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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**

**Third Interim Report**

**Regional Case Study: Puglia Region**

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## Acronyms

AIRs	Annual Implementation Reports
DPS	Department for Development Policies, Italian Ministry for Economic Development
DSR	Regional Strategic Document
EAGGF	European Agricultural Guidance and Guarantee Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
GDP	Gross Domestic Product
LDA	Local Development Approach
CSF	Community Support Framework
PIA	Integrated Firm Aids
PIS	Integrated Sectoral Projects
PIT	Integrated Territorial Projects
PIRP	Integrated Plan for Urban Regeneration of Peripheries
ROP	Regional Operational Programme
UVAL	National Evaluation Unit

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## Foreword

The European Commission, Directorate-General for Regional Policy, is undertaking an analysis of the role of local development approaches in ERDF co-financed interventions. One aspect of this study is a series of five case-study analyses of NUTS2 regions covering interventions co-financed by ERDF across the 2000-06 and 2007-13 programming periods.

The case-studies are intended to analyze how the local development approaches are implemented on the ground and underline the mechanisms that explain their success or failure in delivering interventions co-financed by ERDF fund.

This report provides the case study review of ERDF local development approaches (LDA) pursued in Puglia region across the 2000-06 Objective 1 and 2007-13 Convergence programming periods. Thus, the case study analyses the institutional and policy context of Puglia, the development strategies using LDA in the 2000-2006 and 2007-2013 programming periods and their rationale, the basis of the spatial selections, the specific actions undertaken, the operational structures and procedures, the capacity building interventions put into place, the nature of any change between the 2000-2006 and 2007-2013 programming periods and the mechanisms explaining the success or failures of the LDAs implemented on the ground.

Puglia Region is one of the NUTS2 Italian areas. It has an area of 19.362 square km and a population of 4.084.035 inhabitants.

The case study has been drawn-up by a process that includes:

- desk-based analysis of relevant statistical and socio-economic data sourced from Eurostat and the National Institute of Statistics (ISTAT);
- desk-based analysis of documents relating to the past and current programming period covering items such as OP materials, evaluation reports, Annual Implementation Reports (AIRs) and of other documents analyzing the social and economic development of Puglia Region, the contribution of structural funds to the development of the Region along the years, etc;
- semi-structured (face-to-face) interviews with the managing authority of the past and current programming period, the president of the Evaluation Unit of Puglia Region, socio and economic actors involved in LDA interventions in the past and current programming period, representatives of Broad Areas technical assistance; Region Puglia public managers in charge with LDA tools; managers of LDA tools at local level; and local politicians. Overall 17 interviews were carried out;
- a stakeholder workshop to outline, validate and discuss emerging findings from the case-study exercise, to which participated 22 stakeholders (i.e.:

representatives of Puglia Region involved in the PITs programming and implementation, PITs managers, Broad Areas managers, experts, social and economic actors, etc).

Defining a local development approach is not straightforward. The study operates on the basis that such an approach requires the existence of a clear territorial focus, an element of policy integration and the fact that partnership is expected to play a role - whether as a tool within the process or as a goal in its own right. It is evident that LDA activities may coincide, or overlap with, territorial interventions but existence of the latter need not imply the former.

In terms of territorial focus, both the past and the current LDA strategies included well defined territories of interventions: wide areas defined on the basis of their economic characteristics and affiliation to the existing productive systems. Geographical borders remained more or less the same in the current programming period.

As far as policy integration is concerned, LDA strategies in the 2000-2006 programming period was aimed especially at overcoming the sectorality of structural funds interventions characterizing the previous programming periods. Thus, it required the definition of programmes integrated from the point of view of both actions and types of funds. This tendency is confirmed also in the current programming period. However, while in the 2000-2006 LDA strategy policy integration was mainly driven by the Regional definition of interventions and amounts of money granted through the definition of the strategic focus of the programme, in the current programming period policy integration is driven mainly by local actors in a more bottom up approach.

As to the partnerships involved in the past and current LDA strategies, two different approaches were followed in the two programming periods: more selective and somewhat strategic partnerships in the 2000-2006 LDA strategy and more inclusive partnerships in the 2007- 2013 LDA strategy.

More details on each of these elements, the nature of their origins, the rationale for their construction and stakeholder perspectives on their role and value are contained in the following sections of the case study.

## 1 Executive summary

Puglia Region is one of the Convergence Objective/ex Objective 1, situated in the Southern part of Italy in the so called Mezzogiorno area.

LDA policies in Puglia Region are related to the development of such policies on a national scale. In Puglia Region LDA was triggered by the national institutions in charge of development policies. Since the 90's, Puglia Region has been using different policy tools for the promotion of local development, characterized by different approaches. In the first years of the 90's, the European Territorial Pacts for Employment, the Urban Integrated Projects and Territorial Pacts represented the main policy tools for local development, promoted by both the national government and the EU. PITs were promoted in the 2000-2006 programming period in the context of the "New Programming Policy" ("Nuova Programmazione"), which differed from the previous programming periods by foreseeing multilevel governance of local development strategies and a strong involvement of the socio-economic partnership. The aim of PITs was to promote local development by adopting a multiple perspective approach, by involving local administrations and communities and by using different channels of European funds in order to design and implement integrated projects. The new policy tool (PIT) was diffused in all Objective 1 regions and in some Objective 2 regions of the North and Centre Italy.

Two types of integrated projects were foreseen in Puglia: territorial ones - PIT (focused on wide geographical areas characterised by the presence of local productive systems) and sectoral ones - PIS (promoting specific cultural and touristic resources).

PIT represented the flagship project of Puglia local development strategy. The regional strategy foresaw the creation of 10 PITs, which covered almost the entire regional territory. PITs areas were selected around a guiding development idea and existing local production systems, even though they included also marginalized territories as Monti Dauni, which were out of any production system. The LDA strategy at the basis of PITs was characterized by: the definition of a regional framework setting the geographical boundaries, the local development guiding idea, the maximum financial resources granted to PITs and their management structure through an interaction with the municipalities covered by PITs; the concentration of different types of structural funds (ERDF, ESF, EAGGF) on the selected local development idea; and the involvement of local social and economic partners in the definition of the PITs projects and their implementation. From a procedural point of view, PITs management structure foresaw the selection of a municipality leading the PITs partnership and charged with the creation of the PIT Office led by a PIT manager as the main coordinator of the strategy and the main interlocutor of Puglia Region. Furthermore, the model included the creation of the Mayors' Assembly as a decision-making body supported by the PIT Office. Moreover, the signing of a Convention setting mandatory commitments and

deadlines for both the Region and the local municipalities with regards to the PIT strategy was also foreseen.

The main objectives of the PIT strategy were: to overcome the sectoral approach previously used for the implementation of the Regional Operational Programme and spending of structural funds by adopting an integrated approach in the programming and implementation of structural funds; and to speed up the spending of structural funds resources by sub-delegating the implementation phase to municipalities. As to the partnerships, the new strategy aimed at both the promotion of local coalitions grouped around more developed institutional actors (Provinces, leading cities) and socio-economic partners' strong involvement.

Despite a rapid definition of the general framework of PITs, the design of the PITs programmes was quite long and complex, characterized by numerous stop-and-go periods mainly due to the long multilevel negotiation of the programme, the quality of the projects presented by the 10 PITs and changes in the political coalitions at both regional and local level. The strong delays in the programming phase (started in 2000 and closed in 2005) determined a reduction of the implementation period of the PITs projects concentrated mostly between 2006 and 2010.

With regard to the effectiveness of PITs, they registered a good performance in terms of realizing foreseen projects, producing outputs and spending the available financial resources. As to the PITs results, the Evaluation of PIT Puglia underlines that the economic crises that affected the Puglia economy since 2008, and in particular some supply chains directly supported by PITs, reduced the potential benefits of the PITs interventions aimed at increasing competitiveness of productive systems and territories involved, such as PIA. Besides the economic crises, potential effects of PITs interventions on the local productive system and territorial development were also limited by both delays in the implementation of some priority themes and difficulty in the construction of a "strategic direction" which should have facilitated ex post integration between financial subsidies to enterprises, training interventions, infrastructural interventions and creation of services supporting the local productive system. However, one of the main results consists in having achieved policy and funds integration. PITs consented, in fact, to channel various priority themes within a strong and relevant programme from both financial and interventions foreseen point of view. Furthermore, integration of funds does not refer only to structural funds but also to the national ones. However, integration in the programming phase was not always followed by integration in the implementation phase.

Regarding PITs results in terms of creating complex and consolidated partnerships, they are quite scattered, despite some success cases (PIT Tavoliere, PIT Jonico-Salentino, PIT Nord 2 Barese, etc). This is mainly due to the change of the LDA strategy at regional level in 2006, when PITs had still to deploy their effects. The introduction of a new LDA strategy (Broad Areas) based on a different set of rule and increased local decision-making power together with no request for ensuring continuity between the two LDA strategies (PITs and Broad Areas) from the point of view of both development



idea and management structure marked a breaking point between the two strategies and a redefinition of the local development coalitions and of the power distribution between the actors involved in PITs.

In 2006, the process for the definition of Broad Areas started. Broad Areas are a policy tool similar to the PIT but characterized by a higher emphasis on the autonomy of the local level in deciding the geographical boundaries, the management architecture and the focus of the local development strategy. The absence of a regional framework determined an explosion of interventions included in the Broad Areas Strategic Plans. This caused uncertainty about the funds necessary for financing each of the 10 Strategic Plans and made it difficult for the Region itself to approve the Plans. Therefore, in the absence of the official approval of all Broad Areas and implementation of interventions foreseen within the Plans, outputs of Broad Areas are currently limited to the financing of 184 infrastructural interventions in 2009 due to necessity of Puglia Region to avoid decommitment.

Both PITs and Broad Areas (in the programming phase) show that factors favouring success of LDA strategies in terms of resilience are strongly connected to the local contexts and to the valorization of local resources such as:

- local leaders, which played a decisive role in the decisions of the partnership,
- PITs managers that knew to promote and sustain the rooting of a precise idea of local development
- the aggregation of socio-economic partners around a territorial development strategy.

## 2 Context related features

Puglia Region is one of the Convergence Objective/ex Objective 1, situated in the Southern part of Italy in the so called Mezzogiorno area.

**Figure 1: The location of the Puglia Region in Italy**

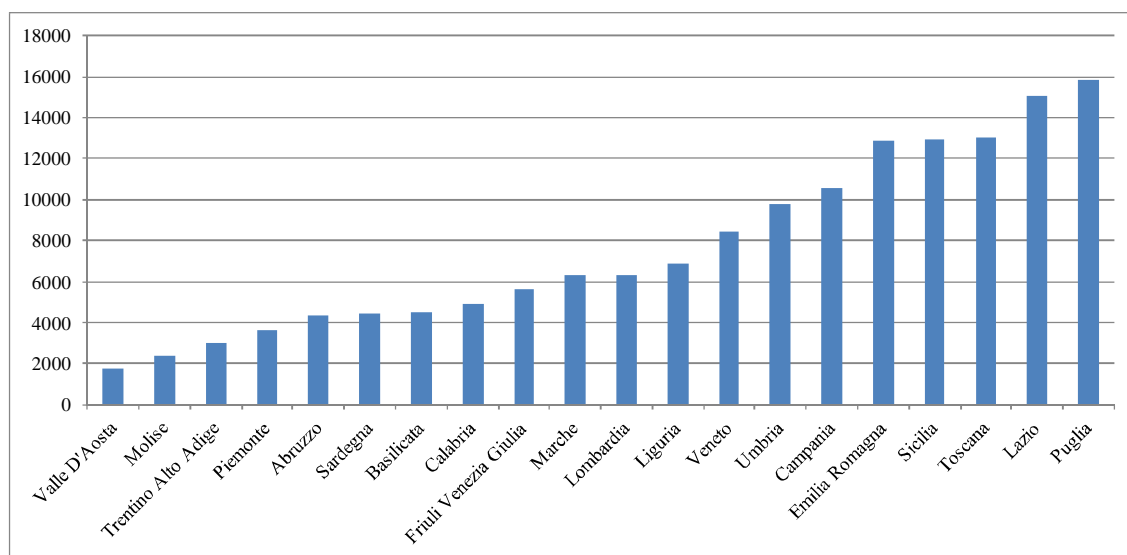


Information source: Puglia region website

The capital of the Region is Bari, which is also one of the nine metropolitan areas set at national level and a relevant harbour of Italy.

With an area of 19.362 square km, Puglia is divided into 6 Provinces (Bari, Brindisi, Foggia, Lecce, Taranto, and the newest Barletta-Andria-Trani), of which Bari is the largest one (about 300.000 inhabitants and 258 Municipalities). Puglia Municipalities are the largest in Italy in terms of average population.

**Figure 2: The average dimension of municipalities in term of population: comparison among the Italian Regions**



Elaboration on ISTAT data, 2011

## 2.1 Socio-Economic development

The areas comprising Mezzogiorno<sup>1</sup> are all characterized by lagging behind the Northern regions in terms of socio-economic development, even though they have registered slower and faster catch up periods along the years. Nowadays, these differences continue to be relevant and almost unaltered. It is enough thinking that the metropolitan area of Milan is at present one of the nine strongest economic areas of the world<sup>2</sup>, while most of the Mezzogiorno regions (Sicilia, Sardegna, Campania, Puglia) have still, nowadays, a gross domestic product per capita that is less than the 75% of the European average.

The 2008 Annual Report of the Department for Development and Cohesion Policies (DPS), within the Italian Ministry for Economic Development, highlights that a negative development trend was registered at the beginning of the new century after a positive trend in the 90's. Difficulties regarded both the social and economic development of the Region, characterized by a reduced growth in terms of production and employment level, increase in the population's age, migration towards other Italian regions, and diffusion of poverty.<sup>3</sup>

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<sup>1</sup> Mezzogiorno includes the following Italian regions: Abruzzo, Puglia, Basilicata, Campania, Calabria, Molise, Sicily and Sardegna.

