main results of EU intervention in such countries as France, Austria, Belgium and the Netherlands, while the lack of coordination between different aspects of territorial policy, especially the absence of integrated strategies for cities, had been considered a weakness of the Cohesion programmes in Portugal and Greece (Applica, Ismeri, Wiiv 2010, 132).

Very often, as we have already noted, opportunities to cooperate are externally created: this is the normal case of grants linked to the constitution of partnerships around local development purposes. Here the problem is the dimension of the grant: is it large enough to stimulate a perception of opportunity by few or many local actors? The amount and uniqueness of the grants, together with competition with other potential receivers, can presumably increase the perception of opportunity in a considerable manner. For instance, the ex-post evaluation of the Interreg III initiative pointed out that the kind of projects that had the more visible and physical impacts were those with the largest funding, and moreover, those in which the amount of funding was proportionate to the area of intervention. On the contrary, the worst cases were those of the projects on very broad areas and with smaller resources (Panteia, p. 156). Moreover, larger amounts of resources have a strong symbolic value, stimulating the perception of the existence of a problem that needs to be addressed together with the opportunity to act thanks to the resources obtained, and so strengthening the role of the recipient of the grant in comparison to the others actors.

The other side of the coin is the risk of capture by strong interests that can divert the use of resources, or from another point of view, the risk of disillusion deriving from the incapacity to manage such a relevant amount of money. In this respect, relatively small amounts of money are more easily manageable, avoid the feeling of frustration and, finally, the risk of de-certification of the actor invested by this responsibility.

If we now shift our attention to the problem of institutional and administrative capacity, the literature has demonstrated that the willingness to cooperate is increased in presence

of highly-esteemed actors: the *reputation* of the source of information is a very powerful resource for convincing other people to give their adhesion and support. This belief, which could be traced back to Aristotle's seminal observation that the opinions of "good men" have more impact on other men's behaviour, has received empirical support in various fields (Abrahmson and Fombrun, 1994; Rogers, 1995; Rosenkopf and Abrahmson, 1999). A trusting recipient is more likely to accept the advice of the source, and trust is more likely to occur when the source is perceived as trustworthy (Szulanski, Cappetta and Jensen 2004). Scholars argue that trust increases the amount of information that can be exchanged, decreases the cost of exchange, and increases cooperation with the source of the knowledge. From these remarks on reputation derives that collecting partners is easier if the process of cooperation is promoted by some trustworthy subject: something that is quite similar to the concept of leadership.

Reputation is of course something that is linked to the previous history of the subject, but is also a social reward (Provasi, 2002, 274) and can be reinforced by specific contrivances such those based on the mechanism of *actor's certification*. This mechanism has been defined as "the validation of actors, their performances, and their claims by external authorities" (McAdam, Tarrow, Tilly 2001). Barzelay expands the concept of actor's certification as follows:

"The mechanism involves more than validating actors' claims. It involves making up people as agents of abstract responsibilities, whether thought of as a broadly defined function or a more elaborate programmatic idea. For instance, people can be made up as "public managers" with responsibility for performing the function of delivery in an effective manner, with effectiveness defined in terms of achieving results. The concept of actor certification can be related to the logic of appropriateness. When this mechanism operates, it can affect the actors' identities. Furthermore, it can affect perceptions of these actors within a collectivity that has witnessed the events through which certification has publicly occurred. In this way, certification can influence the situation as well as the identity of actors" (Barzelay, 2007, 534).

Because of the link between actor's certification and reputation, this mechanism strengthens the commitment and the assumption of responsibilities from the actors certified. This mechanism refers not only to public institutions, but also to firms and citizens. As Provasi noted, the entity of the social reward expected is positively linked to the propensity to risk, i.e. to devote the own resources in the process (even though, its amounts varies depending on motivation and personnel expectations about the process).

The attribution of provisions such as grants, awards, powers and responsibilities enhances the certification of the benefited actor; on the contrary, drawing back the formerly given provisions triggers a mechanism of *de-certification*, that reduces the role of the actor in front of the partners. Delegation to lower level of authority is a specific provision intended to empower actors and to achieve better results; it had been specifically used in local development approaches and more in general is consistent with the European principle of subsidiarity (European Commission, 2001). LDA implies the devolution of part of the management of financial resources to the local level, generally by some local administration. The management of financial resources

and its related problems implied by delegation can rebound on the administration, putting pressure on civil servants and organizations and thus forcing a quantum leap in the quality of management (this is clearly shown by various reviews on the use of Structural funds). As EPRC noted, in some EU10 Member States, the design of financial management systems was over-complex, with numerous controls and administrative inexperience slowing down the payment of funding and requiring rationalisation of administrative processes in order to speed up absorption (Hungary, Malta, Poland, Slovenia). Lastly, several Member States experienced problems in meeting n+2 targets, requiring strategies and action plans to prevent automatic decommitment (France, Greece, Italy, United Kingdom). These plans generally involved administrative changes, such as better monitoring and forecasting, closer contact with beneficiaries, rationalisation of administrative procedures, simplification of requirements for major projects, or use of different funding arrangements (EPRC, Metis, University of Strathclyde, 2009,51).

In the context of European funds, specific procedures are designed in order to balance the certification given to local actors with sanctions and incentives linked to the performance achieved: among these is the “de-commitment rule” triggered by the inability to reach of pre-determined quota of expenditure, and the “performance reserve” provided for in the 2000-06 programming period, that holds back 4% of resources at the initial programming stage for allocation at the mid-term to programmes considered to be performing better. Both of the procedures aim at characterized specific behaviours from the agents, but can also have negative side-effects. The de-commitment rule, according to some evaluation, *“led to a strong focus on financial absorption, with less attention given in monitoring committees and other policy discussions to results and achievement and how they could be further improved”*, while the way in which the performance reserve was conceived (acting as an incentive for developing good management practices in relation to the absorption of funding) shifted the attention to the compliance with regulations rather than increasing the focus on results (Applica, Ismeri, Wiiv 2010, 111). These results are not surprising if we think in terms of the *mechanism of de-certification* activated by the failures.

The third point regards the internal working of the partnerships. In general terms the literature points out how partnerships “work” when people are able to acknowledge and anticipate objectives, preferences and behavioural rules of other participants, adapting their own behaviours consequently and strategically in order to find cooperative solutions. In relational contexts, trust coincides with the concept of reciprocity – the mechanism according to which “people tend to return a favour” (Cialdini, 1985; Pizzorno, 1999) – i.e. the reasonable confidence on the mutual respect of pacts, based on endogenous rules such as social approval. When partnerships are new, reciprocity is mostly a matter of policy design and frequently it constitutes one of the expected results of the local development projects. As Technopolis pointed out, the challenge of new partnerships is the need of building mutual understanding and trust, while experienced partnerships have some good knowledge of each other’s strengths and a built-in degree of trust before the kick off of the project (Technopolis 2008, p.78).

In effect, building effective partnerships requires **the creation of rules of coordination** (Schelling, 1998) in order to decrease the risk of defection by other participants. This obviously refers to the contractual rules that can be adopted in specific circumstances, such as meta-regulation and rules on resolving conflicts (Ostrom, 1990), but the analysis of their impact on policy effectiveness is rather underdeveloped in the empirical literature probably because it is difficult to detect the relationship between the formal rules and the outcomes.

The attention is rather on de facto arrangements. One basilar strategy is to make relationships continuative and support iterative games: this is a purposive role for institutions that can restore the effectiveness of a reputation system using much less extensive information than would be required in a large community (Milgrom et al, 1990). In case of frequent and **repeated interactions**, the value of reputation increases together with the respect of pacts and can be easily diffused and replicated (Bowles 1998). Repeated interactions work because they are based on the mechanism of **learning by doing** that derives from the simple fact that people have spent a period working together: *“likes or habits initially induced by exposure or repetition become permanent reasons for character”* (Bowles, 1998, 80). This is why previous experiences of cooperation are generally seen as a crucial starting point for the effectiveness of local development initiative, but not a sufficient predictor of success. For instance the ex-post evaluation of EQUAL noticed that: *“EQUAL created a common culture, including a vocabulary and common frames of reference among participants. (...) The space created by EQUAL for mutual learning in partnerships and peer-to-peer arrangements, at National and EU levels – bringing together stakeholders of target beneficiaries, NGO’s, enterprises, professional services providers and administrative bodies – offered an excellent opportunity to generate sustainable community added value. But sustainability and long-term impact require that lessons have really been learned and that elements that were effective will be continued and developed under National and/or EU-level auspices* (Metis, 2010, 164). (See also Panteia 2010 pp.158). The process of learning has to be steered and strengthened, for example by paying attention to sustaining the cooperation experienced with further convenient spaces of cooperation (i.e., acting on the attribution of opportunity) or by the formalization of structures that enforce the rules of coordination naturally achieved (i.e., by decreasing the transaction costs of cooperation). It has been noted, in the context of the 2004-06 cohesion policy Programmes of the EU10 Member States, that *“Learning by doing contributed to the strengthening of coordination and the fine tuning of procedures”*, and that the main improvements dealt with structural adaptations and strengthened coordination, updating, simplification and characterized of procedures, human resources development and management, better collaboration within ministries and departments. (EPRC, Metis, University of Strathclyde, 2009, 4).

Theoretical and empirical literature highlighted some *specific features of partnerships* that can be more adequate than others depending on the context and on the type of results to be achieved. For instance the number and type of actors involved should be different in the case of broad, strategic development projects (such as urban

regeneration projects or sustainable development programmes) of focused projects (such as R&D projects). The structure and extension of a credible and trustworthy partnership has to be adequate to the problem tackled. In the case of strategic development projects, inclusiveness of all key relevant local and regional stakeholders (i.e., the stakeholders that can appropriately represent the complexity of the territory) can be essential in the order *to show the scale of the problem* and the *soundness of consensus*, while in the case of focused projects the partnership can be more narrow, paying attention to include actors that have in-depth knowledge of the sector or the specific process addressed by the initiative (Ecotec 2010; Technopolis group, 2008, 80; EPRC, Metis, University of Strathclyde, 128). Others observe (Metis, 2010, 172) that content-focused partnerships need a certain degree of flexibility in order to avoid that the defection of a specific partner stops the process. Moreover, wide, inclusive partnerships enhance mainstreaming, the external credibility and the relevance assigned to the problem in the field. But they have high costs in terms of participation: if the partnership doesn't achieve some intermediate results there are very high risks of disillusion and defection. On the contrary, restricted partnerships are more reactive and manageable but they could lead to collusion or to lack of representativeness and be exposed to social blame.

It is anyway worth noting that not always the process of constructing partnership deals with constructing trust. On the contrary, the promotion of a partnership approach has been an obvious method for the European Commission to overcome the filter of national administrations and break the vicious circle of under-development in some regions (ADETEF, 2010, pp.51) and, as Cersosimo and Wolleb noticed, in order to interfere with collusive networks at the local level (Cersosimo and Wolleb, 2001). In this kind of situation, the inclusion of many new actors entitled to participate to decisions is a clear strategy for fostering *public disclosure* (Pawson and Tilley, 1997), i.e. the mechanism that force the actors (whether they like it or not) to reveal their own positions and objectives.

The latter observation shifts the attention to the last of the four points mentioned above, i.e. the role of monitoring and evaluation.

In fact, another mechanism worth mentioning is "*performance feedback*": it entails the production, handling, and interpretation of information about efforts and outcomes, in the light of previously established aspirations and goals (Cyert and March 1963; Greve 2003; Barzelay 2007). This mechanism is very relevant both for feeding the process of learning with the analysis of performance, and the maintenance of cooperation. Performance monitoring and evaluation, communication and visibility of results achieved are the most common ways to give performance feedback about local development initiatives. These tools have obviously the aim to steer and control in a managerial way, but what is important here is their power to give signals to the other partners about the respect of the common undertakings and the continuity of the existence of the link binding them; moreover, the perception of results achieved can promote a *feeling of efficacy of the cooperation* (Bandura, 1977) and enhance the commitment and participation. This also explains why the architecture of the

monitoring system should take into consideration the need to involve all the partners in both *giving* and *taking* information about the process and in some cases to further the involvement to other stakeholders. This double aim (control and signal over the maintenance of the partnership) is a specific characteristic of monitoring systems and accountability requirement, even though the coordinating purpose instrument is not always sufficiently recognised. In some cases the accountability purpose prevails: it is the case of implementation of ERDF in Italy, where monitoring and evaluation provided a large amount of information, but this was interpreted in a very formal and restricted way and was not put to constructive use (Applica, Ismeri, Wiiv 2010 127). More in general, EPRC have summed up that Monitoring Committees of ERDF co-financed programmes were characterised by a high degree of formality and have focused mainly on issues of regulatory compliance, with some notable exceptions; moreover, detailed programme monitoring was impeded by their large and broad membership and infrequent meetings (twice a year on average) (EPRC, 2009, 52).

From this point of view, Renate Mayntz (1999) suggested that the main contribution of the enlargement to social actors lies in the fact that they can react as “fire alarms” on the policy process if something is going wrong. In this respect, involving them in the policy process consents to activate a flexible and diffuse system of control, that produces feedbacks without posing binding targets and rules of procedures.

The way in which the monitoring and evaluation system is conceived can influence the possibility to achieve results in term of learning about problems, control of achieved results, and cooperation among partners depending on the type of mechanism triggered. It is for example apparent that if monitoring is conceived just as a mean for giving feedback on the achievement of targets to the financial institution, a sanctioning mechanism is implicit and it can induce into the local partnership a strategy of elusion in the form of pro-forma reporting and evaluation. As noticed (ADETEF, 2010 p.19): the growth of the audit culture has made managing authorities of all funds risk averse when called on to finance innovative actions and smaller projects – especially those led by local partnerships. A second point deals with the very common problem of delay: it has been recognized as one of the most risky problem in local development partnerships, and the reason is that the delay breaks the transmission of signals on the maintenance of the cooperation, feeding a sense of distrust that is very difficult to be restored. A third point is about the dimension of the area of intervention, and the closeness to whom can perceive the results of cooperation: the smaller the area of intervention, the more visible are the positive results achieved; the bigger the area, the more scattered are the results and consequently the perception of the partners (Panteia, 155).

1.3.3 The link between policy process/design and the effectiveness of LDA

In this section of the literature review, answering the question of “how LDA works?” we have drawn up a general outline of some of the causal mechanisms found in theoretical and empirical literature that seem more relevant in the analysis of local development approach. As M. Barzelay sharply noticed, the causal mechanisms are not

"laws", but "sometime true theories" which can explain some regular links among political and institutional procedures, decision tools, characteristics and propensities of actors, and effects to be expected. For this reason they are expected to help the analysis with deeper explanations in order to better understand "how it works what works".

Consequently, the attention to the mechanisms should constitute a useful input in order to design the contrivances of local development interventions. As E. Bardach noticed, mechanisms "*have the potential to be applied in numerous and diverse settings for numerous and diverse ends*" (Bardach, 2004, pp.209, footnote) and for this reason they can constitute a piece of information needed to policy makers for policy design.

The conditions that trigger a mechanism and its results, however, can be found only by looking at the level of the concrete local decisional process. Direct observation is needed to understand the possible causal chains embedded in policies, procedures and tools, and to observe the possible combinations of effects (e.g. incentives and disincentives on different parts of the decision making process) that they can determine. In essence, only close observation allows assessing if mechanisms work as an essential part of a successful strategy, or they are weak points due to their perverse or unexpected effects.

However, the literature review done in the previous pages allows the formulation of a series of hypotheses linking some specific conditions to positive or negative results in the specific case of the LDA, which will be tested in the empirical analysis. This is based on the mechanisms identified in the previous paragraphs and namely:

- (1) **imitation/bandwagon effect/threshold**, the mechanisms explaining how individual actors enter the partnership;
- (2) **attribution of opportunity/threat**, the mechanism explaining how the actors choose a specific strategy of action;
- (3) **actor certification/de-certification**, the mechanism explaining how is possible to enhance/reduce the role of a specific actor;
- (4) **rules of coordination**, the mechanisms favoring to the institutionalisation of the development partnerships and facilitating their activity;
- (5) **public disclosure**, the mechanism defining the sanctions against defection or free riding;
- (6) **performance feedback**, the mechanism for feeding the process of learning and at the same time promoting the feeling of efficacy of the cooperation.

We will refer these mechanisms to the four dimensions of policy design and policy process more relevant in the field of LDA, also in order to address some of the issues raised in the ToRs (namely the question of institutional capacity and the impact of participative monitoring and evaluations systems), that is:

1. the structural characteristics of the actor network;
2. the institutional and administrative capacity;

3. the internal workings of the development partnerships;
4. the characteristics of the monitoring and evaluation systems.

