

## Integrated territorial development: new instruments – new results?



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## EXECUTIVE SUMMARY

This paper assesses whether and how the new instruments for integrated territorial development introduced in the 2014-20 programme period are contributing to new results. Did the obligation to invest five percent of ERDF funding into sustainable urban development (SUD) and the introduction of the new implementation mechanisms Integrated Territorial Investment (ITI) and Community-led Local Development (CLLD) lead to policy innovation? What is the evidence so far for any added value in the areas of governance and integration? What are the lessons learned for the future?

**State of play** – The options to use territorial instruments have been taken up to a very different extent, with some programmes investing up to 40 percent of their funding into ITIs or SUD and others opting to only fulfil the minimum requirements. Implementation progress of territorial instruments is slower compared to ESIF implementation in general. Across the EU, territorial instruments and SUD had allocated around 30 percent of their funding to selected projects (decided amounts) by the end of 2017, compared to an average selection rate of c. 50 percent overall. However, the performance of the instruments is improving and project selection is catching up. Similarly, in most IQ-Net countries and regions, territorial instruments are still behind other parts of the programmes. The main reasons for delays are lengthy preparatory phases at the start of the programme period and the unfamiliarity of actors with the new mechanisms.

**Assessing performance** – The progress of territorial instruments is monitored and evaluated as part of wider programme-level arrangements. In many cases, programme managers have also set up specific arrangements to monitor and evaluate territorial instruments. The extent to which territorial instruments will be evaluated as part of programme evaluation plans depends on the implementation model chosen. In some IQ-Net programmes, evaluations take a wide view, drawing together different territorial approaches and instruments as part of a broad evaluation. In most cases, evaluations have not yet started and are often planned only from 2019 onwards, but in others, early evaluations are being or have been carried out (e.g. Finland, Portugal, Sweden). IBs implementing territorial instruments are also engaged in own monitoring and evaluation activities. Some developed their own monitoring approaches, particularly in those cases where the strategy development has been strongly driven by domestic policy decisions and less so by EU requirements. Challenges of measuring the performance of territorial instruments include: suitability and availability of indicators and appropriate measurement of 'soft' impacts such as stakeholder engagement and cooperation.

**Policy innovation in governance** – The implementation of territorial instruments can help in developing innovative policy governance approaches and building administrative capacity at different levels and among various actors. Innovation can take three main forms: delegation of policy tasks to local levels, creation of new governance structures and strengthening of cooperative approaches. Yet, the governance of territorial instruments is creating challenges for programme managers. The effectiveness and efficiency of strategies can be undermined where existing capacities are limited. This can relate to variation in human resources available among implementing bodies and stakeholders, particularly where participation in implementing ESIF is relatively new. Designation of monitoring and control systems has been a cause of delay and drafting strategies and developing project proposals based on negotiation and consensus between partners is challenging. A difficulty for several IQ-Net programme authorities is the complexity associated with selecting operations, which is considered more onerous than with other ESIF operations.