<sup>2</sup> Standard & Poor's, Report Card: World's Top 10 Economic Centers, November 2006.

<sup>3</sup> Dipartimento per le Politiche di Sviluppo e Coesione, L'Italia secondo i conti pubblici territoriali: i flussi finanziari nella Regione Puglia, 2008, pag 13, [http://www.dps.tesoro.it/documentazione/docs/cpt/MonoCPT\\_Puglia.pdf](http://www.dps.tesoro.it/documentazione/docs/cpt/MonoCPT_Puglia.pdf).

**Table 1: Socio- economic features of the Region**

	Regional			Variation between 2000-2010 <sup>4</sup>	National			Variation between 2000-2010	EU			Variation between 2000-2010
	2000	2006	2010		2000	2006	2010		2000	2006	2010	
<b>Total Population (m)</b>	4.034.887	4.068.167	4.084.035	1,2	56.929.477	58.751.711	60.340.328	6,0	482,77	493,21	501,11	3,8
<i>Male</i>	1.960.399	1.975.655	1.980.902	1,0	27.566.232	28526888	29.287.403	6,2	-	-	-	
<i>Female</i>	2.074.488	2.092.512	2103133	1,4	29.363.245	30.224.823	31.052.925	5,8	-	-	-	
<b>Population over 65 (%)</b>	-	17,28	18,24	0,96	-	20	20	0	15.6	16.8	17.4	1,80
<i>Male</i>	-	15,15	16,14	0,99	-	17	18	1	-	-	-	
<i>Female</i>	-	19,30	20,21	0,91	-	22	23	1	-	-	-	
<b>Population Education level (people aged 30-34 having obtained an university degree) (%)</b>	-* <sup>5</sup>	11,5	13,8* <sup>6</sup>	2,30	-* <sup>7</sup>	17,7	19* <sup>8</sup>	1,30	-	-	32,2	
<i>Male</i>	-* <sup>9</sup>	11,9	11,6	-1,90	-* <sup>10</sup>	14,2	15	0,80	-	-	28,8	
<i>Female</i>	-* <sup>11</sup>	16,3	16,0	-0,30	-* <sup>12</sup>	21,2	23	1,80	-	-	35,6	
<b>GDP per capita</b>	13.800	16.400	13.233* <sup>13</sup>	-4,1	21.900*	25.200	25.600	17	19.800*	23.600	24.400	23,2

<sup>4</sup> Variations do not always refer to the 2000-2010 due to the lack of data for the entire period.

<sup>5</sup> 2000 value is not available; however in 2004 the Puglian average was 11,5%, while the Italian one was 15,6%.

<sup>6</sup> 2009 value, ISTAT (2010 value is not available).

<sup>7</sup> Not available value; however the 2004 value is 15,6% (ISTAT).

<sup>8</sup> 2009 value, ISTAT (2010 value is not available).

<sup>9</sup> Not available; the 2004 value is 9,5% (ISTAT).

<sup>10</sup> Not available, the 2004 value is 13% (ISTAT).

<sup>11</sup> Not available; the 2004 value is 13,4% (ISTAT).

<sup>12</sup> Not available, the 2004 value is 18,4% (ISTAT).

<sup>13</sup> 2009 value (ISTAT); the 2010 value is available only at National and international level.

	Regional			Variation between 2000-2010 <sup>4</sup>	National			Variation between 2000-2010	EU			Variation between 2000-2010
	2000	2006	2010		2000	2006	2010		2000	2006	2010	
<b>Activity rate (%)</b>	43,71	42,11	40,84	-2,87	48,34	49,16	48,43	0,09	56,63	61,31	57,57	0,94
<i>Male</i>	61,58	58,42	55,63	-5,95	61,95	61,02	59,41	-2,54	66,15	70,0	65,02	-1,13
<i>Female</i>	27,26	27,03	27,17	-0,09	35,78	38,15	38,23	2,45	47,81	53,15	50,58	2,77
<b>Employment rate (%)</b>	43,6	45,7	44,4	0,80	53,7	58,4	56,9	3,20	63,7	69,6	64,1	0,40
<i>Male</i>	63,3	63,3	59,6	-3,70	68	70,5	67,7	-0,30	72,7	77,4	70	-2,70
<i>Female</i>	24,7	28,5	29,5	4,80	39,6	46,3	46,1	6,50	54,8	61,9	58,2	3,40
<b>Unemployment rate(%)</b>	17,1	12,8	13,5	-4	10,6	6,8	8,4	-2,20	9	8,4	9,6	0,60
<i>Male</i>	12,4	10,3	12,1	-0,3	8,1	5,4	7,6	-0,50	7,9	7,7	9,6	1,70
<i>Female</i>	26,8	17,7	16,3	-11	14,5	8,8	9,7	-4,80	10,3	9,2	9,6	-0,70
<b>Net migration</b>	-3845* <sup>14</sup>	-2132	4841	-2,4	17326 <sup>15</sup>	15130,9	15582,9	-10	-	-	-	

Sources: ISTAT and Eurostat

<sup>14</sup> 2002 value (ISTAT); 2000 value is not available.

<sup>15</sup> Ibidem 13.

Despite some catch-up periods during 2000-2010, nowadays, Puglia is still characterized by lower GDP per capita values than both the Italian and EU one (see table 1), but close to the Mezzogiorno value (13.688 euro).

The employment rate remains below 50%, lower than both the Italian and the EU 15 average (see table 1), despite a 0,80% increase between 2000 and 2010. Female occupation level is also lower than the Italian and EU average (see table 1), even though there has been a continuous increase since 2000 (+4,8%), accompanied by a relevant decrease in the unemployment level (-11%). Furthermore, youth unemployment also decreased in this period (-5,8%), even though, in 2010, it continues to be 7,1% higher than the Italian one.

As to the incidence level of families at risk of poverty on the total number of families, it passed from 19,8% in 2006 to 21% in 2009, double compared to the Italian average (10,8%).<sup>16</sup>

The education level in Puglia region is lower than the Italian one both for secondary (71,5% in Puglia compared to 75,9 in Italy) and university education (13,8% in Puglia compared to 19% in Italy), despite continuous increase between 2000 and 2010 (see table 1).

Yet, from an economic point of view Puglia is considered the most dynamic region in Southern Italy. In the last years there has been a transition from an economy based predominantly on the primary sector to an economy which includes (some) big industry, an important number of SMEs, and a lively tertiary sector which supports the local economy.

Puglia is, in fact, the region most industrialized and with the highest presence of industrial districts in Mezzogiorno area (8 industrial districts employing 15% of the Puglia occupation as compared to 5% in the Mezzogiorno area)<sup>17</sup>. In the context of the economic crisis, both the industrial sector and the industrial districts registered a continuous decline: in 2007 the added value of the industrial sector compared to the previous year was - 3,1%, while in 2009 - 12,7% as compared to 2,2% in 2006<sup>18</sup>; - 9,2% in the profit share of industrial districts in the 2007- 2009 as compared to 0,5% in the 2001-2005 period<sup>19</sup>. However, in 2010, the Bank of Italy reported an increase in the nominal profit share of industrial enterprises in 2010 (+4%), mostly due to the increase in orders coming from foreign markets.<sup>20</sup> In fact, according to the Bank of Italy, after a strong decrease in the export level in 2009 (-28% in Puglia compared to -25% the Italian average) due to the economic crisis, in 2010 exports registered a rapid increase (28% in Puglia compared to 26% the Italian average). Furthermore, according to the Bank of Italy, in 2010, the agricultural sector registered an increase in the added value (+4%

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<sup>16</sup> ISTAT data, 2011.

<sup>17</sup> 2005 ISTAT data.

<sup>18</sup> Data refers to variation in the valued added of the industrial sector % compared to the previous year (2000 is the reference year); Banca d'Italia, Economie regionali. L'economia della Puglia, [http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi\\_s\\_r/1117\\_puglia/1117\\_puglia.pdf](http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1117_puglia/1117_puglia.pdf), page 50.

<sup>19</sup> Banca d'Italia, Economie regionali. L'economia della Puglia, [http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi\\_s\\_r/1117\\_puglia/1117\\_puglia.pdf](http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1117_puglia/1117_puglia.pdf), page 53.

<sup>20</sup> Banca d'Italia, Economie regionali. L'economia della Puglia, [http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi\\_s\\_r/1117\\_puglia/1117\\_puglia.pdf](http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1117_puglia/1117_puglia.pdf), page 8.

increase in the added value of the agricultural sector compared to the 2009 value), after the strong decrease registered in 2009 (- 7% in 2009 added value of the agricultural sector compared to the 2008 value). This is mainly due to the increase in the production of wine and oil, which registered higher values than in Mezzogiorno and Italy.<sup>21</sup>

## 2.2 Institutional and political characteristics

From an institutional point of view, the 90's were characterized by a process of continuous administrative decentralization from the central state to the regional and municipal levels. The Regional administrations, foreseen by the 1948 Italian Constitution, were instituted in 1971 and further reformed in 1993, 1997 and 2001, once with the revision of the Italian Constitution. These reforms brought about increased institutional and political powers for the regional administrations in different fields, including the programming of European funds, as well as for the Provincial and municipal administrations. Furthermore, they defined a multi level governance system: central state-regions-provinces-municipalities. In addition, the 2001 Constitution reform introduced new principles regulating the institutional interactions between the national, regional and local level: subsidiarity, differentiation and adequacy. On the one side, these reforms marked the passage from an institutional architecture based on uniformity and centrality in all fields, including the programming of structural funds, to a new one based on regional and local autonomy. On the other, it defined the transition from a period of special interventions for Mezzogiorno areas decided by the central government ("Intervento Straordinario"), to one of "ordinary" policy, foreseeing a strong involvement of the Mezzogiorno regions themselves.

The 2000-2006 "New Programming Policy" ("Nuova Programmazione") based on negotiated bargaining, defined a multi-level system of governance of territorial development policies financed by structural funds: the Regions assumed the central role in the programming and spending of funds (in this programming period they managed 70% of the total resources), while central institutions coordinated the strategy. At central level, the Department for Development and Cohesion Policies (DPS), within the Italian Ministry for Economic Development, created in 1998, assumed the coordination of the strategy and led the negotiation process of the 2000-2006 structural funds with Mezzogiorno Regions.

The passage from the 2000-2006 programming period to the 2007-2013 one was characterized by the transition from the CSF to the National Strategic Framework foreseeing the integration between regional and national development policies.

As to the *management of the regional strategy financed by ERDF within Puglia Region*, the management architecture registered some changes between the two programming periods, as shown in the table below. One of the main changes regarded the strengthening of the partnership principle through the creation of a Partnership Unit in

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<sup>21</sup> Banca d'Italia, Economie regionali. L'economia della Puglia, [http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi\\_s\\_r/1117\\_puglia/1117\\_puglia.pdf](http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1117_puglia/1117_puglia.pdf), page 12.

charge of ensuring the mainstreaming of the partnership principle in all the ROP priorities. Another change that countersigned this programming period regards the involvement (with a voting right) of the Broad Areas representatives within the Monitoring Committee of the ROP.

**Table 2: Management of the ERDF in the two programming periods**

<b>2000-2006 Programming period</b>	<b>2007-2013 Programming period</b>
<b>Managing Authority</b> with a coordination role of the Operational Programme, directed by a temporary manager	<b>Managing Authority</b> with a coordination role of the Operational Programme, directed by a temporary manager
<b>Payment authority</b> in charge of the ROP financial control	<b>Certification Authority</b> with the role of certifying expenses and maintaining an electronic accounting system of ROP interventions
<b>Monitoring Committee</b> in charge of checking the effectiveness and quality of the Operational Programme and made of: President of Puglia Region, ministerial representatives, manager of the European Policies sector within Puglia Region, managers of the sectors interested by the ROP, representative of EC and EIB, representatives of the national managing authorities of National OPs, representatives of Puglia provinces, Puglia municipalities and Mountain Communities, representatives of the economic and social partnership, representative of the Environmental Authority and the Equal Opportunities Councilor within the Region	<b>Monitoring Committee</b> in charge of checking the effectiveness and quality of the actuation of the Operational Programme and made of representatives with a voting right (president of the Region, the managing authorities; regional functionaries in charge of ROP axis; central government representatives – DPS and other ministerial representatives; representatives of the other National Operational Programmes; representatives of Puglia Provinces and Puglia Municipalities; representatives of Broad Areas <sup>22</sup> ) and representatives with consultative functions (DG REGIO, representatives of the social and economic partnership; functionaries in charge of priority lines of the ROP); representatives of the Public Investments Evaluation Unit, Environmental Authority and Certification Authority can participate to the Monitoring Committee on request of the Puglia Region president.
<b>Regional Planning Committee</b> including local autonomies and representatives of the economic and social partnership involved in the planning and monitoring of the ROP	<b>Audit Authority</b> in charge of audit activities of the Operational Programme
<b>Environmental Authority</b> in charge of promoting the environmental sustainability within all fields of the Programme	Authorities in charge of mainstreaming transversal principles such as partnership, sustainability and equal opportunities: <b>Environmental Authority, Equal Opportunities Unit and Partnership Unit representatives</b>
<b>Public Investments Evaluation Unit</b> in charge of ex ante evaluation of structural funds projects/programmes and of providing technical and administrative support to the European Policies sector	<b>Public Investments Evaluation Unit</b> in charge of ex ante, on-going and ex-post evaluation of structural funds projects/programmes and of providing technical and administrative support to the Programming and European Policies Sector
	<b>Intermediary bodies:</b> Puglia Sviluppo in charge of first level controls and Innova Puglia for first level controls regarding interventions in the research field

Sources: 2000-2006 Puglia ROP, 2007-2013 Puglia ROP

From a **political point of view**, in the analyzed programming periods, Puglia Region is characterized by a passage from the centre right government, led by Raffaele Fitto, to the centre left government led by Nichi Vendola elected in March 2005 and re-confirmed to the last regional elections. Change in the regional government determined also a change in the administrative structures, accompanied by a reorganization of the Regional administration. Furthermore, Nichi Vendola's political programme includes, among others, the enhancement of participated programming, transparency of the regional administration and mainstreaming of the bottom-up approach in all policies promoted by Puglia Region.