Combining the different mechanisms with the four above dimensions we have then generated a number of hypotheses to be tested in the empirical research, thus completing the theoretical and analytical framework. They are the following:

Hypotheses related to the structural characteristics of the actor network:

1. The minimum size of the partnership is obtained thanks to imitative behaviours, or successful examples from elsewhere;
2. Perception of opportunity (deriving from provisions such as external grants) or threat (such as, an expected crisis) favours the enlargement of the partnership;
3. Competitive procedures for the allocation of the grants enhances the perception of opportunity; the selection on a competitive basis enhances the perception of the partnership's efficacy;

Hypotheses related to institutional and administrative capacity

4. The existence of a national/regional frame favours the effectiveness of bottom-up interventions;
5. Trustworthy, high reputation promoters encourages other stakeholders to join;
6. The presence of multi-level actors favours mainstreaming of the proposed solution;
7. The attribution of relevant resources, functions, powers to a local actors (i.e. the leading partner) certifies its role in front of the other partners and enhances its responsibility;

Hypotheses related to internal working of the partnership

8. Repeated interactions and/or previous experience of cooperation among partners facilitates the working of partnership;
9. The formalization of meta-rules (such as rules on decision and coordination) and structures of cooperation makes the partnership more stable and durable;
10. Rigid contracts favours formal compliance;
11. Procedures giving specific resources and powers to partners (such as the right to vote, the compulsory approval of programme's progresses or amendments, etc) reinforces the contribution of stakeholders;
12. Involvement of partners in the planning phase promoted the mediation of interests and reduced the risk of challenges in the implementation phase;

Hypotheses on monitoring and evaluation

13. The achievement of intermediate results reinforces the role of the project leader;

14. Feedbacks on the performance achieved allows the managing authority to make incremental changes and to anticipate failures;
15. Procedures that compels transparency on the results achieved favour the production of flexible forms of feedbacks from partners;
16. Sanctions in case of non-compliance focus the efforts of the actors.

2 Results of the OPs analysis

According to the ToR provisions, the overall aim of the subtask 2.1 is to analyse how the provisions of Cohesion policy for the 2007-2013 programming period are translated into action and, in particular, to investigate whether local development is the methodology typically used for implementing territorial policy interventions.

To this end, as specified in the Inception report, the Consortium carried out a review¹¹ of local development practices and initiatives included in 38 Operational Programmes implemented by the 16 Member States, which allocated the largest absolute amounts of ERDF resources to territorial policy interventions¹². The review allowed to understand whether and how a local development approach¹³ has been or not translated into the regional/national Operational Programmes with specific regard to the three questions envisaged for Task 2.1 by the Terms of Reference:

1. assess whether or not they have employed the local development approach as a delivery mechanism for territorial interventions and establish the amount of resources allocated;
2. assess whether or not they have employed the local development approach as a delivery mechanism for other areas of interventions and establish the amount of resources allocated;
3. review the information on local development approaches implemented on the ground (in particular, assess whether Operational Programmes employed "sub-delegation" under Art. 37 of the General Regulation).

The following paragraphs represent an overview of the approaches used by the 16 Member States within the 38 OPs (specific attention is given to those that have adopted a local development approach). Evaluation questions 1 and 2 are analysed together in the paragraph 2.1. Consideration is first given to whether a local development approach is pursued (2.1.1); then attention is put on the kind of interventions for which a local development approach is used, namely territorial interventions or other type of interventions (2.1.2).

¹¹ For details on methodology used please see Inception report, paragraph 2.3.1.

¹² Member States (Poland, Hungary, Italy, Czech republic, Spain, Greece, Portugal, Germany, Romania, Slovenia, France, Latvia, Lithuania, United Kingdom, Estonia, and Bulgaria) and relate 38 OPs to be analysed were identified in the ToR.

¹³ It is worth reminding that, for the purpose of this study, local development approach was defined by the ToR as a "bottom-up methodology implemented at sub regional level that is strategic and multidimensional, based on local partnership, and where networking and capacity building are important building blocks". According to the working definitions drawn from literature review (see Chapter 1), the same elements were considered as a pre-requisite to speak about local development approach.

2.1 Evaluation question 1 and 2: whether or not OPs have employed the local development approach and for which kind of interventions

2.1.1 Presence/absence of local development approaches: whether the Programmes provide for the use of local development approaches

The following table presents the list of the 38 analysed OPs categorised by the adoption or otherwise of a local development approach.

Table D: Presence/Absence of Local Development Approaches

Presence of Local Development Approaches	Poland	Śląskie Region OP 2007 – 2013
	Hungary	Social Infrastructure (SIOP) 2007-2013 ERDF Convergence Programme
	Italy	Sicily Region OP 2007-2013 ERDF Convergence Programme
		Campania Region OP 2007-2013 ERDF Convergence Programme
		Puglia Region OP 2007-2013 ERDF Convergence Programme
	Czech Republic	Integrated Operational Programme
		Regional OP NUTS II Northwest 2007-2013
	Spain	Andalucía Region OP 2007-2013
		Extremadura Region OP 2007-2013
	Greece	Attica Region 2007-2013 ERDF PHASING - OUT Programme
		Western Greece – Peloponnesus – Ionian Islands 2007-2013 ERDF Convergence Programme
	Germany	Sachsen OP ERDF 2007 - 2013
		Sachsen-Anhalt OP ERDF 2007 - 2013
		Berlin OP ERDF 2007 - 2013
	Romania	Regional Operational Programme
	Slovak Republic	Western Slovakia, Central Slovakia, Southern Slovakia Regional Operational Programme
		Health Operational Programme
Research and Development Operational Programme		
France	ERDF Nord Pas- De-Calais OP	
United Kingdom	West Wales and the Valleys ERDF Convergence programme	
	North West England ERDF Regional Competitiveness and Employment Operational Programme	
Estonia	Operational Programme for the Development of Living Environment	
Bulgaria	Regional Development Operational Programme	
Presence of Local Development Approaches at a limited	Poland	Infrastructure and Environment OP
		Development of Eastern Poland OP 2007-2013
	Hungary	Central Hungary 2007-2013 ERDF Convergence Programme
	Czech Republic	Environment OP 2007-2013
	Greece	Macedonia – Orake Region OP 2007-2013
	Portugal	North Portugal 2007-2013 ERDF Convergence Programme
		Territorial Valorisation 2007-2013 ERDF Convergence Programme
Centre Portugal 2007-2013 ERDF Convergence Programme		
Latvia	Infrastructure and Services Operational Programme	

Absence of Local Development	Hungary	Operational Programme for Transport
	Spain	Galicia Region OP 2007-2013
	Romania	Sectoral Operational Programme Environment
	France	ERDF Réunion OP
		ERDF Guadeloupe OP
Lithuania	Cohesion Promotion Action Programme 2007-2013	

As the Table shows, out of the 38 OPs analysed:

- 23 OPs are considered to have adopted a broad local development approach;
- 9 OPs are considered to have adopted the local development approach at a limited extent. This means that the OPs nominally refer to the three dimensions above (with few or none explicit and/or operative references) and, in some cases, only to one or two of them;
- 6 OPs are considered not to have adopted a local development approach.

On the basis of these findings, the following pages synthesise how the 23 assessed OPs refer to the three dimensions that, according to the literature review (see Chapter 1), are considered essential to any local development approach:

- territoriality;
- integration and multidimensionality;
- local actors cooperation and mobilisation of partnership.

All the 23 OPs have a **place-based character** through a clear identification of a specific territory in which LDA can be used.

However there are some differences in the delineation of the specific territory towards which ERDF has been directed.

The selected territory may correspond to a **specific urban or metropolitan area** with formal borders as in the Operational Programme of the Nord-Pas de Calais (France), where ERDF effort and support is focussed at the level of major sub-region or urban areas (including peripheral urban areas) with a strong formal spatial component in terms of selection. In other cases, attention is directed towards more local and small-scale geographies, for example the German OPs and in those of the Baltic Countries and East Europe where operations are concentrated at the micro level of **specific disadvantaged neighbourhoods**. Likewise, in the case of the Slovak Republic OPs, attention is given to marginalized Roma Communities where ERDF supports their regeneration.

On the contrary, the chosen territory may also correspond to a wider group of territorial areas not always consistent with formal borders as in the United Kingdom OPs where homogenous areas are identified through Spatial Plans.

In all these cases (though with some differences related to delivery mechanisms as we will see later) there is the hypothesis (related to the several approaches described in

chapter 1 such as New Economic Geography and Localised Economic Development) that **geographical concentration of economic resources will benefits local communities** and that concentration and agglomeration of economic activities might be a basis for local development. At the same time, there is also the idea that development should start from “below” and involve local communities (related to the approach of Community Economic Development and New institutional economics with specific reference to the focus on cooperation and community of Elinor Ostrom’s work). Thus, the **territoriality dimension is strictly connected to both integration and bottom-up participation.**

This is particularly clear in the German OPs where attention to disadvantaged neighbourhoods goes together with involvement of the local population and the development of integrated projects takes into account social and economic characteristics and disparities. Also Italian OPs employ an approach in which territoriality, integration and bottom up participation are of particular concern and the identification of the specific development potential of territorial areas is elaborated in partnerships between local stakeholders and the municipal authorities.

The use of a local development approach is strictly linked to what was programmed and implemented during the previous 2000-2006 programming period. The OPs review shows that **continuity is a crucial aspect** for local development and that 2000-2006 was definitely a period of awareness and gaining of experience amongst a wide range of regional and local actors. **All OPs** (including those that have limited implemented interventions using a local development approach) identify **specific connections with the previous programming period 2000-2006.** This is particularly true when specific tools addressing local development are used. For example, the Italian OPs have already experimented specific integrated methodologies defined by local partnerships and prepared by local coalitions as multi-sectoral projects: the Integrated Territorial Projects (PIT) in which the planning phase of areas with homogeneous economic condition and resources was assigned to an institutional partnership including provinces and local administrations, besides social and economic actors. Within the Italian context, in Puglia region, PIS (Integrated Sectoral Projects) were developed alongside the PIT. These addressed different territorial areas characterised by specific resources, mainly of cultural or touristic in nature, to be better exploited. In addition, in Puglia, during the implementing phase of PITs, in 2005, the process defining Broad Areas Strategic Plans started. This new territorial development tool strengthened the bottom-up strategy, as the local coalitions were free to choose the extension and form of the partnership, the themes of intervention and the leader of the partnership.

Community Initiatives such as Leader and Urban were also used as learning experience to implement the current Operational Programmes. This is particularly clear in the Sachsen OP which, in the 2000-2006 programming period, and within the URBAN II Community Initiative, included a local development approach with regard to the development of disadvantaged villages. The local population participated in the formulation of “local development concepts”, comparable to the actual integrated action

plans, but implemented in rural areas and villages, instead of urban areas. In some cases, the experience obtained during the previous 2000-2006 programming period was used to better focus local development approaches and for better definition of the instruments and tools to be used to this end.

2.1.2 Type of interventions implemented using a local development approach

While direct attribution of interventions to local development initiatives is not straightforward, we have attempted to assign funds to LDA activities on the basis of our interpretation of the OPs. The following table E presents the results of this exercise. It is, necessarily, indicative in showing the allocation of resources with regard to those priorities that finance policy interventions through a LDA¹⁴. The table columns show for each country (1) and OP (2a and 2b) considered in the analysis, the territorial nature of intervention (3), typology classification (4) and priority axis (5). For each priority, the total ERDF amount dedicated to finance interventions implemented by LDA (6) and the total amount (ERDF + other public and private resources) assigned to LDA (7) are also shown. The last column shows the percentage of ERDF resources devoted to LDA (for each priority) out of the total ERDF OP amount. For each OP the overall total is also reported.

¹⁴ For this reasons the table presents data only for those OPs that has been assessed as having used a LDA.

Table E: LDA allocation by typology of intervention and resources

Country (1)	OP CCI number (2a)	Operational Programme Title (2b)	Territorial / other interventions (3)	TYPOLGY (4)	OPs PRIORITY (5)	ERDF for LDA (6)	TOTAL AMMOUNT for LDA (7) (ERDF+ other public and private resources assigned to LDA)	% ERDF for LDA / TOTAL OP's ERDF (8)
BG	2007BG161PO001	Regional Development Operational Programme	Territorial	Urban and rural regeneration	Local development and co-operation	70.776.345 €	83.266.288 €	5,2%
					Sustainable and Integrated Urban Development	188.351.448 €	221.589.939 €	13,8%
				Environment and sustainable tourism	Sustainable Tourism Development	129.765.705 €	152.665.535 €	9,5%
		<i>Regional Development Operational Programme Total</i>					388.893.498 €	457.521.762 €
CZ	2007CZ16UPO002	Integrated Operational Programme	Territorial	Urban and rural regeneration	National support for territorial development	163.200.000 €	192.000.000 €	10,3%
		<i>Integrated Operational Programme Total</i>					163.200.000 €	192.000.000 €
	2007CZ161PO008	Regional OP NUTS II Northwest	Territorial	Urban and rural regeneration	Integrated support of local development	28.899.999 €	34.000.000 €	3,9%
					Urban regeneration and development	127.500.000 €	150.000.000 €	17,1%
<i>Regional OP NUTS II Northwest Total</i>					156.399.999 €	184.000.000 €	21,0%	
DE	2007DE162PO004	Berlin Operational Programme ERDF 2007-2013	Territorial	Urban and rural regeneration	Integrated urban development	164.391.300 €	328.782.600 €	18,8%
		<i>Berlin Operational Programme ERDF 2007-2013 Total</i>					164.391.300 €	328.782.600 €
	2007DE161PO004	Sachsen Operational Programme ERDF 2007-2013	Other	Competitiveness and attractiveness of territorial productive systems	Expansion and improvement of the infrastructure to permit durable economic growth	109.000.000 €	146.500.000 €	3,5%
						<i>Sachsen Operational Programme ERDF 2007-2013 Total</i>		
	2007DE161PO007	Sachsen-Anhalt Operational Programme ERDF 2007-2013	Territorial	Urban and rural regeneration	Sustainable urban development, including educational infrastructures	262.000.000 €	351.100.000 €	13,6%
					Culture	Economic infrastructure	21.300.000 €	28.000.000 €
<i>Sachsen-Anhalt Operational Programme ERDF 2007-2013 Total</i>					283.300.000 €	379.100.000 €	14,7%	

Country (1)	OP CCI number (2a)	Operational Programme Title (2b)	Territorial / other interventions (3)	TPOLOGY (4)	OPs PRIORITY (5)	ERDF for LDA (6)	TOTAL AMOUNT for LDA (7) (ERDF+ other public and private resources assigned to LDA)	% ERDF for LDA / TOTAL OP's ERDF (8)
EE	2007EE161PO002	Operational Programme for the Development of Living Environment	Territorial	Urban and rural regeneration	Integral and balanced development of regions	15.165.595 €	17.841.876 €	0,9%
		<i>Operational Programme for the Development of Living Environment Total</i>					15.165.595 €	17.841.876 €
ES	2007ES161PO008	Andalucia Region Operational Programme ERDF 2007-2013	Territorial	Urban and rural regeneration	Local and Urban Sustainable Development	420.487.187 €	600.695.984 €	6,1%
		<i>Andalucia Region Operational Programme ERDF 2007-2013 Total</i>					420.487.187 €	600.695.984 €
	2007ES161PO006	Extremadura Region Operational Programme ERDF 2007-2013	Territorial	Urban and rural regeneration	Local and Urban Sustainable Development	11.109.377 €	15.870.538 €	0,7%
		Other	Competitiveness and attractiveness of territorial productive systems	Entrepreneurial Development and Innovation	260.791.130 €	372.558.753 €	16,5%	
<i>Extremadura Region Operational Programme ERDF 2007-2013 Total</i>					271.900.506 €	388.429.291 €	17,2%	
FR	2007FR162PO017	Operational Programme ERDF Nord Pas-De-Calais	Territorial	Urban and rural regeneration	Territorial component	16.387.680 €	32.230.000 €	2,3%
			Other	Knowledge economy (R+D, information society, ICT)	Research, development, innovation, enterprise policy	96.012.000 €	396.792.000 €	13,7%
		<i>Operational Programme ERDF Nord Pas-De-Calais Total</i>					112.399.680 €	429.022.000 €

Country (1)	OP CCI number (2a)	Operational Programme Title (2b)	Territorial / other interventions (3)	TYPOLGY (4)	OPs PRIORITY (5)	ERDF for LDA (6)	TOTAL AMMOUNT for LDA (7) (ERDF+ other public and private resources assigned to LDA)	% ERDF for LDA / TOTAL OP's ERDF (8)
GR	2007GR161PO006	Attika Region2007-2013 ERDF PHASING OUT Programme	Territorial	Urban and rural regeneration	Regeneration of urban regions	141.000.000 €	188.000.000 €	5,8%
		<i>Attika Region2007-2013 ERDF PHASING OUT Programme Total</i>					<i>141.000.000 €</i>	<i>188.000.000 €</i>
	2007GR161PO007	Western Greece – Peloponnesus – Ionian Islands 2007-2013 ERDF Convergence Programme	Territorial	Sustainable development & quality of life	Sustainable development & quality of life - Ionian Islands	163.450.000 €	207.202.500 €	17,9%
					Sustainable development & quality of life – Peloponnesus	190.000.000 €	242.400.000 €	20,8%
					Sustainable development & quality of life - West Greece	217.870.000 €	273.013.353 €	23,8%
<i>Western Greece – Peloponnesus – Ionian Islands 2007-2013 ERDF Convergence Programme Total</i>					<i>571.320.000 €</i>	<i>722.615.853 €</i>	<i>62,5%</i>	
HU	2007HU161PO008	Social Infrastructure (SIOP) 2007-2013 ERDF Convergence Programme	Territorial	Investment in social infrastructure	Development of the infrastructure of education	175.364.716 €	206.311.431 €	9,8%
		<i>Social Infrastructure (SIOP) 2007-2013 ERDF Convergence Programme Total</i>					<i>175.364.716 €</i>	<i>206.311.431 €</i>