<sup>22</sup> Broad Areas is the policy tool based on the local development approach promoted in 2005. It will be further detailed in the next chapters of the case study.



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

The development gap between the Italian Northern regions and the Mezzogiorno regions is well known and ancient. For a long period, since the end of the Second World War, state intervention in South Italy had been characterized by a strong centralism. Thanks to the rapid economic growth rate, in the Fifties there was a strong confidence both in the entitlement and capacity of the central State to lead the development of the Italian society, and in particular of the poorest and most deprived Italian regions. In 1950, “Cassa per il Mezzogiorno” was founded: a big public body, led by the central State that could intervene in Mezzogiorno without the slowness of the ordinary bureaucracy. The intervention aimed at sustaining the realization of big infrastructures and offering subsidies to the industries considered strategic for the Italian economy. The rationale behind the intervention was based on the assumption that those big firms could produce a chain effect<sup>23</sup>. In the first years, this policy allowed to accomplish very important infrastructural works (such as the great interregional program for waterworks) and contributed to sustain a growth rate of Mezzogiorno regions similar to that of the North and Centre Italy. However, since the Sixties that policy had started to show all its weaknesses. “Cassa per il Mezzogiorno” escaped from any control and became responsible for the waste of public resources. The policy for Mezzogiorno was blamed for having caused a deep disincentive for firms and people to risk and compete. The idea that the national government would not be able by itself to recognize the problems concerning the development of a territory and to find possible solutions to them started to spread at regional and local levels. In 1998, the analysis of the big previous failures gave birth to the renewed economic policy known as the “New Programming Policy” (“Nuova Programmazione”), promoted by C.A. Ciampi (ex governor of the Bank of Italy and afterwards President of the Republic) and by Fabrizio Barca, the DPS chief. The new policy drew on a strong debate on local development, which focused on the phenomenon of *industrial districts*<sup>24</sup>, and deeply innovated the way in which the public intervention was conceived. It gave a new role both to the public administration, in particular to the local one, and to the social and economic actors in order to achieve local results. Summing up, it was “*a policy characterized by multilevel governance, strong emphasis on territories, involvement of a real economic and social partnership, a more robust process of public decision implemented through a credible discipline and strong internal investments on human capital.*”<sup>25</sup>

The “New Programming Policy” (“Nuova Programmazione”) inspired the Italian 2000-06 Community Strategic Framework (CSF). DPS, within the Italian Ministry for Economic Development, led the policy at national level by acting as a steering unit for the CSF implementation in the Regions. Within the “New Programming Policy” (“Nuova

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<sup>23</sup> Consiglio italiano per le scienze sociali, 2005, 29.

<sup>24</sup> Industrial districts are considered to be a peculiar structure of small or medium manufacture firms diffused especially in the north-east and in the centre of Italy and to a smaller extent also in the Southern regions.

<sup>25</sup> Barca, 2006, 70.

Programmazione”), a new policy tool was created for the implementation of interventions financed by structural funds: Integrated Territorial Projects – PIT – (Progetti Integrati Territoriali). The aim of PIT was to promote local development by adopting a multiple perspective approach, by involving local administration and communities and by integrating different European funds. The new policy tool (PIT) was diffused in all the Italian Objective 1 Regions (Puglia, Sicilia, Calabria, Basilicata, Sardinia) and in some Objective 2 regions of the North and Centre Italy, even though the approaches used were different. Results achieved were also different from one Region to another.

Since the 90’s, Puglia Region has been using different policy tools for the promotion of local development, characterized by different approaches. In the first years of the 90’s, the European Employment Territorial Pacts<sup>26</sup>, the Urban Integrated Projects<sup>27</sup> and Territorial Pacts<sup>28</sup> represented the main policy tools for local development. These policy tools were promoted by both the national government (and in particular the Ministry of Public Works) and the EU (through Urban, Interreg and Leader Communitarian initiatives). However, these innovative approaches did not regard the entire Puglia territory in a homogenous way, but focused on some specific areas within the Region interesting for their economic and production systems (as in the case of Territorial Pacts and Leader) or for their demographic and social structure (as in the Urban case). These experiences contributed to the development of relevant networks of institutional actors, formalized through the creation of new agencies for the promotion of territorial development (for instance LAGs or the new societies created for the management of Territorial Pacts). However, these policies did not manage to ensure a continuous involvement of the social and economic actors in local development policies. Within this framework, between 1999 and 2000, new policy tools started to be defined at regional level in order to provide a more adequate answer to the national requests concerning the use of Integrated Territorial Projects foreseen by the 200-2006 CSF.

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<sup>26</sup> The European Confidence Pact for Employment set a complete framework to support and encourage local development and employment initiatives. Territorial Employment Pacts were chosen as tool to strengthen the efficacy of Structural Funds in the fight against unemployment and represented a new approach aimed at promoting a deeper local involvement based on shared development and employment objectives, rather than on specific individual measures. In 1996, the Commission’s position to increase the Structural Funds’ focus on job creation and to select regions and cities that were eligible to subscribe the TEPs was endorsed. The Amsterdam Council of June 1997 launched the first action plans for 89 TEPs selected by the Commission. In Italy, the European Territorial Employment Pacts were actuated together with a large number of national Territorial Pacts. In Puglia Region 10 Territorial Employment Pacts were financed.

<sup>27</sup> The Urban programme is a European Union Community Initiative which targets sustainable economic development in the most deprived urban areas of the EU. As a follow-up to Urban I (1994-1999), Urban II (2000-2006) aims to promote the design and implementation of innovative models of development for the economic and social regeneration of deprived urban areas.

<sup>28</sup> Territorial Pacts, actuated in 1996, is an area-based programme which aimed at triggering growth and employment in the lagging regions of Italy. The program was based on a bottom-up approach: a Pact was an agreement signed by local governments and the representatives of civil society of a number of neighboring municipalities, which was subsequently endorsed by the Central Government. The agreement consisted of a plan for the development of the area, which included a number of private and public investments for which public funding was provided. In Puglia region 27 Territorial Pacts were financed covering almost 99% of the entire regional territory.

The 2000-2006 Puglia ROP foresaw two kinds of integrated projects: territorial ones - PIT (focused on geographical areas characterised by the presence of local production systems in the manufacturing, logistic or agro-industrial fields) and the sectoral ones - PIS (promoting specific cultural and touristic resources). The boundaries and the focus of the two instruments were defined in the ROP drafted in 2000.

Territorial Integrated Projects represented surely the flagship project of Puglia 2000-2006 local development strategy. The Regional strategy foresaw the creation of 10 PITs, which covered almost the entire regional territory and which were defined based on the results of an IPRES research<sup>29</sup> that identified the economic characteristics of the sub-regional areas. The geographical boundaries of PITs were defined around the local development guiding idea identified by Puglia Region and the existing local productive systems<sup>30</sup> (therefore a selection of restrained intervention areas), including, however, territories at risk of exclusion (for instance Monti Dauni area, which was not part of a productive system).

The “local development guiding idea” and the maximum amount of funds available for each PIT (from 50 to 100 million euro) were defined by the Region and should have guided the definition of the PIT programme at local level. On these bases, each PIT had to negotiate with the Region the ROP priorities (financed by ERDF, ESF, EAGGF) to be used and the partners’ co-financing levels.

**Table 3: PIT Overview (2000-06 Puglia ROP)**

Name and number of the PIT	Type	Leading partner	Allocated financial resources <sup>31</sup> (May 2011)
1 Tavoliere	Rural- agroindustrial	Foggia Municipality	68.161.374,31
2 Nord Barese	Manufacturing	Andria Municipality	78.759.972,52
3 Bari	Logistic – transports	Bari Municipality	71.486.806,72
4 Murgia	Rural- agroindustrial	Santeramo in Colle Municipality	105.468.609,24
5 Valle d’Itria	Manufacturing	Martina Franca Municipality	50.854.485,17
6 Taranto	Logistic – transports	Taranto Municipality	51.306.492,47
7 Brindisi	Logistic – transports	Brindisi Province	44.879.304,25
8 Jonico-Salentina	Rural- agroindustrial	Brindisi Province	89.806.717,00
9 Salentino Lecce	Manufacturing	Casarano Municipality	50.285.424,21
10Monti Dauni	Rural- agroindustrial	Monti Dauni Meridionali Mountain Community Monti Dauni Settentrionali Mountain Community	94.552.295,95

Source: interviews to local stakeholders and official documents

<sup>29</sup> The research was financed by POP 1994-1999 which identifies - within the region - 24 industrial local productive systems (6 of them are industrial districts).

<sup>30</sup> Local productive systems include areas identified as local labour systems by ISTAT in 1993 and characterized by common characteristics from an economic point of view. Indicators used for their identification consist in: density level of local entrepreneurship, level of handicraft entrepreneurship, level of industrialization, occupation level in handicraft enterprises compared to the occupation level in the industry field.

<sup>31</sup> Financial resources include both national and EU public contributions.

The Region divided the PIT definition process in three main phases:

- elaboration of the PIT programme;
- definition of the Agreement between the administrations involved in each PIT;
- the PIT implementation phase.

The start of the LDA strategy was quite rapid at the beginning. Despite this initial rapid definition of the two policy tools, the implementation process was quite long and complex, characterized by numerous stop-and-go periods. This was mainly due to difficulties deriving from the multilevel negotiation of the programme, the scarce quality of the projects presented by the 10 PITs and not last by political changes at both regional and local levels.

PITs started in 2002, with the negotiation between the Region (Managing Authority of ROP, the Public Investments Evaluation Unit) and the involved municipalities. In 2002, Raffaele Fitto, the new president of the Region, convened the Conference of the Local Autonomies involved in PITs. The negotiation and confrontation between the local municipalities and the Region (Public Investments Evaluation Unit; ROP priorities managers) closed in 2005. In 2005, the Region approved the Agreements between the Administrations, which marked the start of the PITs implementation phase. It was the first act signed by Nichi Vendola, the new president of the Region (center-left). From this moment on, the local administrations were involved in the creation of the management structures, the operational definition and contracting of the various projects foreseen by the PITs. The PITs implementation phase lasted until 2010, far beyond the initial deadlines set by the Region and registered a peak working period between 2006 and 2009.

In 2005, the difficulties that caused serious delays in the starting up of the PITs implementation caused skepticism and controversies about the effectiveness of the regional strategy. The mayors of the biggest cities in Puglia (Bari, Lecce) were the main protesters. They accused the Region that it had chosen a too centralistic approach for the PITs implementation, which had left a limited autonomy to municipalities. In the absence of PITs results, the debate on the 2007-2013 programming confirmed the need to maintain the LDA approach based on involvement of local partnerships and pushed for a higher decisional autonomy for local municipalities. Soon after, in 2006 the definition of Broad Areas started.

Broad Areas are a policy tool similar to the PIT, but characterized by a higher emphasis on the autonomy of the local level in deciding the geographical boundaries, the management architecture and the focus of the local development strategy. The Region received 7.4 million euro from the central state (CIPE resolution number 20 from 2004 and number 35 from 2005) for the funding of the Broad Areas strategic planning processes. The objective was to allow to the territories involved (10 Broad Areas) to define their own development strategy and flagship projects through a bottom-up process based on the broad involvement of local institutions, citizens and socio-

economic partners.<sup>32</sup>The Broad Area Strategic Plans represented the main local development strategy and integrated both intervention types and available funds (national, EU and regional).

**Figure 3: The 10 Broad Areas of the ROP 2007-13**



Source: Region Puglia website

The definition process of Broad Areas was carried out in parallel with the implementation phase of PITs and, thus, could not benefit from relevant learning from the previous experience. As in the PITs case, the programming phase of the Broad Areas was extremely long and difficult and, in some cases, it is still going on<sup>33</sup>. This was mainly due to the lack of a regional framework guiding the action of local partnerships in identifying the geographical boundaries, the interventions and the governance arrangements. However, afterwards, Puglia Region intervened in the definition of the Broad Areas geographical boundaries by negotiating with the local partners the grouping of some of the proposals received for Broad Areas so as to constitute more homogenous intervention areas.

The definition of the Broad Areas Strategic Plan was characterized by an explosion of interventions included in the Plan<sup>34</sup>. This caused uncertainty about the funds necessary for financing each of the 10 Strategic Plans and made it difficult for the Region itself to approve the Plans. Furthermore, this situation caused high delays in the spending of ERDF funds. Due to the spending necessities (in order to avoid decommitment), in 2009 the Region approved a list of projects included in the Strategic Plan, which were

<sup>32</sup> For instance, in the Bari case the definition of the Broad Area Strategic Plan included 19 metropolitan Forums and over 1000 interlocutors.

<sup>33</sup> In 2010, the Lecce Broad Area and Bari Broad Area were approved; in 2011 Brindisi Broad Area and Salento Broad Area were approved.

<sup>34</sup> For instance, the Bari Strategic Plan included 800 interventions.

considered strategic by the local level and, therefore, could be financed even without the formal approval of the Broad Areas Strategic Plans. Thus, 184 infrastructural and soil protection projects were selected for funding and currently the tender procedures are ongoing at local level. The implementation of these projects involves exclusively the Municipalities and the firms executing the works.