Country (1)	OP CCI number (2a)	Operational Programme Title (2b)	Territorial / other interventions (3)	TYPOLGY (4)	OPs PRIORITY (5)	ERDF for LDA (6)	TOTAL AMMOUNT for LDA (7) (ERDF+ other public and private resources assigned to LDA)	% ERDF for LDA / TOTAL OP's ERDF (8)
IT	2007IT161PO009	Campania Region OP ERDF 2007-2013 Convergence Programme	Territorial	Urban and rural regeneration	Urban development and quality of life	412.950.000 €	825.900.000 €	12,0%
		<i>Campania Region OP ERDF 2007-2013 Convergence Programme Total</i>					412.950.000 €	825.900.000 €
	2007IT161PO010	Puglia Region OP ERDF 2007-2013 Convergence Programme	Territorial	Urban and rural regeneration	Sustainable and efficient use of environmental and energy resources for development	70.000.000 €	140.000.000 €	2,7%
				Culture	Promoting the potential of natural and cultural resources to improve the attractiveness and development of the region	42.500.000 €	85.000.000 €	1,6%
				Investment in social infrastructure	Social inclusion and services to enhance the quality of life and the attractiveness of the region	6.000.000 €	12.000.000 €	0,2%
			Other	Knowledge economy (R+D, information society, ICT)	Promotion and dissemination of research and innovation for competitiveness	7.500.000 €	15.000.000 €	0,3%
				Competitiveness and attractiveness of territorial productive systems	Networks and mobility links	10.000.000 €	20.000.000 €	0,4%
					Competitiveness and attractiveness of cities and urban systems	260.000.000 €	520.000.000 €	9,9%
			Competitiveness of productive and employment systems	9.000.000 €	18.000.000 €	0,3%		
	<i>Puglia Region OP ERDF 2007-2013 Convergence Programme Total</i>					405.000.000 €	810.000.000 €	15,5%

Country (1)	OP CCI number (2a)	Operational Programme Title (2b)	Territorial / other interventions (3)	TYPOLGY (4)	OPs PRIORITY (5)	ERDF for LDA (6)	TOTAL AMMOUNT for LDA (7) (ERDF+ other public and private resources assigned to LDA)	% ERDF for LDA / TOTAL OP's ERDF (8)
IT	2007IT161PO011	Sicily Region OP ERDF 2007-2013 Convergence Programme	Territorial	Urban and rural regeneration	Mobility networks	2.081.951 €	4.163.901 €	0,1%
					Sustainable urban development	173.000.000 €	346.000.000 €	5,3%
				Environment and sustainable tourism	Natural resources	22.430.846 €	44.861.691 €	0,7%
				Culture	Cultural and environmental resources	110.355.836 €	220.711.672 €	3,4%
			Other	Knowledge economy (R+D, information society, ICT)	Dissemination of research and innovation and Information Society	6.713.995 €	13.427.989 €	0,2%
				Competitiveness and attractiveness of territorial productive systems	Development of enterprises and competitiveness of local production systems	471.345 €	942.690 €	0,01%
<i>Sicily Region OP ERDF 2007-2013 Convergence Programme Total</i>						<i>315.053.972 €</i>	<i>630.107.943 €</i>	<i>9,6%</i>
PL	2007PL161PO019	Slaskie Region Operational Programme	Territorial	Urban and rural regeneration	Sustainable urban development	40.600.000 €	47.764.706 €	2,4%
				Environment and sustainable tourism	Environment	36.300.000 €	42.705.882 €	2,1%
					Tourism	10.200.000 €	12.000.000 €	0,6%
				Culture	Culture	9.600.000 €	11.294.118 €	0,6%
			<i>Slaskie Region Operational Programme Total</i>					
RO	2007RO161PO001	Regional Operational Programme	Territorial	Urban and rural regeneration	Support to sustainable development of urban growth poles	1.117.806.529 €	1.391.171.785 €	30,0%
		<i>Regional Operational Programme</i>						<i>1.117.806.529 €</i>

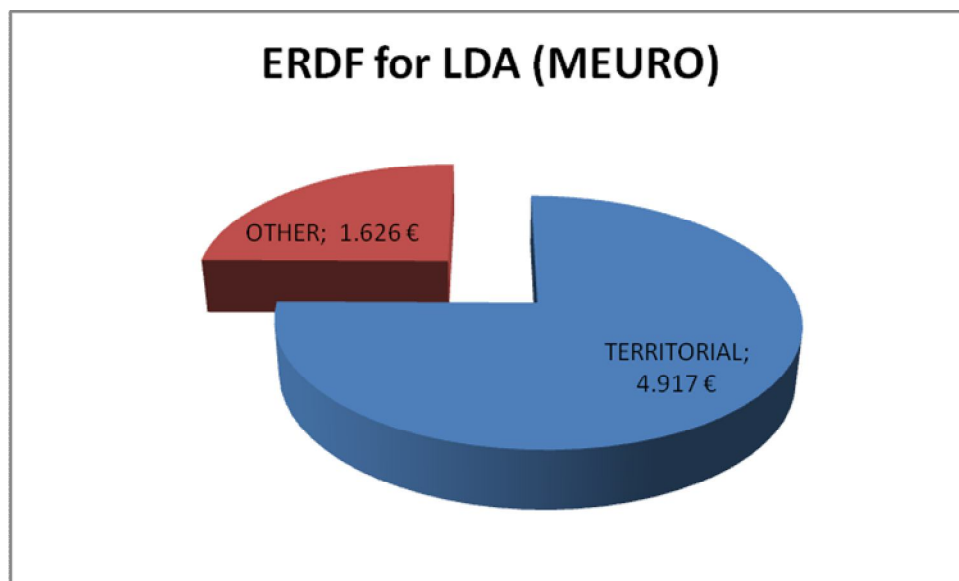
Country (1)	OP CCI number (2a)	Operational Programme Title (2b)	Territorial / other interventions (3)	TYOLOGY (4)	OPs PRIORITY (5)	ERDF for LDA (6)	TOTAL AMMOUNT for LDA (7) (ERDF+ other public and private resources assigned to LDA)	% ERDF for LDA / TOTAL OP's ERDF (8)
SK	2007SK16UPO001	Research and Development Operational Programme	Other	Knowledge economy (R+D, information society, ICT)	Support to research and development (Convergence + Competitiveness objectives)	586.056.694 €	689.478.465 €	48,5%
		<i>Research and Development Operational Programme Total</i>				586.056.694 €	689.478.465 €	48,5%
	2007SK161PO005	Health Operational Programme	Territorial	Investment in social infrastructure	Health Promotion and Health Risk Prevention	10.000.000 €	45.000.000 €	4,0%
		<i>Health Operational Programme Total</i>				10.000.000 €	45.000.000 €	4,0%
	2007SK161PO003	Western Slovakia, Central Slovakia, Southern Slovakia Regional Operational Programme	Territorial	Urban and rural regeneration	Regeneration of urban areas	222.000.000 €	261.176.471 €	15,4%
		<i>Western Slovakia, Central Slovakia, Southern Slovakia Regional Operational Programme Total</i>				222.000.000 €	261.176.471 €	15,4%
UK	2007UK162PO008	North West England ERDF Regional Competitiveness and Employment Operational Programme	Territorial	Urban and rural regeneration	Creating the Conditions for Sustainable Growth	78.250.000 €	156.500.000 €	10,4%
			Other	Competitiveness and attractiveness of territorial productive systems	Growing and Accessing Employment	68.000.000 €	136.000.000 €	9,0%
		<i>North West England ERDF Regional Competitiveness and Employment Operational Programme Total</i>				146.250.000 €	292.500.000 €	19,4%
	2007UK161PO002	West Wales and the Valleys ERDF Convergence programme	Territorial	Urban and rural regeneration	Building Sustainable Communities	44.520.005 €	66.694.808 €	3,6%
			Other	Competitiveness and attractiveness of territorial productive systems	Creating an attractive business environment	75.866.455 €	127.479.135 €	6,1%
				Developing Strategic Infrastructure for a Modern Economy	136.438.331 €	244.171.832 €	10,9%	
<i>West Wales and the Valleys ERDF Convergence programme Total</i>				256.824.791 €	438.345.775 €	20,5%		

Source: Financial data for the total ERDF amount for each OPs are taken from official data delivered by the European Commission at the date of May 2011. Financial data for the amount of ERDF and the total amount (ERDF + other financial resources) dedicated by each OPs to LDA are our elaboration on the basis of OPs and Annual implementation reports (2009 version).

Scrutiny of table E shows that the **local development approaches described in the OPs are the methodology typically used to implement territorial policy interventions**¹⁵. As a matter of fact, all the 23 analysed OPs have decided to use a local development approach to implement territorial policy interventions. Within territorial policy interventions, **the more considered intervention typology is “urban and rural regeneration”** (again all the 23 OPs) with a particular emphasis to the regeneration of disadvantaged or multi-problematic areas. When revitalisation of deprived urban areas is envisaged, examples of indicative activities are also referred to supply of social-cultural and leisure-related facilities and education-oriented activities and/or economic development. **Other considered intervention typologies using a local development approach are those related to the enhancement of tourism** (which can be found in two OPs) and in general to a **sustainable development** within the territory (three OPs) and those related to **investment in social and cultural infrastructure** (five OPs).

The importance of local development approaches for territorial policy interventions is also reflected in the distribution of financial resources as showed by Graph 1 below.

Graph 1 - Total amount of ERDF for LDA per macro theme (Territorial intervention and others interventions)



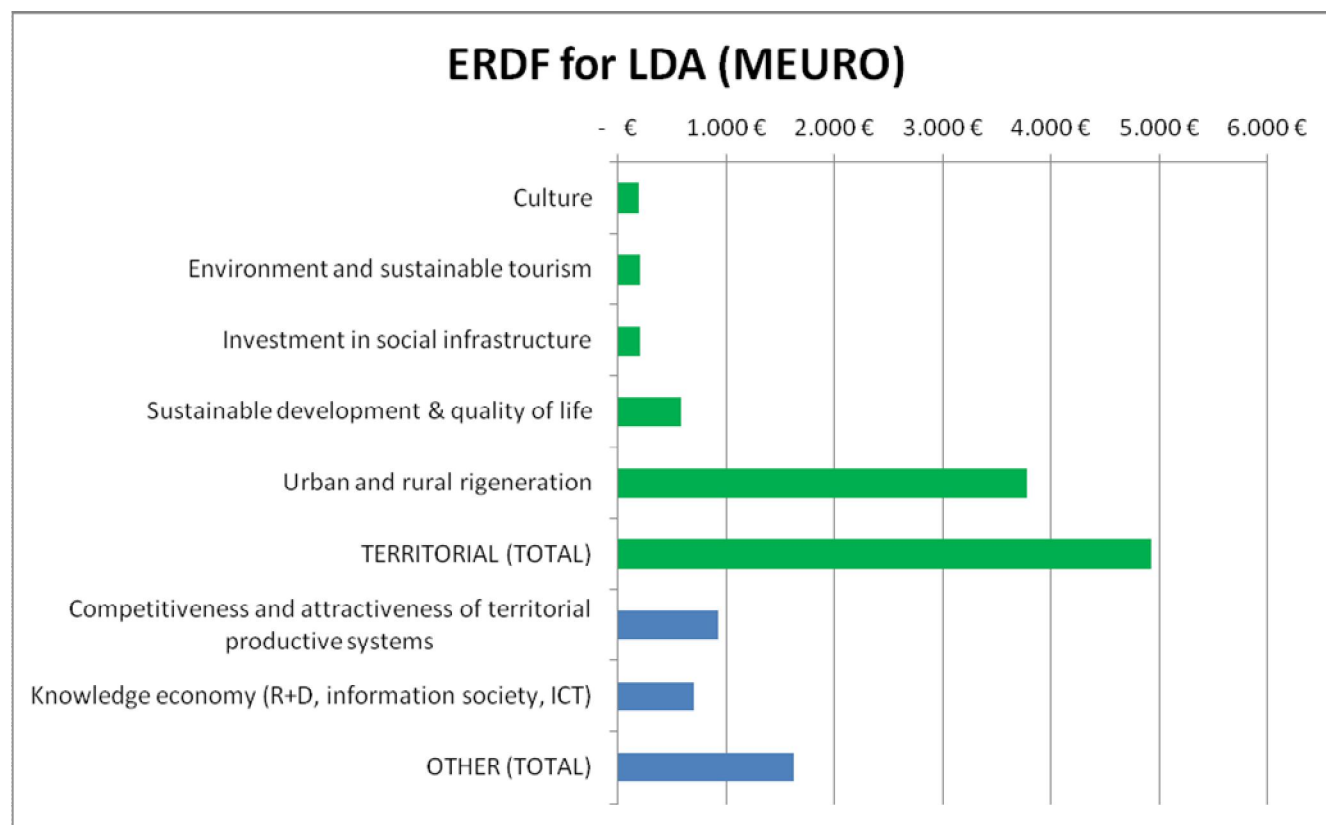
¹⁵ According to the Terms of Reference, “territorial interventions” refer to the following categories of expenditure: Urban and rural regeneration (Integrated projects for urban and rural regeneration); Environmental protection and risk prevention (Rehabilitation of industrial sites and contaminated land, Promotion of biodiversity and nature protection, Promotion of clean urban transport); Tourism (Promotion of natural assets, Protection and development of natural heritage, Other assistance to improve tourist services); Culture (Protection and preservation of the cultural heritage, Development of cultural infrastructure, Other assistance to improve cultural services); Investment in social infrastructure (Education infrastructure, Health infrastructure, Childcare infrastructure, Housing infrastructure, Other social infrastructure).

The overview shows also the few cases in which LDA has been used to implement other type of policy interventions. Only 8 OPs have considered other policy interventions, namely the Sachsen OP, the Extremadura OP, the Nord Pas de Calais OP, the Puglia OP, the Sicily OP, the Slovak Research and Development OP, the North West England OP and the West Wales OP. In detail “other policy interventions” refer to:

1. Competitiveness and attractiveness of the territorial productive systems (which can be found in five OPs) and is mainly connected to activities aimed at the building and upgrading of infrastructure and/or business support to permit durable economic growth.
2. Knowledge economy and research and innovation policies (which can be found in four OPs) and is mainly connected to interventions aimed at promoting and disseminate research and innovation through, for example, the implementation of excellence networks and/or research; construction of innovation policy infrastructures (innovation centres, technological platforms, information centres), development of Information Society and ICT.

Again, the importance of specific type of policy interventions (both territorial interventions and others) is reflected by the amount of ERDF allocated for themes as showed in Graph 2 below.

Graph 2: Total amount of ERDF for LDA (MEURO) per theme



2.2 Evaluation question 3 - How local development approaches have been implemented on the ground: delivery mechanisms for local development approach and actors involvement

Delivery mechanisms and actor involvement are strictly connected in the OPs strategies for local development. The importance of actor involvement is paramount in all the examples of delivery mechanisms which have been quoted.

All the OPs assessed as using a local development approach in implementing their interventions **are activated through specific tools** such as **Action Plans or Integrated Programmes** usually implemented by sub-regional and/or local partnerships. An interesting case is given by the Berlin OP which, since the 2000-2006 programming period, carried out LDA interventions through local “Action plans” worked out by the so-called “Quartiersmanagement” (Neighbourhood Management) in cooperation with the relevant local actors and residents.

Plans are in some cases defined and drafted within **strategic frameworks** that are connected to spatial aspects of delivery and developed through partnerships at sub-regional and local level. This is the case, for example, of the UK OPs. In the West Wales and the Valleys OP stakeholders and other relevant bodies were brought together to develop thematic and spatial ‘Strategic Frameworks’ (SFs) intended to set out the strategic perspectives through which projects would be selected for approval and supported via coordinators. All of the SFs were integrated with the Wales Spatial Plan, development of which became a statutory duty for the Assembly in 2004.

In North West England OP, the delivery arrangements are defined for a number of Action Areas. Generally, the sub regional action plans which are currently being refreshed set out relevant sub regional and local priorities in relation to the action area. Each Area is driven by a comprehensive Investment Framework which details the types of activity to be funded and identifies the types of organisations that are best placed to deliver such projects. Each Framework has been developed in consultation with local, sub-regional and regional partners, approved by the Programme Monitoring Committee and defines how projects have to fit with the Sub-Regional Action Plan (SRAP).

In some cases, interventions are implemented though the **use of sub-delegation to Intermediate Organisms**, usually local governments.

This is the case of Puglia OP which introduced the possibility of delegating Intermediate Organisms to accomplish a part or all the tasks assigned to the managing authority both in the planning and implementing phase, according to the art. 42 of Regulation (EC) 1083/2006. In particular, the OP includes the local administrations leader of the 10 Wide Plan Areas among the Intermediate Organisms to be delegated and instituted according to the regional deliberation no. 262/05¹⁶.