PIT and Broad Areas were not the only LDA policy tools implemented in Puglia in the two programming periods. In the 2000-2006 programming period, the Integrated Sectoral Projects (PIS) in the cultural and tourism field were another relevant LDA policy tool.<sup>35</sup> The procedure for the definition of PIS foresaw the presentation of feasibility studies drafted by municipalities, which were aimed at the identification of integrated sectoral projects and at the definition of the restoration interventions to be realized together with the Region.

In the PIS case, the adopted LDA is similar to what we have called “LDA as a corrective in sectoral policy”, as it is based on a sectoral approach, the partnership is made only of institutions and the bottom-up approach is aimed at improving the intervention fields and the projects to be implemented within PIS.

In the 2007-2013 programming period, the local development approach is mainstreamed in all the OP priorities. Principles such as *integration of resources*, *territorial focus* and *involvement of local partnerships* (both institutional and socio-economic) are present in numerous initiatives implemented within the ROP and other regional policies. The overall resources allocated to LDA initiatives are lower than in the previous programming period, but the initiatives inspired by LDA are more numerous. For instance, PIRP is another relevant LDA policy tool used in this programming period. PIRP foresees the signature of a Programme Agreement between municipalities, which represent also the main interlocutor for the socio-economic partnership involved. The interventions are aimed at dealing with urban decay and the approach used is integrated, multisectoral and based on the involvement of local communities in a broad way (both public and private actors). PIRP started in 2006, once with the publication of a regional tender (financed by regional funds) and afterwards was included in the framework of the 2007-2013 ROP. In 2009, this initiative involved 122 local municipalities.<sup>36</sup>

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<sup>35</sup> The PIS defined are: PI – cultural and touristic –Puglia baroque; PI – Touristic and Cultural Itinerary Normanno Svevo-Angioino; PI – cultural and touristic Itinerary Habitat Rupestri; PI – Tourism – Culture and Environment in South Salento; PI – Tourism – Culture and Environment in Gargano area.

<sup>36</sup> [http://www.regione.puglia.it/www/web/files/altro/elenco\\_proposte\\_PIRP.pdf](http://www.regione.puglia.it/www/web/files/altro/elenco_proposte_PIRP.pdf).

## 4 Main interventions using LDA

### 4.1 Regional Strategy

The **2000-2006 Regional strategy** introduced a strong discontinuity with the past programming period (concentrated mainly on incentives to enterprises) and worked on the so-called “breaking” variables, namely on some aspects which could have induced a change in the economic and social development of Puglia Region and which had not been valued in the previous programming period: natural, environmental and cultural resources, human resources, and local productive systems consolidated along the years<sup>37</sup>. Contrary to the previous programming period, the 2000-2006 strategy adopted the local development approach as a fundamental principle, which found full fulfilment both in the programming phase of the strategy (use of the negotiated programming for the elaboration of the regional strategy) and the implementation phase (use of PIT and PIS as the tools for delivering its objectives and priorities).

LDA strategy at the basis of PITs had some specific features:

- definition of regional guidelines, including the definition and implementation model of PIT;
- selection of PIT areas, characterized by similar economic features and resources, by Puglia Region, with the involvement of the local municipalities concerned;
- definition by Puglia Region of a local development guiding idea around which to create a group of integrated projects using different types of structural funds and different ROP priority themes;
- concentration of different types of structural funds (ERDF, ESF, EAGGF) on the selected local development guiding idea;
- involvement of the local social, institutional and economic partners in the definition of the PIT projects and their co-financing;
- use of sub-delegation for the implementation of the PIT projects.

As underlined by both interviews to regional actors and the 2000-2006 CSF, the main objectives of this strategy were:

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<sup>37</sup> As to the general objectives of the 2000-2006 Regional strategy, they focus on: improving the competitiveness, the integration and the innovation level of the territorial productive systems and encouraging their openness to new knowledge-based activities and new external markets; improving life quality, with a special focus on favouring a cohesive civil context in both urban and rural areas confronted with social and legal problems; reducing territorial development imbalances within the Region by recognizing and valuing the different territorial systems as a factor for the development of the region and at the same time by implementing actions aimed at the convergence of territories within the region; promoting R&D development within the region, in particular in the framework of Integrated Territorial Programmes.

- to overcome the sectoral approach previously used for the division of ROP funds;
- to adopt an integrated approach in the programming of structural funds, starting from a focus on territorial areas characterized by specific problems and opportunities;
- to speed up the spending of structural funds resources by sub-delegating the implementation phase to municipalities.

As to the partnerships, the new strategy aimed at strengthening the involvement of the social and economic actors in the local development policies. The local partnerships made of both institutions (mainly municipalities) and socio-economic actors were called to participate to the definition of the territorial projects to be implemented within PITs.

The regional strategy tried, in fact, to unify two competing objectives: the speeding of the structural funds and the creation of networks of actors based on a bottom-up logic.

As detailed in the previous chapter, in the implementation of the regional strategy at local level, the PITs territories could count on previous experiences of integrated projecting. However, generally, PITs were characterized by a strong discontinuity with these previous experiences from the point of view of the objectives of the strategy, the boundaries of the partnerships and the leading partners, with the exception of two PITs (Nord Barese and Murgia).

The development strategies of the 10 PITs are described in the table below:

**Table 4: Local development guiding ideas of PITs**

<b>Integrated Territorial Projects</b>	<b>Local development guiding development idea</b>
<b>PIT 1 Tavoliere</b>	Promote the development and innovation of rural and agro industrial economy through integration and diversification of the agricultural production
<b>PIT 2 Nord Barese</b>	Strengthen and innovate the handicrafts sector and in particular the textile, shoes and clothing sectors
<b>PIT 3 Bari</b>	Develop the service networks and hubs pole present on the territory of Bari metropolitan area, with reference both to the logistic and transport infrastructure and innovative services
<b>PIT 4 Murgia</b>	Develop the integration between the various productive systems present in Murgia area and diffuse of product innovation with reference both to agriculture and furniture district (sofas, etc)
<b>PIT 5 Valle d'Itria</b>	Create an integrated productive system and increase its innovation level
<b>PIT 6 Taranto</b>	Create a new development model based on the strengthening of services networks and hubs, in particular in the logistic sector
<b>PIT 7 Brindisi</b>	Develop an integrated system of services in the logistic sector
<b>PIT 8 Jonico-Salentino</b>	Promote the development and innovation of rural and agro-industrial economy through the integration and diversification of the local production
<b>PIT 9 Salentino-Leccese</b>	Strengthen the local productive system (shoes district) by developing the network of small and medium enterprises, diffusing innovation and valorisation of human resources
<b>PIT 10 Monti Dauni</b>	Develop and innovate the local economy through the valorisation of environmental, natural and cultural resources and through the promotion of the integration between agriculture and tourism sectors.

Source: Evaluation of PIT, Metis, 2011 (not published)



The 10 PITs were entirely financed by the 2000-2006 ROP with ERDF, ESF and EAGGF funds, except for PIT 1, which attracted some limited private resources (3.400.000 Euro).

Despite the criticism of PIT as a tool for carrying out local development policies (as detailed in the previous chapter), the local development approach was not only confirmed in the 2007-2013 programming period, but, further, strengthened. The territorial dimension, the promotion of bottom-up participation and an enhanced active citizenship are some of the key elements of Nichi Vendola's political strategy. Therefore, they are mainstreamed within numerous regional policies such as social and health policies (The Plan for Health), youth policies ("Bollenti spiriti" programme) and urban regeneration policies (Urban laboratories for the creation of new public spaces for youth, financed by the CIPE resolution 35/05).

The 2007-2013 ROP has three general objectives, one of which <sup>38</sup>refers to the promotion of productive districts (in connection with the PIT focus on local productive system).

One of the main objectives of the 2007-2013 LDA strategy is to enhance bottom-up participation and the ROP definition process reflects it. The ROP is, in fact, the result of an articulated consultation process started with the elaboration of the DSR, based on the strong involvement of institutional actors, socio-economic stakeholders and active citizenship.

In the 2007-2013 programming period, Broad Areas represent the main LDA policy tool, as explained in the previous chapter. Even though they represent an evolution of the PIT experience, there are relevant differences between the two policy tools, as it will be further explained in the Process Design Features chapter:

- contrary to PIT (see paragraphs above for details), the geographical boundaries, the development strategy and the management structure of Broad Areas are defined by the municipalities composing the ten Broad Areas;
- territorial areas are similar to the PIT ones, even if geographical boundaries are in most cases different; some of the Broad Areas are characterized by larger institutional partnerships than the PIT ones, while others lose partners in this phase;
- the focus of the development strategy is wider in the Broad Areas case than in the PIT one.

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<sup>38</sup> The ROP objectives are: 1) enhancing the attractiveness of the region, by improving accessibility, guaranteeing the quality of its services and by safeguarding the potential of the environment. This will be achieved through a sustainable development model based on greater efficiency of energy consumption and a significant increase in the production of renewable energy; 2) promoting innovation, entrepreneurship and development of the knowledge economy and also by promoting specialisation and productive districts; creating increased conditions of well-being and social inclusion.

**Table 5: Comparison between PIT and Broad Areas strategies, partnership and leading partner**

Pit 2000-06	Area Vasta 2007-13	Strategy	Partnership	Leading partner
PIT 1 Tavoliere	Capitanata 2020	Different: PIT concentrated on the agro-industrial sector; Broad Area on logistics	Broader in Capitanata 2020 Broad Area	The same (Foggia Municipality)
PIT 2 Nord Barese	Vision 2020	Different: the PIT aimed specifically at improving the handicrafts sector; the Broad Area focuses on 7 macro-areas: rural development, promotion of the agricultural and food sector, valorisation of cultural patrimony, integrated valorisation of sea resources; development of the fashion district; promotion of international cultural events; promotion of capacity building of the local public institutions involved in the Broad Area	Smaller in the Broad Area	Different (Andria for the PIT, Barletta Broad Area)
PIT 3 Bari	Metropoli Terra di Bari	Different: PIT focused on infrastructure, transport and innovative services; the Broad Area focus is much wider and includes the following macro-areas: sustainable development, promotion of the cultural sector, internationalization of local products, social inclusion and governance of the metropolitan area	Doubled in the Broad Area	The same (Bari Municipality)
PIT 4 Murgia	Città Murgiana	Very different: from development of the agro-industrial sector in the PIT to well-being in the Broad Area	Sharply reduced in the Broad Area (from 14 partner of the PIT, to 4 of the Broad Area)	Different: from Santeramo in Colle to Gravina di Puglia
PIT 5 Valle d'Itria	Valle d'Itria	Similar: the focus of the Broad Area is much wider, but in continuity with the PIT's strategy	The same	Different: from Martina Franca to Monopoli
PIT 6 Taranto	Area Vasta Tarantina	Similar: logistics is at the core of the local development strategy in both the PIT and the Broad Area	Broader (from 6 to 28)	Different: from the Province of Taranto to the Taranto Municipality)
PIT 7 Brindisi	Area Vasta Brindisina	Similar: the focus of the Broad Area is much wider, but in continuity with the PIT strategy	The same	The same
PIT 8 Jonico-Salentino	Lecce 2005-2015, Area Vasta Brindisina, Area Tarantina	Different: the PIT included 69 from the Province of Brindisi, the Province of Lecce and the Province of Taranto and focused on the agro-industrial sector. On the contrary, there is not a Broad Area unifying the three provinces, but three Broad Areas with different objectives.	Different: the coalition is divided into three different areas	Different: Lecce Municipality (Lecce 2005-2015); Brindisi Municipality (Area Vasta Brindisina); Taranto Municipality (Area Vasta Tarantina)
PIT 9 Salentino-Leccese	Salento 2020	Similar: The Broad Area continues the PIT strategy in a wider perspective; furthermore it introduces new themes such as the development of the touristic sector and development of the institutional capacity of the public administrations involved	Similar: the partnership is smaller (from 68 municipalities within PIT to 66 within the Broad Area)	The same (Municipality of Casarano)
PIT 10 Monti Dauni	Monti Dauni Broad Area	The same: the Broad Area continued the PIT strategy	The same. At the moment the Broad Area is confronted with relevant problems from the partnership point of view as 8 of the municipalities of the Broad Area created a "mini broad area", not officially recognized, which intends to promote its own strategy.	Not defined as municipalities did not agree on the leadership of the Broad Area.

Source: Interviews to local stakeholders and PITs and Broad Areas programmes

**Table 6: An overview of the main LDA policy tools and the types and amount of funding allocated**

	<b>Programme</b>	<b>Fund (type)</b>	<b>Allocated Amounts</b>
2000-2006	<i>PIT - Integrated Territorial Projects</i> <sup>39</sup>	ERDF	469.277.641
		ESF	11.368.135
		EAGGF	224.915.706
	<i>PIS -Integrated Sectorial Projects</i> <sup>40</sup>	ERDF	304.317.061
		ESF	35.833.557
		EAGGF	19.973.000
	<i>PSL - Local Development Plans (for rural areas) and GALs (local action groups)</i> <sup>41</sup>	EAGGF	24.406.000
	<b>TOTAL</b>	<b>1.090.091.100</b>	
2007-2013	Broad Areas (Aree Vaste) <sup>42</sup>	<i>Other funds (national and regional)</i> <sup>43</sup>	7.400.000
		<i>ERDF</i>	340.000.000
	PIP - Integrated Plans for the implementation of SAC - Environmental and Cultural Systems and STL - Tourism Local Systems <sup>44</sup>	<i>ERDF</i>	85.000.000
	PIRP - Integrated Programme for the regeneration of peripheries <sup>45</sup>	<i>ERDF</i>	102.000.000
		<i>Other funds (national and regional)</i> <sup>46</sup>	82.639.712,34
	PISU - Integrated Plans for Urban Development and for PIST -Territorial Development <sup>47</sup>	<i>ERDF</i>	91.333.333
	PIIS - Investment Plans for Social Infrastructure <sup>48</sup>	<i>ERDF</i>	7.500.000
	Productive Districts	<i>To be financed with both regional and European funds</i>	
	PIF - Integrated Projects for Dies (filiera produttive) financed within the Plan for Rural Development <sup>49</sup>	<i>EAFRD</i>	273.815.000
		<b>TOTAL</b>	<b>989.688.045,00</b>

Source: IRS elaboration of data provided by the 2000-2006 and 2007-2013 ROPs and AIRs

From a financial point of view, it is not easy to reconstruct precisely the ERDF financial resources allocated to LDA due to the high use of LDA policy tools, in particular in the current programming period. However, overall, an analysis of the financial resources allocated to LDA policy tools shows that in the 2000-2006 programming period the

<sup>39</sup> MIR WEB regional data, 2011.

<sup>40</sup> Complemento di Programmazione, 2009.

<sup>41</sup> RAE 2006 Leader II 2000-2006 Puglia, 2006.

<sup>42</sup> RAE 2009 POR Puglia 2007-2013, 2009.

<sup>43</sup> CIPE 20/04 e 35/05, 2005, 2005.

<sup>44</sup> RAE 2010 POR Puglia 2007-2013, 2010.

<sup>45</sup> Deliberazione della Giunta Regionale n.1445, 2009.

<sup>46</sup> Deliberazione della Giunta Regionale n.870, 2006.

<sup>47</sup> Deliberazione della Giunta Regionale n.1445, 2009.

<sup>48</sup> D.G.R. 765 del 26.04.2011.

<sup>49</sup> <http://www.consulmurgia.it/public/PDF/PIF.pdf>, 20.09.2011.

ERDF funds allocated to the two LDA policy tools (PIT and PIS) amounted to 773.594.702 million Euro of ERDF resources, around 22,5% of the ERDF funds provided by the ROP. Despite an increase in the overall ERDF resources in the 2007-2013 programming period (+52%), LDA policy tools received a lower ERDF funding (625 million euro), around 11% of the ROP resources. ERDF resources registered a 15% decrease in the 2007-2013 programming period compared to the 2000-2006 one. In both programming periods other European, national and regional funds financed LDA policy tools. Overall, in the 2007-2013 there was a decrease in the total amount allocated to LDA (-9%): financial resources allocated to LDA policy tools passed from 1.090.091.100 euro in the 2000-2006 period to 989.688.045 euro in the 2007-2013 period.

## 4.2 Mapping ERDF interventions using LDA

As explained in the previous chapter, PIT was not a separate tool within the 2000-2006 ROP, but it integrated different ROP priorities and themes within a local development strategy for each of the territories involved. Thus, it was implemented through six ROP priorities:

- *Priority 1 Natural Resources* aimed at improving water supply, soil, coastline protection, the environmental information system and, moreover, at enhancing the value of the natural environment, the treatment of waste.
- *Priority 2 Cultural resources* aimed at enhancing the value of cultural resources with a view to contributing to the economic development of the region.
- *Priority 3 Human Resources* aimed at promoting employment, vocational training and R&D activities.
- *Priority 4 Local Development Systems* aimed at promoting local production systems (in particular industrial districts and export systems) and new businesses, at making fishing more competitive and at improving tourism supply.
- *Priority 6 Service Networks and Hubs* aimed at developing local transport networks and making them safer. It also concerns the education system, general government and the productive fabric, the aim being to speed up their transition to the information society.

Interventions promoted by PITs are described in the table below.

**Table 7: Funds allocated to PIT by priority theme**

Type of intervention	Priority	Percentage of priority resources allocated to PITs (%) <sup>50</sup>
<b>Territorial intervention:</b> environmental protection and risk prevention	Priority 1 Natural Resource	4,9
<b>Territorial intervention:</b> culture	Priority 2 Cultural resources	2,5
<b>Knowledge economy and research and innovation policies</b>	Priority 3 Human Resources	5,76
<b>Competitiveness and attractiveness of the territorial productive systems</b>	Priority 3 Human Resources	1,42
<b>Competitiveness and attractiveness of the territorial productive systems</b>	Priority 4 Local Development Systems	19,8
<b>Knowledge economy and research and innovation policies</b>	Priority 4 Local Development Systems	3,52
<b>Competitiveness and attractiveness of the territorial productive systems</b>	Priority 6 Service Networks and Hubs	7,85
<b>Knowledge economy and research and innovation policies</b>	Priority 6 Service Networks and Hubs	11,22
<b>Territorial interventions:</b> investment in social infrastructure; Other: awareness campaigns, etc	Priority 6 Service Networks and Hubs	0,28

Source: POR Puglia 2000-2006; Evaluation of PIT, Metis, 2011 (not published)

As it can be noticed from the table above, interventions for the improvement of local productive systems and diffusion of innovation were implemented through PITs. Furthermore, they received most of the resources allocated to PITs.

PITs interventions can be divided in the following categories:

- infrastructure regarding transport networks;
- infrastructure supporting local productive systems (creation of Service Centers);
- promotion of territorial marketing and internationalization of local products;
- information society (creation of websites);
- incentives to industrial and agricultural enterprises (PIA and other investments);
- interventions aimed at natural environment protection and valorization of cultural resources;
- training initiatives;
- initiatives promoting legality and security.

Infrastructure aimed at supporting the local productive system and incentives to enterprises were the main types of interventions. Not all PITs interventions were managed at local level. Incentives to enterprises and training initiatives were managed directly by the Region.

<sup>50</sup> Percentages were calculated based on PIT final allocated funds as indicated by MIR WEB data updated to 2011 and included in the PIT Evaluation (2011).

**PIS** followed the same logic as PITs: integration of objectives, interventions and financial resources. PIS included interventions aimed at the development of cultural systems and promotion of tourism in the areas involved.

**Table 8: interventions promoted within PIS**

<b>PIS</b>	<b>Total allocated financial resources (ERDF, ESF, EAGGF)</b>	<b>ROP priorities</b>	<b>Types of interventions</b>
Barocco Pugliese Cultural and touristic itinerary	96.780.000	<i>Priority 1 Natural Resources</i> <i>Priority 2 Cultural resources</i> <i>Priority 3 Human Resources</i> <i>Priority 4 Local Development Systems</i> <i>Priority 5 : Towns and cities</i> <i>Priority 6 Service Networks and Hubs</i>	Promotion of natural assets
Habitat Rupestre Cultural and touristic itinerary	63.176.000		Promotion of urban air quality
Normanno Svevo Angioino Cultural and touristic itinerary	103.276.000		Promotion of biodiversity and nature protection
Gargano Cultural and touristic itinerary	78.076.000		Protection and preservation of cultural heritage
South Salento Cultural and touristic itinerary	80.676.000		Promotion of biodiversity and nature protection
			Other assistance to improve tourist services
			Other assistance to improve cultural services
			Competitiveness and attractiveness of the territorial productive systems
			knowledge economy and research and innovation policies
			Training

Source: [http://por.regione.puglia.it/index\\_it.php?id=0|0|39|1](http://por.regione.puglia.it/index_it.php?id=0|0|39|1), 2011

Interventions promoted within the 2007-2013 LDA policy tools have a broader focus than the PIT ones and they focus more on territorial issues than on enhancing competitiveness of local productive systems as in the PIT case. The table below presents the main types of interventions promoted within the 2007-2013 LDA policy tools:

**Table 9: LDA interventions in the 2007-2013 programming period**

<b>LDA Policy tool</b>	<b>Priority theme</b>	<b>Type of intervention</b>	<b>Allocated financial resources<sup>51</sup> (ERDF)</b>
<b>Broad Areas</b>	Interventions for the development of digital public services (1.5)	Knowledge economy and research and innovation policies	15.000.000
	Interventions for the prevention and mitigation of natural risks and the protection from hydraulic and seismic risks (2.3)	Territorial interventions	60.000.000
	Interventions for the use of renewable energy sources and for the adoption of energy saving within different sectors (2.4)	Territorial interventions	50.000.000
	Interventions for waste management (2.5)	Territorial interventions	30.000.000
	Interventions for the improvement of social infrastructure (3.2)	Territorial interventions	5.000.000
	Interventions for the accessibility of services, for the inclusion of disadvantaged persons and for the conciliation of work time and life time (3.3)	Territorial interventions	7.000.000
	Infrastructure, promotion and enhancement of tourism (4.1)	Territorial interventions	30.000.000
	Protection and management of cultural legacy (4.2)	Territorial interventions	54.000.000
	Development of cultural activities (4.3)	Territorial interventions	1.000.000
	Interventions for the development of productive firms (6.2)	Competitiveness and attractiveness of the territorial productive systems	18.000.000
	Urban transport (5.2)	Territorial interventions	20.000.000
	Promoting urban regeneration through Integrated Plans for Urban Development and Territorial Development (7.1 and 7.2)	Territorial interventions	50.000.000
	PIP - Integrated Multifund Plans for the implementation of SAC - Environmental and Cultural Systems and STL - Tourism Local Systems	Infrastructure, promotion and valorization of touristic economy (4.1)	Territorial interventions
Protection, valorization and management of cultural heritage (4.2)		Territorial interventions	n.d
Development of cultural activities (4.3)		Territorial interventions	n.d
PIRP - Integrated Programme for the regeneration of peripheries	Urban regeneration (7.1.2)	Territorial interventions	102.000.000
PIIS - Investment Plans for Social Infrastructure	Development of social infrastructure	Territorial interventions	7.500.000

Source: AIR POR Puglia 2007-2013, 2009 and 2010, Deliberazione Giunta n.1445, 2009

<sup>51</sup> Financial resources include total public resources.

## 5 Effectiveness of the interventions co-financed by ERDF

### 5.1 Outputs and results

This chapter will focus on the 2000-2006 LDA strategy – PIT – (information on PIS are extremely reduced and do not consent a reconstruction of outputs and results), as both outputs and results of Broad Areas are extremely limited due to delays in the programming phase and in their formal approval.

#### *2000-2006 LDA strategy: PIT*

Despite strong delays with respect to the initial timetable, PITs registered a good performance in terms of realizing foreseen projects, producing outputs and spending available financial resources. However, they were characterized by a mix strategic capacity (in some cases extremely limited, while in others higher), in terms of generating ex post integration between interventions implemented within PITs and subsequent interventions and of creating complex, dense and centrally steered networks of actors.

As to the PITs payment performance, they were characterized by a good spending capacity. The spending capacity was extremely relevant at local level, and, in some cases, it was even higher than the regional one.

According to the 2010 regional data, the financial resources effectively allocated to the 10 PITs amounted to 705 million euro of which 552 million euro (78%) resulted committed in May 2011. Overall, the financial commitment rate ranged from 54% in the case of Jonico Salentino PIT to 92% in the Taranto PIT case.

**Table10: Allocated financial resources and financial resources committed by each PIT**

PIT	PIT allocated financial resources <sup>52</sup>	Financial resources <sup>53</sup> committed by Public beneficiaries	% of financial commitments
PIT 1 Tavoliere	68.161.374,31	38.083.153,16	56
PIT 2 Nord Barese	78.759.972,52	69.446.632,78	88
PIT 3 Bari	71.486.806,72	55.106.273,14	77
PIT 4 Murgia	105.468.609,24	76.032.740,97	72
PIT 5 Valle d'Itria	50.854.485,17	45.976.879,87	90
PIT 6 Taranto	51.306.492,47	47.282.635,57	92
PIT 7 Brindisi	44.879.304,25	39.537.146,52	88
PIT 8 Jonico Salentina	89.806.717,00	48.456.450,98	54
PIT 9 Salentino Leccese	50.285.424,21	47.050.286,27	94
PIT 10 Monti Dauni	94.552.295,95	85.055.312,46	90
<b>TOTAL</b>	<b>705.561.481,84</b>	<b>552.027.511,72</b>	<b>78,2</b>

<sup>52</sup> Financial resources refer to total public resources.

<sup>53</sup> Financial resources refer to total public resources.



Source: Evaluation of PIT, Metis, 2011(not published)

Priority themes managed directly at local level registered a high rate of financial commitment that varies from 95,2% (priority theme 4.2, Bari PIT) to 100% in many cases. Different seems to be, however, the case of the PIT priority themes that were managed directly by the Region (priority theme 4.14, priority 4.3, priority theme 4.5, priority theme 4.8). These measures registered lower financial commitment rates: from 48,9% to 50%.

**Table 11: Financial resources committed (%) by Priority theme and PIT**

Priority theme PIT	1.2	1.3	1.4	1.6	1.7	1.8	2.1	2.2	3.13	3.7	4.1	4.14	4.2	4.3	4.5	4.8	4.9	6.1	6.2	6.5
PIT 1 Tavoliere									100,0	100,0			100,0	45,5	49,9		40,0		100,0	
PIT 2 Nord Barese									96,8	99,7	77,3		98,4						100,0	100,0
PIT 3 Bari									76,1	100,0	89,9		95,2					38,2	95,6	100,0
PIT 4 Murgia									83,0	100,0	81,6		99,7	51,8	49,8		49,2		100,0	100,0
PIT 5 Valle d'Itria									69,0	100,0	94,9		99,8						99,8	
PIT 6 Taranto									100,0	100,0	83,7		95,6					98,0	99,2	
PIT 7 Brindisi									98,8	100,0	81,1		100,0					88,1	97,1	
PIT 8 Jonico Salentina										98,9			100,0	48,0	49,5		46,5		100,0	96,9
PIT 9 Salentino Lecce									90,0	98,4	90,5		100,0						100,0	100,0
PIT 10 Monti Dauni	95,7	99,9	81,4	90,7	98,1	94,1	99,9	95,8	75,0		78,2	48,9	100,0			100,0	44,7		100,0	
<b>Total</b>	95,7	99,9	81,4	90,7	98,1	94,1	99,9	95,8	83,8	99,5	84,2	48,9	98,4	48,4	49,7	100,0	46,5	68,7	98,9	99,4

Source: Evaluation of PIT, Metis, 2011(not published)

Interviews to PITs managers and other local actors emphasize that PITs spent almost all resources received and committed. In fact, the expenditure paid out at local level varied between 80% and 100%.