¹⁶ Evaluation Unit of Puglia Region, Guidelines for the strategic planning, 2005, [http://db.formez.it/fontinor.nsf/531d28b4c444a3e38025670e00526f23/CF4FC91CC1585AB8C12572F4004AF51C/\\$file/linee%20guida%20pianificazione%20strategica%20puglia.pdf](http://db.formez.it/fontinor.nsf/531d28b4c444a3e38025670e00526f23/CF4FC91CC1585AB8C12572F4004AF51C/$file/linee%20guida%20pianificazione%20strategica%20puglia.pdf).

Integrated Development Programmes for four sub regional areas of the Śląskie Region in Poland are carried out pursuant to the delegation of part of the decision-making process from the regional level to the sub-regional level and in collaboration with local self-government authorities. The same happens in the Slovak OPs which have intermediary bodies (self governing administration bodies of NUTS III level) for implementing specific territorial interventions.

In Berlin OP, local governments are sub-delegated since the end of the last programming period and continue to be sub-delegated in the actual one.

Instead of being delegated, in many cases, **municipalities are the only eligible applicants for interventions (mainly territorial ones) using a local development approach**. This is the case, for example, of German OPs and Eastern Europe OPs (Hungary, Czech Republic, Poland, Bulgaria).

Within the Sachsen OP, in order to receive ERDF funding support for urban development activities, municipalities have to present an “integrated action concept”. The Saxony municipalities are invited (through a public tender) to submit their proposals and programmes for integrated neighbourhood development actions to the Inter-ministerial Coordination Group. The programme includes a detailed description of the selected urban neighbourhood and a framework for how the area should be developed.

In the Czech Republic Integrated Operational Programme, eligible applicants for funding under LDA interventions are municipal bodies. They have to create in partnership with local stakeholders an integrated development plan according to guidelines issues by the managing authority and national coordination authority (guidelines are following best practice from URBAN I an URBAN II experience). After selecting municipal areas (zones) which comply with the social and economic criteria established, municipalities form a partnership with local owners of housing (where the municipality is not 100% owner of all housing estates in the area) and other social and economic partners and develop an integrated development strategy using the “zone” approach. The Integrated Development Plan is submitted to the City Council for approval and thereafter to the managing authority for approval. Once approved the municipality issues a call for proposals and formal and initial technical appraisal is done by municipalities. Projects are then submitted to an Intermediary Body (Centre for Regional Development) for detailed technical assessment.

In the case of Nord Pas de Calais, the applicants are not the Municipalities, but clusters which reflect the diversity of know-how of the different areas and suggest the importance of geographical agglomeration for economic development.

To avoid overlap in programming and implementing interventions, **coordination structures have also been defined**. These structures are usually devoted to designing innovative solutions for interventions, to ensure that interventions are programmed and delivered in accordance to local plans and frameworks and, in some cases, to select projects. This is the case, for example, of the Latvia OP which states that cities/towns have an opportunity to propose innovative solutions to facilitate their competitiveness

and growth as well as to choose projects that comply with the integrated development programmes of local government and to which they are going to apply for support. A Local Coordination Council has been created to implement the activities efficiently. The Council will evaluate development programmes of local governments and will recommend projects or project ideas to be submitted under the priority by potential beneficiaries. Such an approach could ensure non-overlapping and mutual complementarity of support with other EU structural funds and Cohesion fund activities.

Similarly, in the Berlin OP, LDA is implemented in a participatory and interdisciplinary way through the local structures of Neighbourhood Councils and Management who have the main aim to create ownership in the community by involving its members into the improvement and development process on an ongoing basis strengthening social cohesiveness and implementing social urban development. Neighbourhood Councils are coordinated together in order to ensure coherence.

3 Regional case studies

3.1 Proposed case studies

The overview of the Operational Programmes constituted the basis to identify a list of 10 interesting regional cases covering a variety of contexts and practices to be considered in deciding the definitive list of cases to be analysed under subtask 2.2.

The **main criterion** for the selection of the regional cases **is the fact of having actually used local development approaches**. To this end, the results of the analysed OPs (see paragraph 2.1) are used. As previously indicated, **23 OPs out of the 38 fully satisfy this criterion** thus reducing the sample of OPs on which choosing.

As stated in the Inception Report, the **second step** to be followed for the case study selection is **to group similar OPs according to different features of local development approaches** implemented on the ground. To this end, following the main findings of the literature review on the importance of the concepts of territory, policy integration and stakeholders involvement, the grouping has been done using the following matrix (Table F). For each of the three elements identified in the literature review as the essential one for any local development approach, the matrix identifies the **different declinations that may occur when implementing it on the ground**. So, for example, the dimension related to territory can be declined through a wide territorial focus or a small one. The combination of these ways to implement local development on the ground are multiple and the local development approach employed by a singular OP may be characterized by **both declinations** of the same element.

Table F: Criteria for grouping OPs

Elements	Elements	Declination 1	Declination 2	Declination 3 (mix of declinations 1 and 2)
Territory	A	Wide territorial focus	Small territorial focus	Both
Policy integration	B	Sectoral focus	Integrated thematic approach	Both
Partnerships	C	Partnership as a tool	Partnership as a goal	Both
	D	Selective partnership	Inclusive partnership	Both

Table G below shows the result of grouping exercise.

Table G: OPs grouping

Country	OP	OP Name	A	B	C	D	Groups
ES	2007ES161PO008	Andalucía Region OP 2007-2013	1	1	1	1	1
BG	2007BG161PO001	Regional Development Operational Programme	1	1	1	2	2
IT	2007IT161PO010	Puglia Region OP 2007-2013 ERDF Convergence Programme	1	1	1	2	2
UK	2007UK162PO008	North West England ERDF Regional Competitiveness and Employment Operational Programme	1	1	1	2	2
PL	2007PL161PO019	Slaskie Region OP 2007-2013	1	2	1	2	3
IT	2007IT161PO011	Sicily Region OP 2007-2013 ERDF Convergence Programme	1	2	1	2	3
SK	2007SK161PO005	Health Operational Programme	1	2	1	2	3
SK	2007SK16UPO001	Research and Development Operational Programme	1	2	1	2	3
DE	2007DE161PO004	Sachsen OP ERDF 2007-2013	1	2	1	2	3
CZ	2007CZ161PO008	Regional OP NUTS II Northwest 2007-2013	2	1	1	1	4
EE	2007EE161PO002	Operational Programme for the Development of Living Environment	2	1	1	1	4
GR	2007GR161PO007	Operational Programme Western Greece – Peloponnesus – Ionian Islands 2007-2013 ERDF Convergence Programme	2	1	1	2	5
ES	2007ES161PO006	Extremadura Region OP 2007-2013	2	1	1	2	5
DE	2007DE161PO007	Sachsen-Anhalt OP ERDF 2007-2013	2	2	1	2	6
CZ	2007CZ16UPO002	Integrated Operational Programme	2	2	1	2	6
FR	2007FR162PO017	Nord Pas-De-Calais ERDF OP	2	2	1	2	6
GR	2007GR161PO006	Attica Regione 2007-2013 ERDF Phasing-Out Programme	2	2	1	2	6
HU	2007HU161PO008	Social Infrastructure (SIOP) 2007-2013 ERDF Convergence Programme	2	2	1	2	6
RO	2007RO161PO001	Regional Operational Programme	2	2	1	2	6
IT	2007IT161PO009	Campania Region OP 2007-2013 ERDF Convergence Programme	2	2	1	2	6
SK	2007SK161PO003	Western Slovakia, Central Slovakia, Southern Slovakia Regional Operational Programme	2	2	2	2	7
DE	2007DE162PO004	Berlin OP ERDF 2007-2013	2	2	2	3	8
UK	2007UK161PO002	West Wales and the Valleys ERDF Convergence Programme	1	1	3	3	9

As the final column of the matrix shows, nine groups of similar OPs are obtained.

The **third step is to choose, within each group, one regional possible case study.** This is selected also according to the following additional criteria, especially when more OPs are in the same group:

- territorial and geographical coverage paying attention to the different European macro-areas and to the coverage of new and old Member States;
- continuity and history;
- innovative experiences, different interventions typologies covered by the Programmes, procedures and delivering mechanisms implemented.

The results are the following:

1. Andalusia as only representative of Group 1;
2. Puglia as representative of Group 2¹⁷;
3. Slaskie Voivodship as representative of Group 3¹⁸;
4. Czech Regional Northwest as representative of Group 4¹⁹;
5. Western Greece-Peloponnesus-Ionian Islands as representative of Group 5²⁰;
6. Nord Pas de Calais as representative of Group 6²¹;
7. Western Slovakia, Central Slovakia, Southern Slovakia Regional Operational Program as only representative of Group 7;
8. Berlin Metropolitan Area as only representative of Group 8;
9. West Wales and the Valleys as only representative of Group 9.

These nine possible regional cases respect the territorial and geographical criteria covering Mediterranean areas (Spain, Italy and Greece); Anglo-Saxon area (UK); Continental areas (Germany and France). They also respect a balancing between old and new Member States including Poland, Slovakia and Czech Republic in the group of cases potentially interesting for the research purpose.

Moreover, all the nine OPs present a certain continuity between the 2000-2006 and the 2007-2013 programming period in terms of use of LDA as well as a certain “history” of

¹⁷ Within Group 2, Puglia is chosen because UK was already represented by West Wales and the Valleys as only representative of Group 9 and because in comparison to the Bulgaria OP presents a variety of different delivering mechanisms implemented.

¹⁸ Within Group 3, Slaskie Voivodship was chosen because, Slovakia was already represented by Slovak Regional Programme as only representative of group 7 and because Germany was already selected as only representative of the Group 8.

¹⁹ Within Group 4, Czech Regional Northwest was chosen because it presents a strict continuity to local development forms of governance implemented in the past (LAG – Local Action Groups).

²⁰ Within Group 5, Western Greece-Peloponnesus-Ionian Islands was chosen because Spain was already represent in Group 1.

²¹ Within Group 6, Nord Pas de Calais was chosen because Germany, Greece and Italy were already represented and because the Continental areas were only represented by Germany.

the region in dealing with local development issues. They also have interesting and innovative characteristics of the way local development is implemented.

To these nine possible regional cases, a tenth case is added.

The list that follows presents for each of the 10 possible regional cases a summary sheet covering a short description of the local development approach and a more specific explanation for the choices made, information on data availability and contact points.

Five possible cases are underlined in light green as those we recommend for the final choice of the case studies considering them as the most interesting and feasible (in terms of data and information availability and managing authority willingness in supporting case studies) to be carried out.

Table H: A summary of the 10 possible cases (in light green the recommended ones)

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
1) Andalusia (Spain) ²²	<p>In Spain, the local development approach has been presented in the implementation of the regional development policies since their beginning. This was specially remarkable in Andalusia where the use of European funds has been increasingly anchored to a strategy based on sustainability on the broadest sense. In account of the fact that Andalusia is a peripheral region, which traditionally has been very vulnerable to economic shifts, due to its low levels of industrial activity and economic diversification generally, the main objective of the Andalusia strategy seems to be helping Andalusia municipalities to gain “resilience” through effective systems of participation of all the concerned actors. Andalusia is thus an interesting regional study because of the continuity between the 2000-2006 and 2007-2013 programming period and for its strong local and urban development strategy.</p>	<p>As the analysis of the LDA project is concerned, the available sources of information for the Andalusia Region case are the monitoring system which include physical and financial data. For the 2000-2006 period, an External Intermediate and Final Evaluation was carried out by a team of the University of Málaga. The Ministry of Public Administration has a data base for specific ERDF projects, though further information about these projects should be found in the website of the Dirección General de Fondos Europeos y Programación, Junta de Andalucía and in the Provincial Diputaciones.</p> <p>For the 2007-2013 period, a specific website and a space of coordination for all the ERDF projects are also available: “RAPID, Red Andaluza de Proyectos Integrales de Desarrollo”. In this website, there is a data base for ERDF local projects and detailed information about them. Provincial “Diputaciones” have also their own websites and data bases with information about the ERDF local projects.</p> <p>The case study will follow the evaluation methods specified in Chapter 3. Additional interviews with those Municipalities involved in the implementation of the LDA projects will be envisaged in order to collect local information which will complement regional ones.</p>	<p>Sra. Patricia Eguilior Arranz Directora General de Fondos Europeos y Planificación, Junta de Andalucía. Consejería de Economía, Innovación y Ciencia, Junta de Andalucía. Address: C/ Juan Antonio de Vizarrón, s/n Edif. Torretriana Isla de la Cartuja E-41092 Sevilla Phone number: +34 955 063 910 E-mail: feuropeos.ceic@juntadeandalucia.es Patricia.eguilior@juntadeandalucia.es</p>
2) West Wales and Valleys (UK)	<p>The West Wales and Valleys employed a local development approach that combines attention to “place based” planning and implementation with strong engagement of local communities at different stages of policy cycle and strong emphasis on regional collaboration in the development of strategies and projects. Therefore, the West Wales and Valleys provides an interesting context for regional case study consideration. In the first instance, the 2007-2013 OP sits within a broader Spatial Plan providing a long-term spatial framework that reflects issues of cross-border, intra and inter-regional connectivity, setting</p>	<p>ERDF monitoring data for the 2007-2013 programming period is embedded within a framework known as PPIMS (Programme and Project Information Management System). This presents a consolidated physical and financial overview of project and programme level performance and is regarded as substantially more robust than the equivalent structures in the previous programming period.</p> <p>The March 2011 PMC reports that, as at end February 2011, some 114 projects had been approved with a further 66 undergoing assessment. Discussions at beginning of May 2011 indicate that</p>	<p>Mr. Paul Casey Head of Research, Monitoring and Evaluation Welsh European Funding Office Rhyddar Merthyr Tydfil Wales United Kingdom</p>

²² This regional case study was already proposed as pilot case study in the Inception Report.

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
	<p>'place' and local development, at the core of the development process. Secondly, investment priorities are guided by Spatial Plan Area Groups running together with Spatial European Teams (SETs) dedicated to coordinating spatially driven Strategic Frameworks. All the frameworks cover the spatial aspects of delivery and a number of them are linked to the Wales Spatial Plan areas groups and developed through partnership at a local and sub-regional level. Thirdly, the region contains extensive urban/rural diversity encompassing differing concepts and interpretations of sustainability for local business and communities. Fourthly, valley areas, due to mining heritage, have a strong cultural identity and lie on the edge of what has been a dynamic inward investment area (West Glamorgan). Finally, the OP has been developed through extensive consultation with external stakeholder groups, a range of non-elected local stakeholders and a number of separate technical work streams. Dedicated Spatial European Teams (SETs) were established to support the work of the Spatial Plan Area Groups in co-ordinating the spatially-driven Strategic Frameworks. They also assist thematic Strategic Framework co-ordinators with partnership engagement at a local and sub-regional level. Strategic Framework co-ordinators will have a role to play, alongside Spatial European Teams and others involved in supporting prospective sponsors, in discussing early ideas with potential project applicants and giving them "without prejudice" views on their likely fit within a framework.</p>	<p>projects approved/undergoing assessment may have reached 220 to 230 with expectations that no more than 300 may ultimately receive funding.</p> <p>In terms of the Priority axes using LDA and as defined through the OP grid:</p> <ul style="list-style-type: none"> • Priority 5: Building Sustainable Communities: 99% of available funds have been approved and full commitment is expected very shortly. The Priority will thereby be closed to new expressions of interest; • Priority 3: Developing Strategic Infrastructure for a modern economy: 68% of funds have been approved and pipeline activity is expected to fully commit the Priority. The Priority will thereby be closed to new expressions of interest; • Priority 4: Creating an attractive Business Environment: 61% of funds have been approved. The Priority will remain open for new expressions of interest. <p>The March 2001 Programme Monitoring Report Annexes – PMC(11)151 – detail the outputs and results available to date by Priority (though not theme) and indicate that some evidence of activity may be available for the case study to examine.</p> <p>Details of project and programme level interventions for 2000-2006 are available, along with formal evaluation studies though system level information is not necessarily interchangeable with PPIMS. Data for the 2000-2006 period have been collated in the European Fund Management System (EFMS) inherited by the managing authority (WEFO), along with other systems, from predecessor organisations.</p> <p>Alongside monitoring data, WEFO has embarked on a set of evaluation studies with proposed and completed studies reported to the PMC on a regular basis. Reports completed to date include a customer insight survey, an examination of implementation methods and a review of the Spatial European Teams (SETs) that were prominent in the OP. There exist plans to undertake a thematic evaluation of both ERDF and ESF activities and performance. The ERDF themes to be covered include R&D, Enterprise Support,</p>	<p>Tel: +44 (0)7966 763350</p>

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
		<p>Strategic Infrastructure, Climate Change and Regeneration. It is anticipated that a broad range of monitoring data and intelligence will be available to support the evaluation methods specified in Chapter 3. The availability of evaluation evidence provides additional benefit and the ability to examine the role of SETs presents an opportunity of some interest to the current exercise.</p>	
3) Puglia (Italy)	<p>Puglia Region represents an interesting regional case study for several reasons. First of all, the OP FESR 2007-13 Puglia is the result of an articulated process of consultation started from the elaboration of the DSR (Regional strategic document), the first regional planning document for the period 2007-13. The process of definition of DSR priorities were based on a partnership approach aiming to increase the participation of the institutional actors, of the socio-economic parties and of the active citizenship. The role of the regional partnership and of the active citizenship had a strategic value as the requests coming from the territories contributed actively to the decision making process, following the programming phase of the OP. The OP also provides for forms of participation in the phases of monitoring and evaluations of the programme, aiming to ameliorate the implementation quality and effectiveness. The territorial dimension of the development, together with sustainable development and equal opportunities, is a overriding objective of the OP and involves as an approach each Axes of the programme. The partnership and territorial approaches show many interconnections with other regional and national plans and documents, with particular regard to the “Piani strategici di area vasta” (broad areas strategic plans), financed by national funding and based on the bottom-up aggregation of ten areas characterised by territorial coherence. Moreover, the territorial development approach of the 2007-13 period has a mainstreaming character, and stems on the local development experiences of the previous programming periods, with main regards to the Territorial Pacts and the Integrated Territorial Projects, the latter provided by the OP 2000-06.</p>	<p>Data and information on the ERDF projects and initiatives financed within the local development regional strategy – the Territorial Integrated Projects (PITs) – is included in the Monitoring System of the Region for the management of the Operational Programme (MIRWEB – Monitoraggio Interventi Regionali). The system includes information on the procedural, financial and physical performance of financed projects both for the 2000-2006 and the 2007-2013 programming period. However, this dataset presents some problems especially related to the fact that the interventions referred to PITs are not always clearly identified. As for 2007-2013 programming period, dataset contains just some preliminary information on the local development projects as just a few of them began the implementation phase.</p> <p>In addition to data coming from the Regional Monitoring system, other data on projects financed during the 2000-2006 programming period are available. These data come from a fieldwork on the Territorial Integrated Projects which IRS (in partnership with Consorzio Metis) has conducted for the Ex post evaluation of the PIT 2000-06. The evaluation collected information and data directly from the local administrations which were delegated to the implementation of local projects. These data concerns procedural, financial and physical aspects. Furthermore, qualitative information on various issues was also collected from a vast range of regional/local stakeholders. Within the same evaluation the evaluators conducted a survey on the enterprises that benefited from special grants under the frame of the territorial integrated projects. Survey data are also available.</p> <p>The case study will follow the evaluation methods specified in Chapter 3. However, to overcome problems in Monitoring System</p>	<p>Pasquale Orlando Puglia Region Politiche dello Sviluppo Economico, Lavoro e Innovazione Servizio Attuazione del Programma telephone: +39 080 5403150 E-mail: p.orlando@regione.puglia.it</p>

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
		above described, additional interviews with those Municipalities involved in the implementation of the Territorial Integrated Projects will be envisaged in order to collect local data and information which will complement regional ones.	
4) Berlin (Germany)	<p>Berlin Metropolitan Area represents an interesting regional case study with specific reference to the way disparities within the city state Berlin have been addressed by a local development approach taking into account small-scale disparities at local level. The conceptual framework for sensibilisation and enhancement activities within these small-scale areas is the "integrated action concept" (<i>Integriertes Handlungskonzept</i>), which analyses the initial social and economic condition (based on SWOT-Analysis), defines priorities of the future development according to the local conditions and describes the activities that are suitable in the context of the available funding aiming to stimulate a stable and sustainable social and economic development of the neighbourhood within the urban system. A focus of the activities is the stimulation of the civil society participation and the inclusion of target groups to better address local social problems and reduce social disparities. This approach have been used in the integrated urban development priority, aiming to stimulate the economic and social development of the disadvantaged neighbourhoods/boroughs (Bezirke) by identifying local needs. The identification of the specific development potential of the neighbourhood is elaborated in partnership between local stakeholders and the municipal authorities taking into account the social and economic characteristics and disparities. Activities are developed combining a potential-oriented approach for economic development as well as instruments for tackling social problems. Both aspects are implemented in a locally balanced relationship.</p>	<p>The <i>Berlin Federal Ministry of Economics, Technology and Women</i> (Senatsverwaltung für Wirtschaft, Technologie und Frauen) is in charge of the monitoring of the activities carried out within the ERDF Operational Programme for both periods (2000-2006 and 2007-2013). For both financing periods, data on the procedural, financial and physical aspects have been and are collected and are available.</p> <p>The projects at local level have been evaluated since 1999 (evaluation in the pilot phase 1999-2002 carried out by "Empirica"), so a founded experience on the developments can be guaranteed²³.</p> <p>Data on the single projects at local level are collected by the <i>Senate Administration for Urban development</i> (Senatsverwaltung für Stadtentwicklung) and the single <i>Offices for Neighbourhood Management</i> (Quartiersmanagement Büros).</p> <p>The monitoring activities of the management authority are further supported by the <i>IfS Institut für Stadtforschung und Strukturpolitik GmbH</i> (Institute for Urban Research and Policy Structure) and the <i>Koordinierungsbüro der Partner - KBS</i> (Coordination Office of the partners) for the consulting of the third sector (trade unions, business associations, women's organizations, environmental groups etc.).</p> <p>A best-practice database on projects financed by ERDF (as well as ESF) is available since 2000 from the website: http://www.berlin.de/sen/strukturfonds/ab2007/projektbeispiele/index.php?ia=Run&comp=xPRs&mh=1233 and for the current project period: http://www.berlin.de/sen/strukturfonds/ab2007/projektbeispiele/index.php?ia=Run&comp=xPRs</p>	<p>Frau Christiane Sternberg Senatsverwaltung für Wirtschaft, Technologie und Frauen Referat III C Martin-Luther-Str. 105 D-10820 Berlin Tel.: +49 30 9013 – 8494 E-mail.: Christiane.Sternberg@se nwtf.berlin.de</p>

²³ Evaluations are available online: <http://www.quartiersmanagement-berlin.de/Evaluation.127.0.html>

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
		<p>Here, best practices with detailed information and the small-scale monitoring are presented.</p> <p>The case study will follow the evaluation methods specified in Chapter 3. The monitoring committee of the <i>Federal Ministry of Economics, Technology and Women</i> will - through an internal coordination of the different agencies in charge of the monitoring - support the data collection. Further interviews might be carried out at the different sub-levels, in order to find more specific information.</p>	
5) Nord Pas de Calais (France)	<p>Nord Pas de Calais represents an interesting example for case study consideration. The strategy of the Operational Programme is articulated by sub-regional areas, recognized on the basis of the diagnostic elements of the regional territory and particularly of the socio-economic issues.</p> <p>The OP includes an Axis called “Spatial Component”, that addresses action and investment priorities according to a criterion of geographical articulation and pays attention to the most deprived areas of the Region.</p> <p>Nord Pas de Calais is also representative of a local development approach based on the identification and concentration of clusters bringing together companies, research centres and training organizations in a partnership focused on innovation.</p> <p>Moreover, the Nord Pas de Calais OP objective is strengthening the regional potential for research and innovation including joint public-private and research firm.</p> <p>The partners have chosen to entrust the project governance to a partnership structure, the regional hub of innovation and commercialization of research, which is a tool for breaking down barriers and bringing together key actors, but also to control the regional strategy for innovation and research development in the region.</p> <p>This platform will involve all institutional actors (regional and general councils, Prefectures, decentralized state, OSEO, Regional Chamber of Commerce and Industry, regional conferences of heads of universities and high schools) general structures supporting the recovery (Network Europe Region,</p>	<p>Data and information on the ERDF projects and initiatives financed within the local development regional are included in the internal Monitoring System for both 2000-2006 and 2007-2013 period.</p> <p>For the actual 2007-2013 period, the monitoring system has been refined. The Nord Pas de Calais region has implemented a reporting system on monthly base (Tableau de bord mensuelle), based on monitoring system data, which includes information on physical and financial progress of each priority and action. Currently, the system is used as internal tool of reporting activity to the project’s partners and the EU.</p> <p>The mid term evaluation report for the whole OP, that has been elaborated by Ernst and Young Consulting, is available and it has been delivered to the Commission.</p> <p>In addition, a sectoral evaluation specifically related to the environmental and spatial aspects of the strategy (Trame ver et bleu) has been carried out.</p>	<p>Isabelle Lib, managing authority of the POR 2000-06. Préfecture de la région Nord Pas-de-Calais telephone: +33 3 20 30 51 35 E-mail: isabelle.liban@nord-pas-de-calais.pref.gouv.fr</p>

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
	RTD, SKY, ADRINORD ...), the research actors and those of enterprises.		
6) Slaskie Region (Poland)	<p>Slaskie Region represents an interesting regional case study for several reasons. First of all, the Śląskie Region is an area characterized by special features in the socio-economic space of Poland and by a considerable intra-regional diversification. “Regional Operational Programme of Śląskie Region for the years 2007-2013” is the basic instrument for implementation of the “Development Strategy of Śląskie Region for the years 2000-2020”. This Programme envisages equal support for all the regional areas with respect to both the problematic ones and the growth centres. Under the Regional Operational Programme ca. 20% of means is allocated to assist rural areas meaning that the case study gives the opportunity to explore both urban and rural areas.</p> <p>Pursuing the partnership principle, the ROP was drawn up via the open public consultations, i.e., by way of workshops, conferences, consultation meetings, as well as with use of available information and promotional tools. Integrated Development Programmes for four Sub-areas of Śląskie Region are carried out. These programmes constitute a mechanism that allows for delegation of a part of decision-making process, in regard to undertaken interventions, from regional level to sub-regional one.</p>	<p>Data and information on the ERDF projects are included in the Monitoring System of the Operational Programme ŚLĄSKIE VOIVODSHIP.</p> <p>The monitoring system includes information on the procedural, financial and physical performance of financed projects for 2007-2013 programming period. For the previous programming period (2004-2006) the monitoring system is not so well developed. The managing authority has conducted 12-15 evaluation studies on different subjects, but no study on local development has been implemented.</p> <p>The implementation of LDA projects is on going at the moment, and data and information may be requested, if necessary, to the Local Development Department of the managing authority.</p>	<p>Renate Burzynska Operational Programme ŚLĄSKIE VOIVODSHIP 2007 – 2013 Local Development Department Marshal's Office of the Slaskie voivodship ul. Ligonia 46 PL-40-037 Katowice Tel.: +48 (32) 77 40 347 E-mail: rburzynska@slaskie.pl</p>
7) North West Region of Czech Republic (Czech Republic)	<p>North West Region of Czech Republic represents an interesting case study. A new instrument for intervention in urbanized areas – Integrated Urban Development Planning (IUDP) - has been developed in the 2007-2013 programming period. IUDP includes a set of time related actions (projects) which are implemented: (a) in a selected zone of a municipality (zone based approach) focused on regeneration and revitalisation of brownfields, revitalisation of specific municipal zones, development of education and health care infrastructure; or (b) through a thematic integrated approach (e.g. urban public transport, greenery) in the whole municipality. The purpose of the zone based integrated urban development approach is to</p>	<p>Data and information of the ERDF projects financed within the local development urban strategy – the Integrated Urban Development Plans (IUDP) – is included in Monitoring Information System (MIS) for the ROP North-West – called MONIT7+. The previous monitoring system MONIT7 includes information about project financed within the period 2004 – 2006. Czech Republic joined the programming period 2000 – 2006 in 2004. No Regional Operational Programmes existed. There was only the Joint Regional Operational Programme (JROP) managed at the national level by the Ministry for Regional Development. The monitoring system (MONIT7) of projects which were funded between 2004 – 2006 is managed by Ministry for Regional</p>	<p>Mr. Jiří Červinka Úřad Regionální rady region soudržnosti Severozápad Masarykova 3488/1 400 01 Ústí nad Labem Phone: +420 353 118 346 Email: jiri.cervinka@nuts2severozapad.cz</p>

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
	<p>concentrate financial resources on a limited number of pre-selected zones of a municipality and to tackle all existing problems (deprived area) or to support growth potential (growth pole) in a complex way. For other areas (rural and less urbanized areas) the focus is based on integrated and partnership approach to development. The support focuses on development of local capacities for the preparation and implementation of integrated projects. Local development approach can be identified in different policy cycle phases with different intensity of involvement. Spatial planning is involving local community opinion through consultation. The Programme is in continuity with the forms of governance experimented under rural areas Local Action Groups (LAG) approach. LAGs were established through previous SF Community Initiative (Leader).</p>	<p>Development. At present, an ex-post evaluation of JROP is carried out.</p> <p>In the current programming period, it was decided to develop not only sectoral Operational Programmes, but also regional. Also IUDP approach is new, and was recommended by the European Commission. The monitoring system for the current programming period is managed by the managing authority – Regional Council of NUTS II North-West. There are data on particular projects under IUDP.</p> <p>Reliability of data in MIS is quite good (sometimes outdated).</p> <p>In addition to data coming from the MIS, other information about projects financed during the 2007-2013 programming period is available. Within the Evaluation of IUDPs the evaluators collected data of particular projects from interviews with project managers and persons responsible for implementation. The evaluation report is not published yet.</p>	
<p>8) Western Greece, Peloponnesus and Ionian Islands (Greece)</p>	<p>In the Regions Western Greece, Peloponnesus and Ionian Islands the approach for local development focuses on the development of two spatial sub-divisions that are rural and basically mountainous and less favoured areas (LFA) and urban areas. The interventions were disseminate in three Priority Axes aimed at sustainable development and quality of life. There is a clear dimension of local development approach for the formulation of integrated development programmes with the greatest participation and mobilization of local resources and the possible implementation of interventions through Global Grants. The integrated programmes are implemented in two different spatial areas: urban and semi-urban centres of the three regions and mountainous rural areas. Within this context there are reasons for interesting case study to be chosen among the three regions which include a variety of actions implemented through a large number of thematic priorities such as Culture (Protection and preservation of the cultural heritage, Development of cultural infrastructure, Other assistance to improve cultural services); Investment in social infrastructure (Education infrastructure, Health infrastructure, Childcare</p>	<p>Information not available.</p>	

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
	<p>infrastructure, Other social infrastructure), Environmental protection and risk prevention, etc. It should be mentioned that the Intermediate managing authority of Peloponnesus has already launched a call for tenders in the thematic priority 61 “Urban and rural regeneration (Integrated projects for urban and rural regeneration)” which is addressed to six urban municipalities acting as beneficiaries for this kind of interventions. According to the selection criteria these beneficiaries are asked to submit proposals for specific projects aiming at the upgrade of the urban and semi-urban centres of the region.</p>		
<p>9) Western Slovakia, Central Slovakia, Southern Slovakia Regional Operational Program (Slovak Republic)</p>	<p>In terms of regional development approach the Western Slovakia, Central Slovakia, Southern Slovak Regional Operational Programme focus on “innovation” and “cohesion” poles. Poles are qualified as municipalities with more than 15000 inhabitants in total or in case of municipal sub-areas (quarters) with more than 1000 inhabitants. “Innovation” poles are cities with strong regional importance and strong “spill-over” effect while “cohesion” poles are defined as towns which serve rural areas in terms of public services (e.g. education, administration, emergency). Local development approach is foreseen in Priority Axis 4, Strengthen competitiveness of settlements (limitation to “growth poles” only) where individual projects and/or projects under integrated development strategy can be submitted. Further on, in case of problematic urban areas which do not fulfil the “growth pole” criteria, a project can be supported if the municipality faces challenges with respect to existence of separated and segregated Roma community. Within this context, Slovakia regions represent an interesting case study with regard to several reasons. First of all, in Priority Axis 4, where eligible applicants are municipalities, it is requested to develop “Integrated development strategy” based upon existing and approved strategy of sustainable development. Eligible are towns and town districts which are facing physical deterioration or social exclusion. Precondition for financing is a pre-approved list of</p>	<p>Slovak Republic joined the programming period 2000 – 2006 in 2004. No Regional OP existed. Monitoring system very often suffered from lack of data. Most of the documents were produced in the print out version and electronic copies are not available. The obligation of the municipalities to produced so called Programme of Economic and Social Development has been introduced in relation to the new programming period 2007-13. As regards additional data from the evaluation reports, those are not available because there was practically no evaluation conducted. Data availability could be problematic (most of the data, if existing, are already archived. The high staff turnover and process of abolishing and merging several ministries is also a challenge). The availability of information in the new programming period should be better. Web page of ROP www.ropka.sk provides much more information. When EC informs about the assignment performed in the country, it usually ensures access to some information. In the current programming period only one evaluation report is available but the usefulness is questionable. Data on completed projects are not available.</p>	<p>Mr. Radoslav, Behúl Ministry of Construction and Regional Development Unit for Structural Funds Tel.: + 421 2 5831 7473 E-mail: behul@build.gov.sk</p>

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
	<p>projects to be financed from ROP, elaborated in a way respecting partnership principles - that is with strong local stakeholders involvement. Moreover, projects which are not considered under the “poles” approach - that means projects in areas with segregated and separated Roma communities - can be developed as a part of Local Strategy of Complex Approach which is a strategic approach to solve challenges linked to marginalized groups of people at risk of social exclusion.</p>		
<p>10) Least Developed Micro-regions (LDMR) Programme – 30 Micro-regions across Hungary (Hungary)</p>	<p>The Least Developed Micro-regions (LDMR) Programme is an experimental project which involves alternative instruments of using funds to boost economic and social development. This was the first time in Hungary when a territorial approach was combined with resources-based planning, conferring a right to the local communities and decision-makers to choose their development path and the projects that are really needed. Their task was helped by external experts; however, the decision-making power remained in the hands of the micro-regions.</p> <p>Although the implementation of the projects has just started, and no general conclusions can be made on the whole Programme, there are already some experiences based on which we can already formulate recommendations for the future: for example the revision of the current design of the programmes financed by the ERDF/ESF/EAFRD funds as it makes very difficult to implement complex, integrated projects; or trainings and regular consultations are needed for the smooth implementation of the Programme. This Programme opens a whole new chapter in the development policy in Hungary from two points of view: firstly, introducing a new development instrument and secondly, choosing micro-regions as target area instead of the more centralized counties or regions. With the improvement of the delivery mechanisms, this innovative initiative can serve as a lesson about how to combine different funds and Operational Programmes or how to allocate a limited amount of fund in order to fulfil the burning needs of the community. The LDMR Programme succeeded in bringing together all the relevant actors and to create project packages</p>	<p>The implementation of the projects has just started, and no general conclusions can be made on the whole Programme.</p>	

Region	Regional case studies brief description	Analysis of data and evaluation methods	Contact point
	<p>which reflect real local needs. Hungary had little experience with partnership before. This initiative "kick-started" contacts and collaborations, partnerships and common actions, and whole new multi-level governance policy processes which are indispensable for an inclusive and sustainable development.</p>		

3.2 Refined overall methodological approach for regional case studies and mini case studies

As mentioned in the Terms of reference, case study analysis is the core activity of the research. Five regional case studies (NUTS II level) accompanied by five mini case studies (referring to good practices) will be drafted. Within the framework of the regional case study, a regional workshop with the main actors of LDA at local/regional/national will be realized in the five regions.