As to the outputs and results of PITs, information is limited due to the lack of targets and indicators measuring the PITs progress, outputs and outcomes. In addition, both the regional and local monitoring systems do not include specific data on PITs outputs and results, which further reduces knowledge on PITs performance.

However, the available information (based on interviews to relevant stakeholders and managing authorities and the ex post Evaluation of PIT Puglia) shows that PITs had not only a good spending performance, but also a good capacity of achieving outputs, even though it differed from one PIT to another and from one priority theme to another. More generally, it might also be argued that existing monitoring frameworks and indicators struggle to reflect the 'essence' of LDA strategies and that further refinement is required before they are suited to the task.

The main achievements registered by PITs were:

- **81 infrastructural interventions**, regarding the construction/modernization of public infrastructure (streets, connection with highways, railways, etc) were realized within the 10 PITs in order to support the productive system and enhance competitiveness of territories involved. However, these interventions are, in some cases, quite critical in terms of outputs produced. This is, for instance, the case of the infrastructural interventions implemented by Bari PIT, Taranto PIT and Brindisi PIT. In these cases, infrastructural outputs were limited mainly due to the difficulty to govern the design and the implementation of complex interventions from a financial, (high) number of actors involved and connection with different projects point of view in a tight period.
- **52 environmental protection and risk prevention interventions;**
- **43 interventions of urban and rural regeneration;**
- **27 infrastructural interventions in the cultural field (valorization of the cultural legacy, renovation of cultural monuments/sites, etc);**
- **Renovations and reorganization of Industrial Areas (PIP)** represented another relevant intervention from both a financial point of view and number of interventions foreseen. According to the interviewed stakeholders, almost all interventions foreseen within PITs were concluded. For instance, **47 interventions concerning the completion and modernization of the infrastructure in Industrial Areas were completed.** These interventions seem, however, to have contributed more to increasing the expenditure efficiency than to the strategic development of the territories involved.
- **Infrastructure for enterprises** represented a flagship project in many PITs and was aimed at creating Enterprises Service Centers which should have implemented services for productive districts. Interventions regarding the

construction/modernization of the offices to be used by the Enterprises Service Centres were concluded and overall **14 Enterprises Service Centres (Offices) were created**. At the moment, 2 Enterprises Service Centres out of 14 seem to be working (the Service Centre created within Murgia PIT; and the Service Centre created within Salentino Leccese PIT) and in another case (PIT Tavoliere) the management of the Service Centre was contracted to the local partnership involved in the PIT design and implementation. Furthermore, **29 Tourist Information Centers were created within Monti Dauni PIT**, most of which are already operational. According to interviews to local stakeholders, the Touristic Information Centres contributed to increase both knowledge on Monti Dauni area within and outside Puglia Region and the number of tourists present in the intervention areas.

- **10 Interventions aimed at the internationalization of local products and territorial marketing involving 284 enterprises**. According to interviews to local actors, all internationalization and territorial marketing interventions were completed and numerous outputs were registered such as: around 30 outgoing and incoming missions closed with the signing of numerous contracts (this is, for instance, the case of PIT Tavoliere where all the enterprises participating to the mission in the USA signed contracts with the American buyers present at the meetings); numerous seminars and workshops; participation to national and international exhibitions (for instance PIT Tavoliere together with the enterprises in the area participated three times to the Fancy Food Show). Furthermore, interviews underline a strong involvement of the socio-economic partnership in the design and implementation of these interventions. Moreover, according to the Evaluation of PIT Puglia, even though not all missions balanced well the needs and interests of the involved enterprises, they made operators reflect on their own weaknesses and on the need to collaborate. However, despite good outputs and some results, their effectiveness over time might be put at risk by the sporadicness of these interventions.
- **Creation of 20 websites** aimed at communicating with the territories involved in PITs and/or at offering services to citizens/enterprises. However, attention to the future of these interventions was quite limited and this is reflected in not having contracting out the domain and the management of the websites after the PITs end. Three out of twenty are functioning currently and are updated at 2011, while six are functioning, but are not updated anymore; the rest is not functioning. Overall, the tentative to create an effective integration between information society policy interventions and policy actions aimed at enterprises seems to have failed.
- **Creation of Observatories on employment and illegal work, creation of Placement services and creation of Employment Agencies** are some of the main outputs of legality and safety interventions.

Information regarding outputs of the PITs interventions managed by the Region is limited to the interventions regarding the realization of masters in the PITs territories and incentives to enterprises (PIA), as the regional monitoring system does not include other data.

**33 Masters involving 673 students** were realized within PITs. All masters were realized together with universities from Puglia: the University of Lecce carried out 11 masters; the University of Foggia realized 9 masters; the University of Bari carried out 9 masters; the University LUM Jean Monnet carried out 2 masters and the Polytechnic University of Bari 2. All masters seem to be coherent with the development strategy implemented by PITs from both the objectives and professional profiles point of view. This is mainly due to the strong involvement of municipalities and socio-economic partners (universities, employers' organizations, trade unions, etc) in the programming phase. Masters attracted numerous students: in the Salentino Lecce area each master registered from 80 to 150 candidates for 20 places; the master in Management of food safety and quality promoted within PIT 1 registered 79 candidates for 20 places; the master in Public security registered 77 candidates for 25 places, while the master in Management of transports and integrated logistics registered 104 candidates for 20 places. Despite this interest, masters did not continue after the end of the funding allocated by PITs, except for the two masters promoted by LUM Jean Monnet. As to the occupation level of the master students, it is hard to make any consideration due to the lack of data both at local and regional level. Only in the case of two PITs data on students' occupation is available: in the PIT Tavoliere case, occupation varied from 15% to 40% based on the master courses, while in the PIT Murgia Area it ranged between 75% and almost 100%.

Besides masters, other training initiatives were also organized: **204 training courses and 962 scholarships granted to Puglia residents**<sup>54</sup> for studying in Puglia, other Italian regions or abroad. For instance, besides masters, PIT 9 Salentino -Lecce promoted 2 summer schools, 2 IFTS courses, and 189 training projects implemented by Vocational Training Institutes. Furthermore, 227 scholarships were granted within the PIT.

As to **incentives for enterprises** offered through the PIA tool<sup>55</sup>, an analysis, based on questionnaires to enterprises, was carried out within the Evaluation of PIT. According to this analysis, **53 firms participated to PIA tenders. 35 of these firms received PIA funding, while 18 renounced to the funding for different reasons** (long period between eligibility approval and award of the funding requested; economic crisis, etc).

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<sup>54</sup> Partial data calculated based on information provided by interviews to local actors.

<sup>55</sup> PIA was a support tool for enterprises, consisting in investment subsidies to enterprises to be realized within PITs. Initially foreseen by the 2000-2006 Puglia ROP, investment subsidies provided within PIA were aimed to encourage technological innovation and improvement of human resources' skills in the PIT areas. By implementing the PIA tool within PITs, Puglia Region aimed to favour functional and territorial concentration of interventions and an integration of policies within the respective area. Furthermore, an indirect objective of PIAs was to promote the horizontal cooperation between enterprises in order to strengthen the collaboration principle. The main beneficiaries of this initiative were small and medium enterprises present in the PITs or Consortium of enterprises operating in complementary fields. Puglia Region published PIA tenders for each of the PITs to which the enterprises present in the PIT area could participate. The ROP measures used for the PIA financing were: 3.13 expenses for industrial research; 3.13 expenses of competitive development; 3.13 technological transfer; 4.1 C development of the production area; 4.1A acquisition of real services, 4.20 training for development of specific skills.

***51,4% of the enterprises that received the funding considered it very useful, while only 8,6% considered it not useful.*** Furthermore, over 50% of these enterprises mentioned that the PIA funding was used for product and working process innovation and/or for the creation of new jobs, while only 13% declared that they used the funding for internationalization of their products. As to the PIA procedural aspects, 70% of the enterprises declared that funding was awarded with relevant delays, while judgment on the simplicity and clarity of PIA implementation and reporting procedures seemed to be rather positive (70% affirmed that procedures were simple and clear).

According to the PIT evaluation report, PIA seems to have functioned well as tools favouring the implementation of complex and integrated business projects by both single firms and consortium. However, their capacity to favour collaboration between enterprises is quite limited (many enterprises created consortium for getting the funds and they ended once with the funding awarded). Furthermore, integration between PIT and PIA seems limited, as it will be explained further on.

As to the PITs results, the Evaluation of PIT Puglia underlines that the economic crises that affected the Puglia economy since 2008, and in particular some productive districts directly supported by PITs, reduced the potential benefits of the PIT interventions aimed at increasing competitiveness of productive systems and territories involved, as in the PIA case. Besides the economic crises, potential effects of PITs interventions on the local productive system and territorial development were also limited by both delays in the implementation of some priority themes and difficulty in the creation of a “strategic direction” which should have facilitated ex post integration between financial incentives to enterprises, training interventions, infrastructure interventions and creation of services supporting the local productive systems.<sup>56</sup>

Yet, PITs still registered some relevant results. One of their main results consisted in having achieved integration between different funds, ROP objectives and types of interventions. PIT consented, in fact, to channel various priority themes within a strong and relevant programme from both financial and interventions point of view. Therefore, in a context characterized by a rather weak integrated programming, PITs consented to avoid the traditional separation of ROP priority themes, which is instead a serious issue in the current programming period due to the mono-fund ROP. Furthermore, integration of funds does not refer only to structural funds but also to the national ones. PITs were used, in fact, for implementing national funded programmes, such as Local Pacts for Legality and Security (CIPE resolution 26/30). This programme funded projects based on local partnerships, which included also NGOs, and represented, thus, an opportunity not only for integrating funds and actions, but for including social actors and institutions dealing with social issues (courts, municipal social services, etc) in the PITs networks. In the absence of this initiative, social actors would have been only marginally involved in the newly created networks of actors.

However, integration in the programming phase was not always followed by integration in the implementation phase, in particular with regards to the integration between

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<sup>56</sup> METIS, Evaluation of PIT (2011), not published.

interventions promoted at local level and those promoted by Puglia Region. For instance, enterprises financed within PIA were not always aware of the PITs strategy and its local development focus and did not use services produced by PITs and vice versa.

PIT revealed itself a good tool for achieving spending performance at local level (see paragraphs above for details on financial performance).

PIT also constituted an opportunity of increasing institutional capacity of the actors involved, and in particular of municipalities. The programming process, the continuous interaction with Puglia region and the continuous negotiation between the different public institutions represented a learning exercise for all of them, and in particular for municipalities. However, this process took almost double the foreseen period due to various reasons, such as changes in the regional LDA strategy and related policy tools, local conflicts or incapacity to propose qualitative projects within the set deadlines. Furthermore, it compressed the implementation phase.

In local development policies time duration is a crucial element for the consolidation of the network of actors. If time requirements cannot be “flexible”, there will be always tension between the deadlines imposed by the European rules of structural funds programming and implementation and the necessity to create consolidated networks of actors around a shared vision of local development, which should be generally one of the main results of LDA strategies.<sup>57</sup>

In the PIT case, results in terms of consolidated complex and centrally steered network of actors are scattered. The networks of PITs appeared more complex in the programming phase than in the implementation one: the long period elapsed between the starting of the PITs programming phase and the approval of the 10 Programmes (about 5 years) weakened the partnerships, making the networks more focused on regional and local institutional actors (the Regional administration and municipalities). The implementation phase of PITs was characterized by a central role of the PIT Offices and leading partner (municipalities), which linked together all stakeholders involved in the PITs projects. Therefore, the PITs networks of actors were characterized by high centralism and low complexity and density.

Furthermore, changes in the regional LDA strategy while PITs were only at the beginning of the implementation phase through the introduction of Broad Areas, which only limitedly drew on PITs and which consented the creation of new partnerships, prevented the consolidation of the networks of actors created within PITs and erased the future potentialities of PIT as a policy tool for implementing LDA strategies. For instance, the concentration of all ERDF and national funds on the new LDA policy tool (Broad Areas) resulted in the closure of some of the PITs interventions (websites) that necessitated of further support in terms of both human and financial resources.

Despite this general overview, there are also some successful experiences which showed relevant effects in terms of consolidation and continuation of the local coalitions and PIT development strategy, as for instance:

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<sup>57</sup> Evaluation of PIT Puglia, METIS, 2011 (not published).

- PIT3 Bari which not only maintained the partnership during the current programming period, but doubled it;
- PIT 2 Nord Barese, which registered a continuity of both network of actors and the PIT office. In this case, the municipalities participating to the PIT have agreed to maintain the PIT Office for five more years, in order to manage together the national funds in the Safety field;
- PIT 1 Tavoliere, which is characterized by a prosecution of both partnership and development strategy. The PIT partnership is now involved in the management of one of the services created within the PIT (Enterprises Service Centres) and in other LDA policies in Tavoliere area (Productive Districts).
- Both PIT 1 Tavoliere and PIT 8 worked in order to prepare the ground for the institution of two productive districts in the agro-industrial sector, recognized by the regional law n. 23/2007. Their strategy derives, in fact, from the PITs and has been “prepared” by their projects. Moreover, later on, enterprises participating to the internationalization interventions promoted within PIT 8, created a consortium (CONSAPOR) aimed at promoting their products in an integrated way.
- PIT 10 Monti Dauni shows the continuation of the PIT strategy (valorisation of environmental, natural and cultural resources and promotion of the integration between agriculture and tourism sectors) within other LDA policy tools (Broad Areas, Cultural systems, etc). In this case, a strong political leadership (i.e. the centralization of the network) explains the good (and largely unexpected) results achieved in an area traditionally excluded from the Puglia touristic routes.