Case study analysis is a particularly relevant methodology for the in-depth study of the characteristics of complex policies and for exploring and explaining complex causal linkages in real world interventions. As mentioned in the Inception report, the approach adopted in drafting case studies is the public policy analysis approach, which is particularly useful for the analysis of complex policy processes²⁴. Furthermore, the research methodology is articulated referring to the different areas of research in a strict connection²⁵.

3.2.1 Regional case study methodology specificities

Regional case studies are aimed at deepening knowledge on the local development approach in place in the analyzed regions, its characteristics, its evolution over time, its results in tackling social, economical and territorial development problems and the main mechanisms that condition the success of LDA in the region. Not last, case studies are also aimed at “testing” the working definition and hypothesis derived from the literature review as specified in the case studies template (especially in the final chapter 8 – What works and what do not works).

Regional case studies main aim is that of providing an answer to the evaluation questions identified in the Terms of reference. The following Table shows the evaluation questions posed in the ToR and how and where (which chapter of the template) the case studies will address them.

²⁴ Within this approach, public policy represents the sum of ideas and actions undertaken by a number of different actors, either public or private, which interact in order to solve a common problem (defined as need, opportunity or issue).

²⁵ See Inception report, chapter 2.2, Regional Case Studies, pages 22-30 for further details on case study methodology.

Table I: ToR Evaluation Questions: how and where the case studies will address them

ToR Evaluation Questions	Addressing ToR evaluation questions in the case study ²⁶
<p>How well have the local plans been managed in terms such as project selection, project support, monitoring, evaluation, communication/publicity, etc? Have administrative costs been reasonable and proportional? What have been the main factors underlying the performance of the management system? What are the main strengths and weakness of the approach? (In answering these questions the Consortium will analyse the nature of the implementing bodies - public, private, public/private - and whether and how it has influenced the overall performance of the management system)</p>	<p>This question will be mainly addressed in the chapter “<i>Process design features of the main LDA interventions</i>” of the case study.</p> <p>As will be shown in the case study template, this chapter aims at analyzing how the management system and the managerial practices adopted conditioned the implementation of the LDA interventions. The analysis will also be correlated with hypotheses on institutional and administrative capacity, internal working of partnerships and monitoring and evaluation in order to identify which process design features conditioned positively or negatively the implementation of the LDA interventions.</p> <p>Furthermore, the chapter “<i>Actors involved</i>” will provide a detailed analysis of the actors involved in the programming, implementation and evaluation phases, dividing them in peripheral and central ones.</p> <p>As to the strengths and weaknesses of the approach, they will be addressed in the chapter “<i>What works and what does not work</i>”.</p>
<p>To what extent has the local development approach contributed to the improvement of local economic and social conditions? Has it helped to tailor actions to local needs? To what extent, and how, has it exploited synergies between different policies and programmes at local level?</p> <p>What have been the main effects of local development practices on socio-economic development and on territorial balance within the region? To what extent, and how, have regional strategies and local development plans been combined to contribute to territorial development? In particular, has the local development approach contributed to overcome</p>	<p>In addressing these questions, the case study will start from analyzing the socio-economic structure in the national and international context and its change over 2000-2010 (<i>chapter “Context related features”</i>); afterwards it will briefly describe the regional strategy and analyze how it internalizes LDA, draws on previous strategies/specific programmes and is integrated with other national/regional/local programmes (<i>chapter “Main interventions using LDA”</i>); it will continue the analysis with the mapping the main ERDF interventions using LDA, focusing also on how these interventions interconnect with other non ERDF LDA interventions in tackling social, economical and sustainability problems at local</p>

²⁶ Detailed information is provided in the Regional case study template chapter.

ToR Evaluation Questions	Addressing ToR evaluation questions in the case study ²⁶
underlying problems of fragile areas?	level (<i>chapter “Main interventions using LDA”</i>); finally it will analyze the effectiveness of the LDA interventions with respect to the economic, social and territorial cohesion problems and goals of the region analyzed (<i>chapter “Effectiveness of the interventions co-financed by ERDF”</i>)
<p>Has local development improved the capacities of local communities to plan and implement development strategies? How successful have local development been in building the capacity of local partners over the two programming periods? What factors underlie success or failure? (The answer to these questions will focus on issues such as: local mobilisation, active citizenship, information and communication, capacity building actions, animation, networking and exchange of good practices...)</p> <p>To what extent has the management and implementation system of local development practices had spill-over effects on the local institutional and administrative culture? Has exchange of good practices been promoted?</p>	<p>These questions will be addressed together in the chapter <i>“Effectiveness of the interventions co-financed by ERDF”</i>. The chapter will analyze effectiveness of LDA interventions in creating more complex and dense networks of actors, in developing the local institutional and administrative capacity, and in engendering resilience.</p> <p>In analyzing these aspects, the case study will start from the institutional and political features of the analyzed region and changes over the 2000-2010 period.</p> <p>As to the success and failure factors, these will be analyzed in detail in the chapter <i>“What works and what does not work”</i>.</p>
To what extent are the impacts of local development likely to prove sustainable beyond the end of the programming period? What are the main factors driving this?	This question will be addressed in the paragraph <i>“Sustainability of ERDF interventions using LDA”</i> , focusing on analyzing whether the effects of ERDF LDA interventions are likely to persist even in the absence of ERDF funding.

As to the research tools²⁷, desk analysis and semi-structured face to face interviews (with the managing authority, relevant stakeholders involved in the programming and implementation of LDA in the region and representatives of final beneficiaries) will be used. Furthermore, if data from the monitoring system put in place by the managing authority and interviews proves insufficient to analyze LDA strategy effectiveness, a specific survey of the beneficiaries will be also realized.

²⁷ For detailed information on how to use the indicated research tools, please see the *Guide to research tools* section.

In addition, information deriving from the above sources can be integrated with information obtained from territorial workshops to be held after having completed case studies.

3.2.2 Mini case study methodology specificities

The objective of “mini case studies” is to identify examples of good practices.

As mentioned in the Inception Report, mini-case studies will pay particular attention to the outputs and results of the selected practices and to the conditions under which these practices could be replicated in different contexts. However, their overall objective is to increase public awareness about the achievements of ERDF interventions with respect to local development.

Five mini case studies will be selected by the core team on the basis of country experts’ proposals, taking into account their representativeness in terms of typologies of projects and approaches, and regions concerned (e.g. no more than one example per country).

For the analysis of the mini-cases the same research tools used for the regional case studies will be applied:

- Desk analysis;
- Semi-structured interviews;
- Focus-group with other stakeholders (only if necessary to get a complete picture of the case).

3.3 Regional case study template

To ensure standardisation of data collection and analysis, the case studies will be carried out using a common case study template, including also indicative interview questions, as described in the following chapters. The template will be used as a reference document for the collection of information. Case study reports could also not strictly follow the structure of the template as their overall aim is to present gathered information into a clear, well structured and informative narrative providing a comprehensive answers to the following issues: what was/is implemented on the ground, what works or not, why.

Regional case studies should not exceed 25-30 pages, excluding annexes.

1. Executive summary

(2 pages)

This chapter aims at summarizing the main findings of the case study. The chapter should spell out from the beginning why the case is interesting for the research purpose. Afterwards, it has to provide an overview of the main findings on:

- the LDA approach adopted and its main features;

- characteristics of the context where the intervention was implemented;
- effectiveness of the intervention: outputs and results;
- actors involved (local actors versus regional/national/international actors) and their role in the intervention (central or peripheral ones);
- process features (use of sub-delegation in delivering the intervention, use of public-private partnerships, types of contracts employed, role of capacity building actions, accountability procedures put into place, etc).

Information sources

This chapter should draw on information provided in the next chapters. No additional source is needed.

2. Context related features

(3 pages)

This paragraph aims at identifying the features pertaining to the specific regional context and its social and economical development over time. The purpose is to offer a dynamic picture of the socio-economic conditions and changes of the analyzed region against the national and EU situation over a long period of time (2000-2010). Furthermore, this chapter has also to analyze the main challenges to social and economic territorial development in the region.

Institutional and political characteristics of the region will be also considered.

This chapter should start with general information on the region:

- Location in the country;
- Area (square km).

Besides this, it has also to be mentioned whether and since when the region has been part of the convergence or competitiveness objective and if there has been any change over time.

2.1. Socio- Economic development

This paragraph should provide information on the socio – economic structure in its socio-economic national and international context. The analysis of the features and changes in the socio-economic structure of the region over 2000-2010 has at least to include information on the following issues:

Table J – Socio- economic features of the Region

	Regional			National Average			EU Average		
	2000	2006	2010	2000	2006	2010	2000	2006	2010
Total Population									
Population over 65									
Population Education level									
GDP per capita									
Activity rate									
Employment rate									
Unemployment rate									
Net migration									

In addition to these macro socio-economic indicators, **it is required to present and analyse also indicators and data related to the main sectors using LDA.** Furthermore, additional information necessary to better understand the socio-economic structure and related changes have to be included. When available, data should be presented by sex disaggregation.

In commenting on data, the main challenges in the region in terms of socio-economic development and its status in the national and international context have to be underlined.

Information sources

Eurostat database, regional and national official statistic databases.

Statistics can be integrated with information deriving from interviews (with the managing authority and relevant stakeholders) on the main changes and challenges related to the socio-economic and territorial development in the region.

2.2. Institutional and political characteristics

This paragraph should provide information on the institutional and political features of the analyzed region and related changes over time. Particular attention – especially in federalist or semi-federalist country - should be paid to stressing the level of autonomy of the region from the central power.

In addition, the chapter will provide information on how ERDF is managed at regional level:

- who is ERDF managing authority and if changes have occurred between the past 2000-2006 programming period and the actual one;

- presence and main characteristics of formal working groups/committees within ERDF managing authority;
- other institutions (local/regional/national/international) which interact with the managing authority in programming and implementing local development plans/programmes financed by ERDF.

Information sources

OPs; Evaluation reports; interviews with the managing authority.

3. The use of LDA in the region. Telling the story

(maximum 4 pages)

The purpose of this paragraph is to retrace the story of the LDA in the region, emphasizing changes (if any) occurred **between the two programming periods (2000-2006 and 2007-2013)**.

The main questions to be answered in this section are:

- Which is the LDA used in the region?
- How LDA came up in the region?
- Since when has LDA been used in the region? For what type of interventions has been used?
- Which has been the debate on local development over time and how has it impacted upon the programming and implementation of interventions using this approach in the region?
- How and why has it evolved/changed over time?
- Which have been the main actors involved in programming and implementing LDA in the region?

Information sources

Interviews with the managing authority and relevant stakeholders, formal and informal programme documents; evaluation reports.

4. Main interventions using LDA

(maximum 6 pages)

The purpose of this chapter is to briefly describe the 2000-2006 and 2007-2013 ERDF regional strategy and analyze how it has promoted/is promoting a local development approach.

4.1. Regional strategy: analyzing objectives

Based on data provided in the first chapter, this section has to identify and analyze regional needs and problems in terms of socio-economic territorial development **over time (2000-2006 programming period – present programming period)**.

Taking into account information included in the OP grid, an analysis of the general and specific objectives of the strategy using LDA has to be provided. In analyzing these objectives, it has to be specified:

- how they internalize the local development approach;
- if they derive from previous strategies/specific programmes financed by ERDF and/or other national/regional funds;
- if they are promoted also in the framework of other national/regional programmes/strategies and whether there is any integration with the analyzed strategy.

In addition, this paragraph should include information on the total financial resources involved in LDA (ERDF and/or other funds).

In the end, it should be analyzed how these objectives respond to the general socio-economic and territorial development needs/problems identified in the region.

Information sources

OP dossier; OPs 2000-2006 and 2007-2013; interviews with the managing authority and other relevant stakeholders; evaluation reports.

4.2. Mapping ERDF interventions using LDA

This chapter includes a map of the main interventions using LDA within the strategy 2000-2006 and 2007-2013. Interventions (local development plans, etc) will be mapped **specifying the kind of interventions** (also with examples) on the basis of the following criteria:

- relevance in tackling social and economic cohesion issues at territorial level;
- continuity with the 2000-2006 period (from a territorial, organizational, strategic and actors involvement point of view) or with other previous local development interventions promoted by the national or regional authorities;
- complementarity with other European/ international/national funds and/or other local strategy building in place;
- financial relevance.

In addition, the mapping of the ERDF interventions using LDA should be also integrated with evidence on other LDA national/regional interventions at territorial level and on how the LDA ERDF interventions and these others interconnect in tackling social, economic and sustainability problems at territorial level.

Information sources:

Interviews with the managing authority and other relevant stakeholders; programmed documents and evaluation reports.

5. Effectiveness of the interventions co-financed by ERDF

(maximum 5 pages)

The purpose of this chapter is to evaluate the effectiveness of the interventions using LDA (2000-2006 and 2007-2013) with respect to the economic, social and territorial cohesion goals set up for the region and needs.

In this section it has to be spelled out the success of LDA interventions, identifying their direct and indirect effects, by considering judgments of relevant stakeholders and public authorities interviewed.

5.1. Outputs and results

The purpose of this analysis is to verify the effective performance of interventions using LDA in tackling social and economical territorial development problems.

Information sources

Interviews to the managing authority and relevant stakeholders, annual implementation reports, evaluations.

If data from these sources proves insufficient to analyze outputs and results, surveys of beneficiaries will be also conducted.

Outputs

The output analysis will take into consideration the financial (payment) and physical performance of the analyzed LDA interventions.

Therefore, the analysis will include information on the types of interventions promoted and their main direct and indirect beneficiaries and on their performance in financial (degree of absorption), physical (capacity of achieving the physical targets) and procedural (e.g. programming and implementation timing) terms.

As to the physical and financial performance, this means confronting the achievement of physical targets and financial degree of absorption of LDA interventions with those non LDA.

The procedural performance will be assessed by considering the time needed for implementing LDA interventions compared to the time generally used for implementing non LDA interventions. The hypothesis is that the use of a local development approach impacts positively on the implementation time span, by reducing it due to a participated programming phase.

Results

This chapter focuses on results of the interventions using LDA. The chapter will collect the main stakeholders' judgements about the extent to which LDA interventions responded to the needs and problems regarding the improvement of the living conditions and territorial balance within the region.

The hypothesis is that LDA improved the effectiveness of ERDF interventions in delivering economic and social cohesion by activating more complex, dense and centrally steered networks' (see inception report for the methodology). Therefore, results will be analyzed also in terms of effects of LDA interventions on territorial governance. Particular attention will be, thus, paid to the effects of LDA intervention on the creation and/or the stabilization of complex and dense networks of actors²⁸, which continue over time (past programming period – present programming period) and represent, thus, a resource for the design and implementation of more effective development interventions.

Furthermore, the analysis of the effectiveness of LDA interventions will also consider the effects, in terms of growth of local institutional capacities. In this sense, the analysis will consider to what extent LDA interventions contributed to the improvement of public institutions' capacity in managing (programming, implementing and evaluating) local development plans/strategies, in improving delivery mechanisms, and in developing innovative methods and using underutilized resources to regenerate the development models in place.

In analyzing results of LDA interventions, effects in terms of engendering resilience will be also analyzed. Resilience means the capacity to endure changes (economic, social and territorial, at local, national and global level) making the best use of a territory's own resources –albeit often quite limited- for the production of economic and social value, thus keeping or even enhancing its capacity to provide for the basic needs of the people living there.

5.2 Sustainability of ERDF interventions using LDA

This chapter will focus on the sustainability of the effects of the analyzed interventions. The assessment of the sustainability of the interventions will require considering

²⁸ The complexity of the network refers to the different nature (politicians, bureaucracies, economic actors, social actors, experts) and intervention level (local, regional, national, international) of the actors involved. As knowledge and resources available for solving problems or taking opportunities through public policy intervention are dispersed among a multiplicity of actors, more different actors (both of a different type and level) are involved at all stages of the policy process, higher are the possibility to find innovative solutions to problems/opportunities. However, it is not enough to involve different types of actors, but there is also a need for the actor network to be tight. This means that interactions should occur not only between bureaucracies and/or economic/social/expert actors, but also directly between these actors. In fact, tightness refers to the concept of social capital existing in a given context. Moreover, a complex and tight network of actors characterized by both horizontal and vertical cooperation, consists in the capacity of each actor to take into charge the other actors' problems, indifferently of the level or nature of the actor. The output of this type of cooperation put into place at all stages of the policy making process refers to the creation of a policy community in a given territory, which develops interaction modes based on sharing resources in order to reach common aims.

whether the effects are likely to persist even in the absence of the ERDF financial support. The assessment should underline whether LDA interventions produced endogenous processes able to sustain development in the absence of ERDF funds. If this is not the case, the analysis should show whether there are other funding schemes which could support local development.

Information sources:

Interviews with the managing authority and relevant stakeholders, evaluation reports.

6. Analysis of the actors involved

(maximum 4 pages)

This part focuses on analysing the type (bureaucrats, politicians, social, economical²⁹) and level (local, regional, national, international) of the main actors involved in LDA, dividing actors in central ones (relevant in the policy process) and peripheral ones. The analysis will focus both on the programming and implementation phases.

Furthermore, the analysis should also analyze changes (if any) in the actors involved between the programming and implementation phases.

Particular attention should be paid to the creation and the effectiveness of local partnerships.

A list of possible actors might be those identified in the following table:

²⁹ *Bureaucratic actors* are those actors that base the legitimacy of their intervention in the policy process on the claim that formal rules and procedures confer them a specific responsibility in the process; *political actors* are those actors that base the legitimacy of their intervention on the fact of representing citizens as they enjoy citizens' consensus; *experts* are those actors that base the legitimacy of their intervention in the policy process on the claim of having the knowledge needed in order to solve the problem; *special interest actors* are those actors that base the legitimacy of their intervention on the fact that they are directly affected by the policy decision, meaning that they will conceptualise the problem in terms of maximizing the benefit/cost ratio from their specific point of view; *general interests actors* are those actors that base the legitimacy of their intervention in the policy process on the fact that the interests they represent are general (e.g. environmentalist, NGOs, etc) and on the fact that they represent groups that cannot defend their interests by themselves.

Levels	Bureaucrats	Politicians	Experts	Special interest	Diffused interest
International	<ul style="list-style-type: none"> • EU Institutions • OECD • ILO • World Bank • Public institutions from other states 	<ul style="list-style-type: none"> • European MPs 	<ul style="list-style-type: none"> • Universities • Research centres • Technical agencies • Consultants/professionals 	<ul style="list-style-type: none"> • Multinational firms • Trade Unions • Employers' organization • Banks or other private financial institutions 	<ul style="list-style-type: none"> • NGOs
National	<ul style="list-style-type: none"> • Central public institutions (ministres, etc.) • National agencies • Chamber of Commerce 	<ul style="list-style-type: none"> • MPs 	<ul style="list-style-type: none"> • Universities • Research centres • Technical national agencies • Consultants/professionals 	<ul style="list-style-type: none"> • Enterprises • Trade Unions • Employers' organization • Banks or other private financial institutions 	<ul style="list-style-type: none"> • NGOs
Regional	<ul style="list-style-type: none"> • Region/s (Structural funds managing authority or other departments within the region) • Regional (development, housing, environmental, educational, rural, employment, etc) Agencies • Other regional public institutions 	<ul style="list-style-type: none"> • Politicians 	<ul style="list-style-type: none"> • University • Technical regional agencies • Consultants/professionals • Research centres 	<ul style="list-style-type: none"> • Enterprises • Trade Unions • Employers' organizations • Banks or other private financial institutions 	<ul style="list-style-type: none"> • NGOs
Local	<ul style="list-style-type: none"> • Municipalities • Provinces • Chamber of Commerce • Development or other local public agencies • Other peripheral public institutions 	<ul style="list-style-type: none"> • Mayors • Other local politicians 	<ul style="list-style-type: none"> • Technical agencies • Research centres • Consultants/professionals 	<ul style="list-style-type: none"> • Enterprises • Local Banks or other private financial institutions • Local Trade Unions or Federations • Local Employers' organisations 	<ul style="list-style-type: none"> • NGOs (in various fields) • Local committees (citizens' or other types of committees)

In order to identify the network of actors involved in all the policy phases, the following charts have to be filled in during the interviews with the main actors. For each item (financing, promoter, coordinator, actors mobilizing relevant resources) it is necessary to specify:

1=Central actor.

2= Secondary actor.

0=Irrelevant actor.

In addition, for each actor it has to be specified with whom he/she related directly in the programming phase and afterwards in the implementation phase.

The core team will use these information for the network analysis and will provide the relative graphs to the experts.

Table K: Mapping the actors of the programming phase

Actors³⁰	Direct Ties	Financing	Promoter of the intervention	Coordinator	Actors mobilizing relevant resources (legal, political, knowledge, human resources)
<i>European Commission</i> (DG REGIO; DG AGRI; DG ENV; DG Employment, etc) <i>Other European Institutions</i>							
<i>International organisations:</i> ILO, World Bank, BEIR, BERD, etc							
<i>Public institutions from other states</i>							
<i>Central public institutions</i> (ministries, national agencies, etc)							
<i>Region/s</i> (structural funds managing authority, other departments)							
<i>Regional</i> (development, housing, environmental, educational, rural, employment, etc) <i>Agencies</i>							
<i>Other regional public institutions</i>							
<i>Municipalities</i>							
<i>Provinces</i>							
<i>National/regional/local Chamber of Commerce</i>							
<i>Development or other local public agencies</i>							
<i>Other peripheral public institutions</i>							
<i>Universities</i>							
<i>Research centres</i>							
<i>Technical agencies</i>							
Consultants/professionals							
<i>European MPs</i>							
<i>National MPS</i>							

³⁰ This table should be included in annex to the case studies.

Actors³⁰	Direct Ties	Financing	Promoter of the intervention	Coordinator	Actors mobilizing relevant resources (legal, political, knowledge, human resources)
<i>Regional politicians</i>							
<i>Mayors</i>							
<i>Other local politicians/political parties</i>							
<i>Multinational/national/regional/local firms</i>							
<i>International/national/regional/local Trade Unions</i>							
<i>International/National/regional/local employers' organizations</i>							
<i>International/national/local banks or other private financial institutions</i>							
<i>International/National/regional/local NGOs (in various fields)</i>							
<i>Local committees (citizens' or other types of committees)</i>							
<i>Other actors</i>							

Table L: Mapping the actors of the implementation phase

Actors³¹	Direct ties	Financing	Promoter of the intervention	Coordinator	Actors mobilizing relevant resources (legal, political, knowledge, human resources)
<i>European Commission</i> (DG REGIO; DG AGRI; DG ENV; DG Employment, etc) <i>Other European Institutions</i>							
<i>International organisations:</i> ILO, World Bank, BEIR, BERD, etc							
<i>Public institutions from other states</i>							
<i>Central public institutions</i> (ministres, national agenciers, etc.)							
<i>Region/s</i> (structural funds managing authority, other departments)							
<i>Regional</i> (development, housing, environmental, educational, rural, employment, etc) <i>Agencies</i>							
<i>Other regional public institutions</i>							
<i>Municipalities</i>							
<i>Provinces</i>							
<i>National/regional/local Chamber of Commerce</i>							
<i>Development or other local public agencies</i>							
<i>Other peripheral public institutions</i>							
<i>Universities</i>							
<i>Research centres</i>							
<i>Technical agencies</i>							
Consultants/professionals							
<i>European MPs</i>							
<i>National MPS</i>							

³¹ This table should be included in annex to the case studies.

Actors³¹	Direct ties	Financing	Promoter of the intervention	Coordinator	Actors mobilizing relevant resources (legal, political, knowledge, human resources)
<i>Regional politicians</i>							
<i>Mayors</i>							
<i>Other local politicians/political parties</i>							
<i>Multinational/national/regional/local firms</i>							
<i>International/national/regional/local Trade Unions</i>							
<i>International/National/regional/local employers' organizations</i>							
<i>International/national/local banks or other private financial institutions</i>							
<i>International/National/regional/local NGOs (in various fields)</i>							
<i>Local committees (citizens' or other types of committees)</i>							
<i>Other actors</i>							

7. Process design features of the main LDA interventions

(maximum 3 pages)

This part focuses on analysing the process design features of the main LDA interventions and the implementation conditions that supported their results.

This chapter specifically analyzes how LDA interventions have been implemented (which management systems and managerial practices put into place for programming, implementing and evaluating LDA interventions) and if they have met problems and which kind of problems. Furthermore, in analyzing process design features they have to be correlated to the hypothesis on institutional and administrative capacity, internal working of partnerships and monitoring and evaluation, mentioned in the literature chapter. This will allow emphasizing which specific process design features of those hypothesized based on the literature review positively condition the programming and implementation of LDA interventions.

In analyzing the implementation procedures of the intervention, the following questions have to be taken into account:

- Have the criteria designed at procedural level been adequate with reference to the objectives of the LDA interventions? Furthermore, have they been consistent with the needs and requests of stakeholders?
- Have the criteria designed at procedural level been effective in selecting projects from which a significant effect in terms of socio-economic and territorial development could have been expected?
- In implementing LDA interventions, have the managing authorities employed sub-delegation?³²
- Have stakeholders been involved in the LDA interventions planning? How and to what extent have their considerations been taken into account in the design of the interventions? For instance has the implementation time issue been considered in designing implementation features?
- Have stakeholders been involved in the implementation phase? How and to what extent have they played a role in delivering the intervention?
- Have they been involved in the design of tenders and selection of projects to be financed within LDA interventions?
- Have stakeholders been involved in the monitoring and evaluation? To what extent? Through which tools?

³² According to Article 37 of the General Regulation, the operational programmes financed by the ERDF may also contain the list of cities chosen for addressing urban issues and the procedures for sub-delegation to urban authorities, possibly by means of a global grant as defined by Article 42 of Regulation (EC) 1083/2006.

- Which have been (if any) the main obstacles when building partnerships between the LDA interventions responsible authorities and the stakeholders' representatives? How have they been overcome?
- What have been the main coordination tools employed in liaising with the partnership involved?
- Has there been a use of formal public-private partnership as a delivery tool for LDA interventions?
- Which were the typologies of contracts agreed for delivering LDA interventions, with specific reference to existence of clauses referring to solutions of controversies, rules for decision-making, sanctions/rewards for the respect of time schedules, process monitoring, setting of performance indicators to be achieved, use of ex ante, in itinere and ex post evaluation?
- Has the monitoring system proved effective in supporting the implementation of LDA interventions?
- Within the framework of LDA interventions, have there been any capacity building actions implemented by regional/national authorities? What about creation of networks of LDAs for the exchange of experience and promotion of good practices; animation initiatives; technical assistance, etc? To what extent did they contribute to delivering better the LDA interventions?
- Have there been accountability procedures put into place?

Information sources

Programme documents, annual implementation reports, evaluations, interviews with the managing authority and relevant stakeholders.

8. What works and do not works

(maximum 3 pages)

In order to find “what works and what does not” in specific cases, experts should examine if the available data – mainly of qualitative kind, i.e. from semi-structured face-to-face interviews and documents – show evidence and suggests insights about the effects of specific contrivances, tools and processes on the LDA strategy under evaluation. The main areas of analysis are:

- Processes/means put in action in order to convince stakeholders to adhere to the local development partnership and to share the local development proposed solution;
- Processes/means that provided for better institutional and administrative capacity,
- Processes/means that explain the internal working of partnership;
- Processes/means that favoured the working of the monitoring and evaluation procedures.

Experts should pinpoint the presence of specific tools, procedures or strategies put in place in these areas and, where possible or significant, side or adverse effects of the same processes. Particular attention should be paid to the processes dealing with the issue of conflict between local stakeholders; for example, conflicting interests about the choice of the sector of investment at the local level; conflicting views about the right strategy for pursuing the selected choice; conflicts dealing with the legitimacy of different/new actors in the decision making process.

Following hypotheses could be used in order to explain evidence of processes, means or strategies, which are important for explaining the achieved results:

Hypotheses related to the structural characteristics of the actor network:

1. The minimum size of the partnership is obtained thanks to imitative behaviours, or successful examples from elsewhere;
2. Perception of opportunity (deriving from provisions such as external grants) or threat (such as, an expected crisis) favours the enlargement of the partnership;
3. Competitive procedures for the allocation of the grants enhances the perception of opportunity; the selection on a competitive basis enhances the perception of the partnership's efficacy;

Hypotheses related to institutional and administrative capacity

4. The existence of a national/regional frame favours the effectiveness of bottom-up interventions;
5. Trustworthy, high reputation promoters encourages other stakeholders to join;
6. The presence of multi-level actors favours mainstreaming of the proposed solution;
7. The attribution of relevant resources, functions, powers to a local actors (i.e. the leading partner) certifies its role in front of the other partners and enhances its responsibility;

Hypotheses related to internal working of the partnership

8. Repeated interactions and/or previous experience of cooperation among partners facilitates the working of partnership;
9. The formalization of meta-rules (such as rules on decision and coordination) and structures of cooperation makes the partnership more stable and durable;
10. Rigid contracts favours formal compliance;
11. Procedures giving specific resources and powers to partners (such as the right to vote, the compulsory approval of programme's progresses or amendments, etc) reinforces the contribution of stakeholders;
12. Involvement of partners in the planning phase promoted the mediation of interests and reduced the risk of challenges in the implementation phase;

Hypotheses on monitoring and evaluation

13. The achievement of intermediate results reinforces the role of the project leader;
14. Feedbacks on the performance achieved allows the managing authority to make incremental changes and to anticipate failures;
15. Procedures that compels transparency on the results achieved favour the production of flexible forms of feedbacks from partners;
16. Sanctions in case of non-compliance focus the efforts of the actors.

3.4 Mini case study template

The following template is based on DG Region Case study manual.³³ Mini case studies should not exceed 8-10 pages, excluding annexes.

1. Project title

2. Synthesis

(1 – 1.5 page)

Please provide information on:

- the project objectives;
- the core partnership involved in the project implementation;
- key project activities and their beneficiaries;
- links between the project objectives and the regional context explaining the specific challenges and needs addressed by the project;
- results achieved – with specific reference to any innovative aspect - and impacts;
- success factors and main lessons learnt;
- short information on current developments - sustainability.

3. Background information

(0.5 pages)

Please indicate:

- the country and region;
- programme type;
- duration of project;
- funding;
- ERDF objective.

4. Project description

(1-2 pages)

Please describe:

- the overall objectives/objectives and purpose;

³³ Analysing ERDF co-financed innovative projects. Case study manual, DG REGIO, 2008.

- beneficiaries;
- description of activities;
- project main results;
- community value added.

5. Political and strategic context

(1 page)

This section will “set the scene for the story of the project”. It places the project in a wider context providing a description of the regional economy and governance system, which are especially relevant for the project's development. It provides information on the role and importance of the project in the context of regional (or national) strategies and policies. Furthermore, it retraces the story of the intervention from the most recent event (usually results) until the programming and agenda setting phases. In addition the purpose of this phase is to provide information on the actors involved in the policy process.

6. Implementation

(3-4 pages)

6.1 Project design and planning

Describe the process of project design and planning. Key questions to be answered in this section are as follows:

- Where and from whom did the idea of project come from?
- Is the project based on a specific needs assessment research and/analysis?
- How, why and on which basis was the project selected?
- What type of risk was considered in the design and selection process? Comment on the level of risk associated with the innovative character of the project and how the risk was dealt with.
- Did the project take into account sustainability, results exploitation and transferability (wider application) issues from the design phase?
- Was the evaluation aspect taken on board from the beginning?
- Would the project have gone ahead if it were not for EU support? What was the added value for the project in being supported by ERDF?
- Is the project funded by more than one EU fund, e.g. European Social Fund? If yes, please describe why and how the funding was integrated.

6.2 Management, monitoring and evaluation system

Describe the management system and management process of the project (e.g. structure, relations between main bodies, tasks etc.). The key questions to be answered in this section include:

- How was the management structure organised and were the tasks distributed in the project team?
- How many persons were involved in the steering group, how many meetings of the technical groups took place etc.
- How was monitoring organised?
- Explain the approach adopted towards evaluating results (self-evaluation, external evaluation, etc.). Were the targets quantified and performance indicators assigned?
- Was the management structure able to adapt in case of unexpected obstacles and what was done to solve the problems? Give examples and explain.
- If the project was also funded from EU funds other than ERDF, how did it influence organisation and management?

6.3 Governance arrangements

Describe the main elements of the project governance. Key questions to be touched upon in this section are as follows:

- What was the composition of partnership?
- What was the interest for each partner to participate?
- What were the roles of partners?
- What was the role of the local/regional authority?
- Did a "leader" or a "core" partnership emerged (the most active group)?
- How did the partnership and leadership dynamics evolve, especially in the wake of unexpected events/implementation obstacles? Give examples and explain.