In all these cases, factors favouring the success of PITs in terms of resilience were strongly connected to the local contexts and valorization of local resources such as:

- local leaders, which played a decisive role in the decisions of the partnership,
- PITs managers that knew to promote and sustain the rooting of a precise idea of local development
- the aggregation of socio-economic partners around a territorial development strategy.

### ***2007-2013 LDA strategy: Broad Areas***

Financial and physical performance of the 2007-2013 Broad Areas are extremely limited due to delays in the programming phase and in the official approval of Broad Areas. 4 Broad Areas were officially approved at the moment, while the situation continues to be critical for the others. In order to speed the spending of the financial resources foreseen by the 2007-2013 ROP, in 2010, Broad Areas had to define an Operational Programme that included interventions selected among the ones included in the Broad Area Strategic Plan. The Operational Plans approved in 2010 included 184 projects for an overall amount of 217.267.447 euro. The table below offers an overview of the projects started within Broad Areas, except for projects within the ROP priority themes 3.2 and 1.5.



**Table 12: Tenders promoted within Broad Areas**

Broad Area	Number of projects	Number of tenders realized
Metropoli Terra di Bari	22	14
Vision 2020 (BAT)	18	9
Brindisi	20	18
Salento 2020	15	12
Capitanata 2020	20	14
Lecce	27	17
La città Murgiana	11	5
Taranto	22	20
Valle d'Itria	16	9
Monti Dauni	7	3
<b>Total</b>	<b>178</b>	<b>121</b>

Source: AIR, 2010

## 5.2 Sustainability of ERDF interventions using LDA

Sustainability of PITs is rather weak. Links between the PIT strategy and Broad Areas, as well as other local development strategies (Productive Districts, etc), are fragile and specific to some PITs (see paragraph above). This is mainly due to the lack of a critical analysis of the PIT experience, which prevented learning on the weaknesses and strengths of PIT to be used in the design and implementation of Broad Areas. First, this situation was generated by simultaneity in the programming phase of Broad Areas and the implementation phase of PITs, as detailed in the previous chapters. This overlap reduced and, sometimes, totally cancelled stakeholders' expectations on the future of PITs. This caused a disempowerment of the PITs interventions and in particular of flagship projects such as Enterprises Service Centres and Websites (see previous chapter), which did not include plans for the future valorization of the created structures and/or services. The PITs implementation phase focused, in fact, on the realization of all projects and the correct expenditure of the PITs funding.

The weak interest in the sustainability of the PITs interventions was also determined by the perception of the two policy tools as being very different and as belonging to a different local development policy phase. In fact, even when interventions continued after the PITs end, they remained invisible to both stakeholders and regional authority. Once closed, PITs did not represent anymore the reference framework to which associate results of these interventions.

However, when present, PITs sustainability has to be searched out in the functioning and robustness of the network of actors, in the presence of real leaders of the LDA strategy, which push for its continuation, in the strong consensus towards the implemented interventions and in their degree of integration.

## 6 Process design features of the main LDA interventions

The 2000-2006 and 2007-2013 LDAs policy tools are characterized by different process features due to a change in the adopted local development approach, as underlined in the previous chapters.

### *Process features*

The 2000-2006 LDA PIT policy tool is based on a combined top-down-bottom-up approach reflected both in the strategy and governance model. The approach foresaw a strong involvement of the regional structures in the programming phase, as described in the previous chapters. The geographical boundaries were defined at regional level based on the local development guiding idea and the similar social and economic features of the territories involved, with a particular focus on the local productive systems present in the respective area.

While, the programming phase was marked by a strong Regional centralism, the implementation phase was partially sub-delegated to the local level (municipalities). In this phase, the municipalities managed a part of the funds allocated to the PITs (i.e. physical interventions, information society, etc), while the Region continued to manage directly another part of the PITs interventions (i.e. training interventions, incentives to enterprises, etc).

Different from PIT, Broad Areas are based on a stronger bottom-up LDA. The choice of the local development strategy and main projects was left to local partnerships, which had to define it through a broad stakeholders' involvement. The precise amount of resources and ROP priorities allocated to territorial programmes were not defined ex-ante by the Region, except for the total amount. The idea was that, once the territory had decided its own partnership, strategy and projects, it would have searched for different types of funding opportunities (the ERDF ROP or other European, national or regional funding).

Both approaches seem to have been characterized by long and somewhat “exhausting” programming periods, which consequently implied shorter implementation periods and longer periods for achieving first results. Moreover, both approaches are characterized by a great search for “simultaneity” among territories: no rewards were provided for the partnership that performed well both in the programming phase (i.e., make good programmes on time) and in the implementation phase. All PITs and all Broad Areas had to be approved at the same time, which meant that the first movers had to wait for the laggards. Furthermore, this caused delays in the delivery of interventions.

Despite local politicians' and socio-economic actors' “disaffection” to PITs, due to an initial strong centralist approach, the clear definition by the Region of the coordination rules, financial resources and governance system of PITs favoured their rapid implementation and discouraged local political conflicts for the division of power and funds, in particular in the implementation phase. On the contrary, in the Broad Areas case the lack of a binding regional framework, indicating the maximum financial and

scale dimension of the interventions to be financed by the ROP and the criteria for creating a hierarchy of objectives promoted by Broad Areas, determined a proliferation of projects, in some case characterized by a weak strategic vision; unsustainable financial requests (around 22 milliard Euro), and weak coherence between the strategic vision of the Broad Area Plan and the operational projects.

### ***Governance system***

PIT foresaw a multilevel governance system. This policy tool allowed the involvement of a vast number of different actors both in the programming phase (2000-05) and in the implementation phase (2006-2010). The following actors can be considered core actors of PITs:

- at national level: Evaluation Unit (UVAL) of the Department for Development Policies (DPS) and Formez;
- at regional level: managing authority of Puglia Region, PIT Regional Unit, Public Investments Evaluation Unit of Puglia Region, and president of Puglia Region;
- at local level: municipalities and their mayors, PIT Offices, consultants, socio and economic partners (trade unions, employers' organizations, universities and enterprises).

DPS and Uval had a relevant role in the programming phase as the promoter of the PIT policy tool on national scale and designer of the main PIT features. Moreover, some specific features of the process design (i.e., the choice of the PIT Office) were decided together with Formez (a national public-private organization that promotes training and innovation programs for the public administration). Formez also provided technical assistance to the various regions involved in the PIT strategy, including Puglia Region.

The managing authority played a role of promoter of the entire process at regional level, by defining the programming and implementation rules, by selecting the local development guiding idea, the geographical boundaries and the financial resources of PITs and, moreover, by formally approving the PITs programmes and single projects. The PIT Regional Unit and the Public Investments Evaluation Unit sustained the managing authority in the programming and implementation of PITs.

The PIT Regional Unit, made of 1 public manager and 2 functionaries, was charged to ensure communication between the regional departments involved in the ROP implementation (ROP managing authority, etc) and the PIT managers. According to the interviewed actors, the creation of the PIT Regional Unit represented a good solution for the PIT managers' support in the PITs implementation and for reinforcing the capacity of the Region itself to provide homogenous information to local actors.

The Public Investments Evaluation Unit of Puglia Region supported the managing authority in approving the PITs programmes and projects. The Public Investments Evaluation Unit played a major role in the ex ante evaluation of the PITs programmes, interacting directly with local stakeholders in order to improve the PITs programmes. Furthermore, the regional Public Investments Evaluation Unit was deeply involved in

the selection process of the PITs interventions: almost all projects (and the main application for adding new projects or changing them) had to be approved by the Evaluation Unit and, afterwards by the managing authority.

Moreover, a PIT Steering group, made of representatives of the Public Investments Evaluation Unit, socio-economic partnership and local municipalities was created for the PIT evaluation.

Regional politicians also played a relevant role: all the PIT process was under the political responsibility of the elected President of the Region. Consequently, electoral changes heavily influenced the entire process, from both the strategy and its timeliness point of view.

Chambers of Commerce<sup>58</sup>, trade unions and employers' organizations were also involved in the programming phase of PITs. Among the latter, Confindustria appointed a member for each PIT, with the role to follow and contribute to the debate and decisions taken within PITs.

Universities seem to have had a side role in this phase.

Consultants played a relevant role in this phase. Many PITs turned to local experts in order to manage the partnership meetings and to draft the PIT Programme. The use of consultants was diffused, but also problematic: many of the experts involved were replaced following political turnover according to a spoil system dynamic. The choice of consultants appeared to be one of the main resources of political actors and sometimes it was also the "raison-d'être" of political conflicts.

The programming phase of PITs was characterised by an intense consultation process on the one side between the managing authority and municipalities and on the other between municipalities and other local actors. Local politicians (mainly mayors) were involved in the negotiation process with the managing authority for the definition of the PITs partnerships and strategy. The negotiation process was conducted through local Assemblies created ad hoc and closed in 2005, once with the signing of the Agreement between local administrations and managing authority. The Agreement included mandatory engagements regarding the PIT implementation for both the Region and local municipalities. This prevented "political greed" in the implementation phase and changes due to changes in political coalitions. In fact, the 10 PIT Agreements were slightly modified along the years, but the main engagements remained unaltered.

According to interviews to both local and regional actors, the programming phase did not register many problems. However, in some cases, debates occurred among the political leaders of the local coalitions and regarded the selection of the PIT leading municipality. For example, each of the four main Municipalities of PIT 4 "Area Murgiana" managed by rotation different programmes concerning the same territory (such as the territorial Pact, the socio-sanitary Plan, and afterwards the Broad Area).

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<sup>58</sup> For instance the Bari Chamber of Commerce advocated for including the building of a new market area outside the city centre in the PIT programme. This was a large project defined many years before but never financed, which initially raised much criticism, but was finally accepted.

The long-lasting programming phase, however, weakened local partnerships. Obviously, the implementation histories of the ten PITs were different, and there were successful partnerships and very weak ones. The economic and social partners were the first to lose confidence in this effort and, therefore, the role of regional structures and local administrations (mainly, PIT leading municipality) became stronger in the implementation phase. However, the socio-economic partnership did not totally fade away: representatives of firms and other local partners were involved in deciding the priorities of the PITs tenders. Firms were also involved in the internationalization projects coordinated by PIT Offices, and, furthermore, some of them participated to PIA tenders. Moreover, the inclusion of the national/regional funding for the promotion of safety initiatives in the PITs programmes favoured the involvement of the third sector in the PITs networks.

The PITs leading local institutions (8 municipalities, 2 provinces and 2 Mountain Communities<sup>59</sup>) were the most important actors in this phase. The leading municipalities had to create the Mayors' Assembly and the PIT Office.

The Mayors' Assembly had a role in defining the strategy and approving projects to be implemented within PITs.

The PIT Office was led by a PIT manager, which was the main interlocutor of the regional civil servants. All local administrations had to participate to the economic funding of the Office and, furthermore, could allocate human resources. The regional guidelines set their main objectives: coordinate the PIT implementation at local level and centralize the management and the spending reporting to the Region. The rush characterizing the creation of the PIT Office (due to the serious delays in the conclusion of the programming phase) increased the use of consultants instead of internal civil servants. However, in some cases the organization of the PIT Office took even 2 years.

The PIT Offices simplified and speeded up the interaction between the local level and the regional structures and, furthermore, reduced the number of interlocutors for the Region: 11 PIT managers (Monti Dauni PIT has two PIT managers) representing 244 municipalities involved in the 10 PITs. Furthermore, the management of PITs by the PIT Offices allowed a better coordination of the socio-economic partnership's involvement and speeded the implementation of the PITs projects. Moreover, the placement of the PIT Offices within a leading municipality and its approval by all the municipalities participating to the PITs prevented changes in the development strategy and projects, even after changes in the local political coalitions. The PIT Offices guaranteed the PITs efficiency in terms of both physical realizations and spending of financial resources within the deadlines set by the Region. This aspect was also favoured by the selection of operational PIT managers with experience in managing complex projects. Furthermore, interviews with the PIT managers emphasized that their main objective consisted in implementing all PITs projects within the deadlines set by the Region in order to avoid loss of the financial resources allocated to the PITs. Some

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<sup>59</sup> Mountain Communities are an association of municipalities created for mountain areas.

PIT managers invested more than others in the institution building process of the PIT Office: some of them defined an internal regulations and coordination rules to be adopted by all the other institutional partners. For example, in the case of PIT 2, the PIT manager defined the structure of the calls for tender published by partner administrations and, furthermore, all the tenders prepared by partner administrations had to be revised and approved by the PIT manager. In other cases (for example, Bari) the organization of the PIT Office was part of an internal process of reorganization of the municipality aimed at increasing the capacity of the municipal structure in European policies and funds management.

However, it has to be underlined that all PIT Offices formally closed their activities once with the end of PITs, except for PIT 2 Nord Barese.

In the implementation phase, Puglia Region (departments and ROP themes responsible) directly managed the implementation of some of the PITs interventions, such as ESF interventions and financial incentives to firms, including PIA grants. InnovaPuglia, a technical agency of the Region, conducted the selection process of this latter intervention.

A number of other actors, mainly economic, were involved in the implementation of the various PITs projects as contractors.

If one purpose of local development policies is the maintenance and strengthening of the local networks of actors, one expects that the PITs partnerships would have been confirmed in the 2007-2013 Broad Areas experience. On the contrary, when **Broad Areas** were launched many changes occurred in the local coalitions participating to the PITs as their governance model was decided by municipalities and not by the Region. In this case, the Region limited itself to the production of Guidelines on how to define and implement Broad Areas. In most cases, local politicians foresaw in this decisional autonomy the possibility to change the power equilibrium between the territories involved in Broad Areas through the selection of new leading municipalities and constitution of other Offices for the management of the interventions. Only in three cases out of ten, the leadership remained the same, benefitting from a good governance of the PIT experience. In the other cases, the leading administration changed frequently after a sharp confrontation among politicians.

As the definition and implementation of Broad Areas went on in parallel to the PIT implementation phase, it implied the creation of parallel management structures. Different from PITs, only one Broad Area (Taranto) selected the PIT Office as a management structure, while the others opted for a mixed solution (PIT Office for interventions involving more municipalities and Municipal Offices for infrastructural interventions) or for a Municipal Office as a sole coordinator of all interventions. Furthermore, a Public officer charged with leading all the Broad Area procedures (“Responsabile Unico di Procedimento”) replaced the PIT manager figure in the Broad Areas governance model. According to interviews with local and regional actors, this management model seems to be weaker than the PIT one (based on the PIT Office) in terms of coordination of both the actors involved and interventions to be implemented.

At regional level, the core actors remained more or less the same as in the PIT case: the managing authority, supported by Public Investments Evaluation Unit, which played the role of promoter in the programming phase. Different from the PIT case, there was no internal regional structure charged to act as a connection point between the regional departments involved in Broad Areas and the Broad Areas themselves. This brought about a lack of coordination at regional level with the risk of overlapping responsibilities between the various regional departments involved in Broad Areas, lack of coherence in the answers provided to the local level by the various regional departments and delays in the regional procedures for the implementation of Broad Areas. Nevertheless, Puglia Region foresaw the creation of a Regional Task Force for supporting local municipalities in the definition of the Strategic Plan, as it will be further detailed in the Technical Assistance paragraph.

Furthermore, contrary to the PIT, better social communication and more active economic and social actors' involvement were specific objectives of the Broad Areas' strategic planning process, larger and more various partnerships were involved in this phase. For instance most of the ten Broad Areas involved active citizenship: the Strategic Plan of Bari involved more than 1000 participants in the forums created for the programme design; the Strategic Plan of Lecce signed 16 bilateral protocols with the socio-economic partners and extended its network to institutions and cities promoting strategic planning; Brindisi Broad Area involved almost 60 socio-economic partners, local public administrations, and many relevant third sector associations.

The strategic planning of Broad Areas was concluded in 2008. However, at present, the approval of the Broad Areas Strategic Plans is not completed and the implementation phase has not even started, as detailed in the previous chapters.

### ***Partnership***

Both LDA policy tools (PITs and Broad Areas) are characterized by the involvement of the socio-economic partnership (trade unions, employers' organizations and universities). As detailed in the previous section, in the PIT case, the involvement of the socio-economic partnership was scattered and occurred more in the beginning of the programming phase, while in the implementation phase their involvement was related to specific projects. In the Broad Areas case, there was a stronger effort to involve the socio-economic partnership in the programming phase by opening the process to NGOs and active citizenship.

At regional level, the involvement of the socio-economic partnership in the programming and monitoring of structural funds was further strengthened in the 2007-2013 programming period by the involvement of one representative of the Broad Areas within the ROP Monitoring Committee.

### ***Public private- partnerships***

In the PIT case, PPs were limited to the participation of enterprises to the Integrated Plans of Subsidies Aids to enterprises (PIA – “Piani integrati di agevolazioni”), with the exception of PIT Tavoliere which attracted private funds, as already detailed in the report.

### ***Spillover effects of LDA policy tools on institutional capacity***

The urgency to implement all PITs projects to avoid decommitment represented the key issue at both local and regional level. This determined the creation of flexible management structures, mainly based on external consultants for both technical and administrative functions. Furthermore, external consultants' involvement was not limited only to the implementation phase, but it was even stronger during the programming phase.

The strong use of external consultants together with the closure of the PIT Offices once with the end of PITs represented an obstacle in enhancing institutional capacity at local level.

### ***Exchanges of best practices and technical assistance***

In the PIT case, the technical assistance was offered through a national project coordinated by FORMEZ and was limited to the programming phase. In fact, Formez supported Puglia Region in defining the governance model of the PIT and its implementation procedures. Furthermore, during the implementation phase, ROP managers, public executives in charge of directing specific projects (for instance ICT projects) or local consultants provided technical assistance to PITs. However, interviews with both local and regional actors underlined that it proved to be insufficient.

More in general, there was not a clear regional direction to be followed with regards to some specific decisions (for instance spending reporting) and this affected both the regional structure and the local PIT managers.

In addition, the Region did not foresee a platform for exchange of best practices between the various PITs and no relevant communication activities were foreseen at regional or local levels. However, some PITs proved to be more active in the communication of their "good practices", such as PIT 1 Tavoliere.

In the current programming period the Region created a Regional Task Force for offering technical assistance to local municipalities in the programming and implementation of the Broad Areas Strategic Plans in order to avoid weaknesses in the coordination of the regional information provided to the local level. Initially the Regional Task Force was made of 8 external consultants, later reduced to 5. Furthermore, it also foresaw the introduction of a rewarding system for those Broad Areas able to implement actions within the fixed regional deadlines. However, this system has not yet been implemented due to the delays in the constitution and formal approval of Broad Areas.

Moreover, the national Association of Italian Municipalities (ANCI) created a national platform for exchange of information and coordination between the various Broad Areas.

### ***Monitoring and Evaluation***

Monitoring and evaluation represent one of the weakest points of both PIT and Broad Areas experiences. Collecting information on the achievements of the projects financed



within PITs is not an easy task. This is due both to the missing of qualitative and quantitative targets and indicators measuring PITs progress and to the weakness of the regional monitoring system. In the PIT case, monitoring was mainly bureaucratic and aimed at spending reporting. This is further worsened by the fact that the regional monitoring system of the structural funds did not include a special section for PITs. Therefore, information on the outputs and results of PITs are extremely weak at both regional and local level. The use of monitoring tools at local level was almost limited to reporting and evaluation was extremely rare, except for the PIT Tavoliere case that made an auto-evaluation based on the Common Assessment Framework methodology. Moreover, the Region did not undertake an ongoing evaluation or other feedback activities except for some interim reporting for internal use and for the ex post evaluation.

Weaknesses of the PITs monitoring system are also characterizing Broad Areas.

#### ***Programming and implementation time***

More than a resource, time proved to be a constraint in the programming and implementation of LDA interventions during both programming periods. As one of the interviewed actors emphasized “LDA timing is not always compatible with that of structural funds; when interventions are aimed at enhancing institutional capacity and the creation of social capital, this is not compatible with the N+2 rule.” The time constraint determined a higher emphasis on the spending of financial resources rather on the creation or development of a local strategic development vision coherent with the local needs and opportunities.

#### ***Financial resources***

In the PIT case, the Region decided both the maximum amount to be allocated to each PIT and the ROP priority lines of interventions that could be implemented by each PIT as well as the financial resources allocated to each of these priority lines. On the contrary, in the Broad Areas case, it only decided the maximum amount of funding for each of the Broad Areas Strategic Plans, while local municipalities could freely select the ROP priorities to use and the financial amount for each of the projects included in the Plan.

## 7 What works and do not works

### **Structural characteristics of the actor network**

When the PITs programme started, local administrations had limited or none previous experience of this kind of interventions. The ROP funding allocated to PITs was perceived as a great opportunity by the stakeholders involved: politicians thought that they could be active promoters of a big change of their territories, while the administrators largely thought to have the chance to “make the difference” by managing such a relevant project. The “perception of opportunity” worked so well that the attention on PIT faded when the programmes were approved and the agreements signed: the existence of a new opportunity – i.e. Broad Areas – diverted politicians’ attention from PITs to Broad Areas. This mechanism is also confirmed by the fact that in the passage from PIT to Broad Areas, institutional coalitions changed: the areas that involve larger partnerships in the Broad Area seem to be the ones that performed well in the PIT process. For instance, the area led by Bari doubled its institutional partners in the Broad Area, attracting partners that had previously been allied to minor cities. The Area of Murgia, that faced relevant problems in the PIT process, includes fewer partners in the Broad Area.

No competitive procedures were used in PITs for rewarding the best PITs. On the contrary, the delay in the approval of the PITs, due to the necessity to approve all PITs together, caused the weakening of the partnership and a general distrust in the PIT tool. The regional administrators interviewed confirmed that it was very difficult (from a political and technical point of view) to steer the process in order to award the better performing areas. Furthermore, this is also the case of Broad Areas. As a result, there is a continuous debate about the responsibilities regarding the delays in the programming and implementation of LDA interventions. From the Regional point of view, one of the reasons of the delays concerns the low capacity of local administrations to produce good quality projects. From the local actors’ point of view, the Region behaves contradictorily, promoting ambitious programmes that it is not able to administer adequately.

### **Institutional and administrative capacity**

The passage from PIT to Broad Areas seems to support the hypothesis that the existence of a quite strong regional framework favours the effectiveness of bottom up interventions. The regional framework set up for the PIT experience allowed to local coalitions to “simplify” the policy process, selecting and implementing interventions coherent with the overall PIT strategy. The bottom up approach of Broad Areas, instead, complicated the process in two ways: the first one consisted in the definition of new political agreements and of new leading partners; the second one regarded the choice of the main focus of the programme, which became too vast in the absence of regional guidance or fixed boundaries. From this point of view, the strategy of the Region

(consisting in allowing local authorities to decide the strategy, the boundaries and financial amounts) seems to have been too ambitious.

The selection of a leading partner, which hosted the managing office, is a very important aspect in both PIT and Broad Area. To be the leading partner certified a special role of the respective administration towards the other partners, and allowed special powers – such as the choice of the technical assistance. This is confirmed by the fact that the selection of the leader was frequently a conflict reason in some areas.

The PIT Office seems to have been a good tool for the rapid implementation of PITs interventions and the good management of this phase. As already explained this Office centralized the management of the PITs implementation and allowed for a simplification in the communication between the Region and the local territories. In order to respect implementation deadlines foreseen by the Region, external experts were employed by the PIT Offices. The initial idea that the various institutions would have temporarily provided their staff to the PIT Office was largely disregarded, as the personnel's transfer would have requested too much time to be completed and also because it was not easy to find adequate profiles. Some larger leading partner, such as Bari or Foggia Municipalities, tried to construct PIT offices made of internal resources. Even though, sometimes this caused relevant problems and delays, it contributed to the improvement of its institutional capacity.

When the Broad Areas started, the Region didn't recommend for the maintenance of these Offices (in terms of structure or formula) and this resulted in a de-certification message. Almost all PIT Offices closed at the end of the PIT procedures and only few of them were involved in the Broad Areas process. Moreover, the staff of the PIT Offices did not achieve particular benefits from the participation to this experience. The creation of PIT Offices was not accompanied by a policy of institution building or personnel's training and development. Thus, it can be considered as a wasted occasion.

### **Internal working of partnership**

Some PITs worked better than others with regard to the involvement of the institutional and socio-economic partners. The use of management tools is one of the factors explaining successful experiences. PIT 1 Tavoliere, PIT 9 Salentino – Lecce and PIT 2 Nord Barese used specific tools for the management of the partnership: roundtables periodically convened and communication tools in order to inform partners on the steps achieved. In the case of PIT 1 Tavoliere and in the PIT 2 “Nord Barese” the PIT managers established some specific procedures for promoting the quality of the activities realized by the various partner and securing reporting of these activities. In the case of PIT 2 Nord Barese, the repeated interactions allowed for the construction of a stronger partnership that signed a formal commitment to work together for five more years after the closure of PITs interventions. In the case of the PIT Jonico-Salentino, the participation to internationalization missions made the entrepreneurs conscious of the need to create a multi-product consortium based on the Salento mark (Consapor Consortium). Finally, PIT 9 Salentino-Lecce is one of the PITs that obtained relevant results in terms of enforcement of the socio-economic partnership. This case shows a

relevant effort and investment in the management of the partnership and in the training of experts specialized in territorial policies.

In any case, the implementation phase of the PITs was characterized by the need to comply with formal rules and expenditure. This was largely the main preoccupation of both the regional administration and municipalities. Consequently, simpler projects were selected while the more difficult (such as those involving non-local actors, such as the Railways) were put aside. In a similar way, the attention focused on the infrastructural part of the intervention, while the management of the new structures was neglected. Just two cases seem to have tried to overcome this relevant problem: in the case of Monti Dauni, the infrastructure of the touristic portal created for the touristic development of this remote area was paid with the PITs ERDF funding while its management contracted out for three years. In the case of Bari, the management of an ambitious system of web portals for the interconnection of public administrations (financed by ERDF) was decided in 2011, once with the appointment of the required personnel.

### **Monitoring and evaluation**

As already mentioned in the previous chapter, the monitoring and evaluation systems represented the weakest part of the PIT design. No specific form of interim evaluation was foreseen within the PITs programmes. No attention was paid to monitoring and evaluation as formal tools for checking the advancements of the PITs interventions and for learning about implementation problems, except in the case that they could have had an impact on the expenditure performance. Lack of attention towards monitoring and evaluation is also proved by the lack of quantifiable objectives and indicators to measure advancements.

Moreover, information was rarely collected in order to communicate the PITs achievements to the broad audience. The entire process of monitoring had one direction: from the bottom (PIT Office) to the top (Region). Local administrators had not received any feedback from the Region on the information transmitted. Furthermore, the Region did not provide them with information on the PITs interventions that they managed directly. As a result, the information on the interventions realised was dispersed.