6.4 Innovative elements and novel approaches to implementation

This section is aimed at describing and analysing innovations in the implementation process of the project. This can include innovative approaches used in: the process of project design and planning, securing private and public funding, partnership organisation and composition (e.g. public-private partnerships, etc), project management, the approach to monitoring and evaluation, communication and dissemination of project activities and results, etc.

The following key questions have to be answered in this section:

- To what extent did the project innovate in terms of the process of project design, partnerships implementation and evaluation?

- Did the partners already collaborate in other projects? If no, please explain why new partnership was created.
- Did the project design, planning and management include practices different from common practice? If yes, please describe new approaches.
- Was the approach to acquiring funding different from normal practice? If yes, please describe new approaches.
- Were any new approaches used to communicate and disseminate project's ongoing work and results? If yes, please describe new approaches.
- Were any new approaches used to ensure best possible ways of the project's results exploitation (e.g. commercialisation, wider application, transferability, communicating the results to the policy making process)? If yes, please describe new approaches.
- Who/which organisation was the initiator of new approaches?

Based on information gathered, assess the new approaches described above in comparison to previous practices applied in the region and/or in other regions.

6.5 Key implementation obstacles and problem-solving practices

This section focuses on analyzing the main obstacles (internal referred to management or partnership functioning, or external referred to wider political, economic or social changes, etc) experienced during the project design, planning and implementation. The analysis of obstacles will also include comments on their (potential) impact on the project results.

Furthermore, this section has to provide information on how obstacles were tackled.

7. Key results

(1 and 1/2 pages)

This section focuses on identifying, explaining and assessing the results and –if evidence exists- impacts of the described project. Emphasis will be given to any results that may be considered innovative.

8. Sustainability and transferability

(1 page)

This section focuses on assessing sustainability of the project in the absence of the ERDF funding, providing information on other funding schemes that could sustain results and impacts as well on the other ways on which results and effects could be maintained.

Furthermore, in this section information should be provided on the capacity and contextual conditions that are needed by target sites to absorb and imitate the results of

good practices. In analyzing the transferability criteria particular attention will be paid to the fact that best practices tools cannot be addressed as models (unless for analytical purposes) to be reproduced irrespective of the contexts. Even though management processes and tools can be learned and shared among various kind of local coalitions, the specific way in which they are combined must be adequate to the characteristics of that territory: type of actors involved, their role and their interests; and risks, opportunities and resources to be exploited.

9. Conclusions:

(1 – 1.5 page)

This section should provide information on key success factors (mechanisms) and lessons learnt.

Therefore, this section presents key mechanisms of the project based on the material presented in the previous chapters and discusses mechanisms learnt to be of key importance for the project during its final stages or after its finalization.

10. Contact details

3.5 Work organisation

Country experts will carry out the five regional case studies and mini case studies under the supervision of the core team and following a common template (see chapters above).

Country experts are asked to contact the managing authority as soon as possible in order to introduce themselves to the scope of the study and schedule an interview date.

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Annex: Guide to research tools to be used

Case study phases

The case method presented in this report consists of the following main phases:

- **Preparatory phase:** understanding the case template; preliminary desk analysis.
- **Fieldwork analysis:** semi-structured face to face interviews and if necessary (due to data unavailability) focus surveys to beneficiaries; territorial workshops in the analyzed regions
- **Analytical phase:** organising and collecting information

A. Preparatory phase

- *Getting started: introduction to the case to be analyzed*

The first step of realizing the case study consists in becoming familiar with the case study method proposed in the inception report, and most of all with the case study template drafted by the core team. Before starting work on case studies, experts should carefully read the reports previously produced by the coordinating team (inception report, interim report) and should attend the workshop to be held in Milan, where case study purpose and methodology, as well as the pilot case study, will be deeply explained by the core team.

In addition, experts have to become acquainted with the template structure and contents, especially with indicative interview questions included in the proposed case study template.

Furthermore, in this phase national/regional experts have to establish communication with the managing authority contact point³⁴. All regional contact points will be contacted - by the core team or national/regional experts - before case studies starts in order to get some preliminary information on data availability. However, in this phase national/regional experts are requested to get in touch with the managing authority, introduce themselves (if the previous contact is done by the core team) and better explain the project and case study purposes. It is advisable to previously send an email and then make an introductory phone call. The first conversation is key as it facilitates a more in-depth introduction to the study. It should be also used to ask for official and unofficial documents on the case and for the monitoring data (monitoring reports or access to the database). Furthermore, it has to be used also for moving forward with the planning of the fieldwork activity, by fixing the face to face interviews.

³⁴ For contact points, please refer to the list of ten possible regional case study in paragraph 3.1 of this Report.

- *Preparing and starting desk analysis*

Once acquainted with the case study method and template proposed, experts should proceed with the desk analysis. All the materials collected by the experts in this phase have to be organized on the basis of the template structure.

The desk analysis phase starts with collecting and reading through official and unofficial documents (programme/s documents and reports, annual implementation reports or other available monitoring reports, ex ante/interim/ex post evaluations, regional/national studies, official programme websites, regional managing authority websites, press review, etc) on the case to be analyzed. In addition, in this phase experts should also consult EUROSTAT, ESPON, national or regional statistic databases in order to gather data on socio-economic indicators that have to be elaborated within the first chapter of the case study and, thus, have a preliminary understanding of the strategy context.

Furthermore, the desk analysis phase includes also an analysis of quantitative data (deriving mainly from the monitoring system put in place by the managing authority), in particular with reference to the analysis of the effectiveness of LDA interventions. This has to be later completed with information coming from face to face interviews.

In this phase experts should also make a list of the actors involved in the case to be analyzed, as it results from the official and unofficial documents. The list will be useful in the fieldwork phase for the identification of the actors involved.

B. Fieldwork analysis

The fieldwork analysis consists mainly of semi structured face to face interviews, and only if information deriving from the monitoring data, evaluations and interviews is incomplete, surveys to final beneficiaries may be conducted. In addition fieldwork also includes a territorial workshop to be organized after the preliminary drafting of the case study.

1. Semi-structured interviews

Based on the actors involved in the analyzed case, the number of interviews should vary between 15 and a maximum of 20.

Interviews will be conducted face to face with each single actor in order to allow him/her to freely express his/her opinions. However, experts can consider a group interview in case it is not feasible to meet some stakeholders separately or if they think this could bring an added value to the better understanding of some process dynamics. In addition, in case of limited time for the face to face interview, experts can also consider realizing some complementary phone interviews afterwards. However, in that case they should occur soon after the face to face interview so that respondents are still familiar with the issues discussed during the interviews.

This phase includes face to face interviews with the managing authority officials (or managing authorities if different for the various LDA interventions), the main stakeholders involved in selected LDA interventions (socio-economic partnership,

policy makers, NGOs, etc) and representatives from beneficiaries. For a detailed list of the possible actors involved in LDA programming and implementation, see chapter *Actors involved*.

Actors to be interviewed are selected through the snowball method³⁵. As the success of this technique depends greatly on the initial contacts and connections made, it is important to know the case and the main actors involved. Therefore, in this phase experts are urged to use the list of actors drafted in the previous phase. Interviews should start with the managing authority, which better knows the strategy. As it might be selective in its choice of actors with “good stories” to tell, experts have to ask each actor interview about who are the other relevant actors involved in the case and that in his/her opinion should be interviewed. In doing this experts are also asked to use their knowledge on the case and the list of actors involved drafted in the previous phase in order to identify the relevant actors and not the ones “with good stories to tell”.

In conducting the face-to-face interviews, experts have to follow the case study template and indicative questions included in each chapter. However, experts do not have to ask questions exactly as they are formulated in the template. They are urged to let the conversation follow smoothly based on the answers given by the interviewee. Experts have to pay attention to the fact that all the issues specified in the template have to be covered during the interview. Nevertheless, when experts feel that that the conversation diverges too far from the issues relevant for the case study, they can return to the indicative questions included in the case study template.

Experts are asked to type the interviews that have to be sent to the core team together with the case study.

For each interview experts have to fill in the following chart:

Name of interviewee	
Position of interviewee	
Name of organisation	
Type of organisation	
Country	
Address	
Contact telephone	
E-mail address	
Date of interview	
Time of interview	
Interviewer	

³⁵ Snowball sampling is a special nonprobability method used when the desired sample characteristic is rare. Snowball sampling relies on referrals from initial contacts to generate additional contacts. As the success of this technique depends greatly on the initial contacts and connections made, it is important to know the case and the main actors involved.

In conducting the face-to-face interviews, experts have to:

- give assurance of anonymity and confidentiality if this is requested by the interviewees;
- reassure interviewees that the interview data will be analyzed collectively and that names will be included in the research report only after consensus;
- ask permission to tape record the interview (if using a tape recorder). However it is advisable not to use a tape recorder as usually respondents are inhibited and this can influence conversation negatively. It is better to directly type the answers, using the structure of the case study template;
- ask the respondent if they would like to see a copy of the interview note when it is written up;
- remind interviewee they can stop the interview at any time. If at any point during the interview, interviewee would prefer to provide particular views ‘off the record’, they should let the interviewer know;
- ask permission to use quotes when presenting results (quotes could also be attributed by broad designation);
- conduct the interview in an informal way to encourage open expression;
- avoid expressing personal opinions about the case during the interviews.

2. Surveys to specific beneficiaries

If data deriving from documents (programme documents, annual implementation reports, evaluations, studies, informal documents, etc), the monitoring system and interviews proves insufficient to carry out the case analysis, in particular with regards to the analysis of LDA effectiveness, a specific survey of beneficiaries and programme managers will be realized. If surveys are considered necessary, the methodology and number of actors will be decided during the case study phase on a case by case basis.

3. Territorial workshops

Territorial workshops with the main stakeholders involved in programmes/plans using an LDA approach in the analyzed region or at national level, final beneficiaries of the LDA interventions in the region and experts (consultants, academicians) interested (or part of) the local/regional/national debate on the local development approach will be organized before the end of the regional case studies.

There is not a minimum or a maximum number of participants to the territorial workshop. This depends on the stakeholders accepting the invitation. However, it is recommended to have at least a minimum of ten participants.

Territorial workshops are aimed at presenting, discussing and diffusing preliminary conclusions of the case study and to integrate preliminary case studies drafts. Furthermore, territorial workshops will also focus on mechanisms that favoured the success or failure of LDA programmes/plans as identified within the case study. The

purpose is to collect the participants' opinions on how the mechanisms identified by the case study may help or hinder LDA intervention results.

Territorial workshops will be organized by the national/regional experts with the support of the core team. Core team members and European Commission representatives may participate to the territorial workshops.

C. Analytical phase

In this phase it is important to organize the material collected during the study visit and write up the case study report. Please note that the case study is not a mere collection of information from official or unofficial documents and fieldwork, but an elaboration and a critical analysis of the information collected in the previous research phases.

In writing up the case study experts have to provide evidence of their analysis referring to any relevant material, such as official/unofficial documents, evaluations or interviews. Furthermore, experts have to avoid using jargon, including technical terms without a proper explanation or acronyms without the full name.

The complete document with both descriptive and analytical elements becomes a first working draft.

Once completed the draft case study should be sent to the core team that will review it. The review is aimed at:

- commenting on gaps, incomplete information or missing references;
- using information and evidence gathered for the critical analysis identifying logical flaws or unclear passages in the case study report
- checking writing style and presentation.

Following the review, experts are asked to integrate comments received from the core team within the deadline agreed with the core team.

Mini case study phases

As to the mini case study, the case method is the same and consists in the same phases:

- **Preparatory phase:** understanding the case template; desk analysis (of project official and unofficial documents; monitoring and evaluation reports if available)
- **Fieldwork analysis:** semi-structured face – to – face interviews and if necessary focus groups
- **Analytical phase:** organising and collecting information.

Experts have to follow the general indications presented above in all the phases of the mini case study.

However, experts have to pay attention to the fact that the unit of analysis is the project. Consequently, experts have to contact first the project leader. Furthermore, in the fieldwork phase experts should conduct semi-structured face-to-face interviews with

the project leader and relevant stakeholders involved in the project. As in the regional case, interviewees will be selected through the snowball method.

If information to be obtained from the desk analysis (of project official and unofficial documents, monitoring reports and evaluations) and face-to-face interviews proves insufficient, experts can also conduct a focus group with other stakeholders in order to get a complete picture of the case. The number of interviews and focus groups depends from case to case.

Use of research tools in the case study

The following paragraph synthesizes how research tools (desk analysis, semi structured face-to-face interviews, beneficiaries' survey) have to be used in the various regional case studies³⁶:

- ***Context related features*** is mainly based on desk analysis of quantitative and qualitative data on socio-economic indicators deriving from evaluations, regional studies, statistic databases (EUROSTAT, ESPON, national or regional statistic databases, etc) and on the institutional and political features of the region. However, if necessary data can be integrated with information from interviews, in particular for assessing changes in the socio-economic structure of the region between 2000 and 2010 and challenges in the socio-economic and territorial development in the region;
- ***The use of LDA in the region. Telling the story.*** This phase is based both on desk analysis (on formal and informal programme documents, evaluations, press review, etc) and semi structured face-to-face interviews with the managing authority and main stakeholders involved both in LDA programming and implementation, aimed at integrating the different sources and at finding the missing parts of the process. The interviews should therefore be based on the reconstruction of the story, as the observer knows it. It is better to have a basic knowledge of the process before interviewing observers in order to facilitate the interaction and to maximise the results. On the other side the interview must be very 'open', letting the observer say whatever he/she knows. In reconstructing the story, one has to bear in mind that the purpose of this phase is to realize a coherent, informative and analytical narrative that links different information on LDA together and retrace its birth, evolution and results in the region. Therefore, this phase is dedicated to the analysis of the 'story' defining the decision making process, that is the identification of all the events which, according to the expert, conditioned in some way the development of the process, from policy formulation until policy evaluation. Since the decision making process does not necessarily coincide with the formal procedure, the objective is to identify the course of events considered part of the process (in order to explain its results). Apart from formal acts, these include a very broad range of actions: change of government coalitions, constitution of opposition groups, conflicts about a proposed solution, effects of other decision making processes modifying the objectives of some actors, etc. Furthermore,

³⁶ Please note that the *Executive summary* and *What works and do not works* chapters are drawn on the basis of information collected in the next case study phases.

in this phase actors involved in the decision making process will be also identified. Besides the story (chronology), a list of the actors involved will be as well produced. Usually the story is constructed starting from the results, the event more easily known at the start of the research, and proceeding backward, identifying the connected events until the moment when the problem is raised is reached. It is very important to adopt, at least in the first part of the work, a broad criterion for the selection of the events, reducing the risk of losing important aspects of the process. It will always be possible, during the subsequent phases, to exclude information that is not relevant. The story (chronology) has to be intended as an instrument used by the analyst for the development of the other phases of the analysis. For this reason it does not contain any interpretation of the process: just the raw facts, as they are described by the source.

- ***Main interventions using LDA.*** This phase is based on desk analysis (of relevant programme documents, annual implementation reports, evaluation reports, OP grid, etc) and interviews with the managing authority, relevant stakeholders involved in LDA interventions programming and implementation and representatives of final beneficiaries (a list of indicative questions are included in the case study template).
- ***Effectiveness of LDA interventions co-financed by ERDF.*** This phase is based on desk analysis (of annual implementation reports, data deriving from the monitoring system if not included in the annual implementation reports, evaluation reports, other reports produced during the programme, etc) and face-to-face interviews (indicative questions are included in the case study template) with the managing authority, the main stakeholders involved in the analyzed case as well as representatives of the final beneficiaries. If data deriving from these sources proves insufficient, specific surveys of beneficiaries may be conducted on case by case basis.
- ***Analysis of the actors involved.*** This phase draws from the story (chronology), which, besides the history, produces also a listing of the actors involved and, furthermore, includes an “identity card” of the main actors: type of actors³⁷ involved; the level at which they act (local, regional, national, international); and if they are central or peripheral ones both during the programming and implementation phase³⁸. Furthermore, it has to be underlined if changes have occurred in the actors’ network between the programming and implementation phase from the point of view of the actors involved and their role within the process. The actors’ analysis phase is based on the semi-structured face-to-face interviews with the each of the main actors identified in the story. This part of the interview should help the interviewer to conduct the discussion about how each actor perceives the process and its role within the network and should end by asking the interviewee to indicate *a list of other relevant actors* which, in its judgement, could be useful to interview (snow-ball method). This list should correspond to the actor's perception of the composition of the policy network, and it is useful both for the interpretation of the actor's behaviour

³⁷ The main categories used for classifying actors are: politicians, bureaucrats, experts, economic actors or otherwise said specific interest actors and social actors or otherwise said diffused interests actors.

³⁸ For further details on actors’ definition, see chapter 3.3.8 (Actors involved).

and for verifying whether the experts' list of actors is complete. In fact, experts have to provide. Furthermore, for classifying actors and constructing the identity cards, experts are required to fill in the charts indicated in the regional case study template. Information collected in this phase will be used by the core team for realizing the network analysis for each case analyzed.

- ***Process design features.*** This phase is based on desk analysis (of formal and informal documents – programme documents, unofficial reports, evaluation reports, etc) and on interviews with the managing authority and main stakeholders.