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**INTEGRATED TERRITORIAL PROJECTS
IN THE 2000-2006 CSF - OBJECTIVE 1**
THEORIES, EVIDENCE AND VIEWS ON
LOCAL DEVELOPMENT POLICY

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Integrated Territorial Projects in the CSF 2000-2006 - Objective 1 Theories, evidence and views on local development policy

Abstract

The Integrated Territorial Projects (ITPs) of the 2000-2006 programming cycle in the Mezzogiorno have been a way to involve the levels of Italian government closest to the people in the choices concerning the future development of their territories. This essay presents information and a selected thoughts with a view to “locating” the ITPs within the broader debate on local economic development policies, drawing on the theory and practice developed at both the national and international levels. While the time for an ex-post evaluation of this experience has not yet arrived, the material provided here can form the basis for further work by analysts and evaluators. Some of the results of this analysis appear in contrast with some of the conventional views expressed in the public discussion on local economic development policy: the overall financial commitment for local development has been relatively modest; the ITPs did not experience greater implementation difficulties than those of the broader programmes to which they belong; design and implementation of the projects have never been devolved entirely to local actors. The ITPs have recruited part of the human resources and skills involved in earlier generations of local development projects (*programmazione negoziata* or negotiated planning), placing them in a different context of more ordinary institutional responsibilities. The data show that a real effort was made to identify strategies tailored on the needs of specific territories with the contribution of many actors, largely public institutions. However not all parts of these strategies have proceeded together coherently and in step due to the persistent sectoral separation of responsibilities within government institutions, despite the stated ambition of fostering sectoral coordination. Retreating from this ambition is however contrary to the practice and theory that has been developed at both the national and international levels. In order to intervene appropriately in the evolution of development policy, it appears necessary to enhance our understanding of the nature and functioning of the instruments that we want to improve and reform.

I Progetti Integrati Territoriali del QCS Obiettivo 1 2000-2006 Teorie, fatti e riflessioni sulla *policy* per lo sviluppo locale

Sommario

Le politiche per lo sviluppo locale hanno trovato nei Progetti Integrati Territoriali (PIT) del Mezzogiorno del 2000-2006 una modalità per coinvolgere i livelli di governo più vicini al territorio nelle scelte sulla direzione di cambiamento da imprimere ai propri contesti. Questo lavoro offre informazioni e alcune riflessioni finalizzate a collocare i PIT nel più ampio dibattito sulla politica di sviluppo locale, richiamandosi a teoria ed esperienza maturate sia in ambito nazionale, sia internazionale. Se la stagione della valutazione retrospettiva di quest'esperienza di *policy* è ancora da venire, questo saggio fornisce abbondante materiale informativo che si auspica possa servire per i ragionamenti, anche diversi da quelli qui presentati, di analisti e valutatori. Diversi aspetti che risultano dall'analisi presentata non collimano con l'immagine dei PIT spesso implicita nella discussione realizzatasi: ne emerge una politica dalle dimensioni relative non elevate, non significativamente più in difficoltà nell'attuazione del resto dei programmi di sviluppo di cui sono parte, mai interamente devoluta nelle responsabilità di disegno e attuazione ai soggetti locali. Si tratta di una manovra d'intervento che ha recuperato una parte delle risorse umane e delle competenze che avevano partecipato alla precedente programmazione negoziata, innestandole però, stavolta, in un contesto istituzionale condiviso con le politiche ordinarie. Dai dati emerge uno sforzo reale di identificazione e di attuazione di strategie di investimento ritagliate sulle esigenze di specifici territori, con il contributo di molti soggetti, perlopiù pubblici. Non tutti i pezzi di queste strategie di sviluppo hanno proceduto reciprocamente collegati, e in sincrono fra loro, anche a causa delle divisioni settoriali di responsabilità che quest'ambizioso schema di intervento intendeva in parte superare. Retrocedere da quest'ambizione, tuttavia, è antistorico e contrario a tendenze pratiche e a convinzioni teoriche radicate a livello nazionale e internazionale. Per intervenire su questo corso evolutivo delle politiche di sviluppo appare necessario assicurarsi di conoscere al meglio ciò che si vorrebbe riformare e migliorare.

This paper was prepared by Tito Bianchi and Paola Casavola. The study brings together data and views gathered and developed over a long period of observation and analysis of the Integrated Territorial Projects associated with the 2000-2006 Objective 1 CSF and in direct contacts with the actors involved and their experience. Part of the work is based on the information generated by monitoring and investigative initiatives in which the authors participated directly, notably the Geo-Referenced Monitoring System of the ITPs carried out by DPS-UVAL and the Evaluation Unit Network (www.retenuvv.it/servizi/pit/analisi.php) and the survey of ITP managers conducted by the DPS. A number of sections of the paper were presented earlier at official meetings and study seminars.

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I. The dimensions of the local development debate and policy: the motivations and purposes of an analysis of the ITPs

One of the elements that have distinguished development policy in the last decade has been complex local-level projects undertaken with the participation of local public and private partners and financed with a range of policy instruments in most areas in southern Italy. Between the mid-1990s and the mid-2000s, those policy instruments deliberately sought to foster the active participation of local authorities and organisations representing local interests in the design and implementation of local development projects. The number of projects financed was substantial. In the case of Territorial Agreements, between 1996 and 2001 a total of 220 projects (of which 153 in the South¹) were approved and funded. The number of Integrated Territorial Projects (the ITPs) financed in the South between 2001 and 2004 was also quite large.

The deployment of local development instruments came at a time of intense scrutiny of development policies with a view to finding new approaches. The relative youth of such bottom-up development instruments stood in contrast to the long history of previous policy approaches, which were almost exclusively dictated at the central government level and were afflicted by increasingly frequent criticism and a loss of confidence. Nevertheless, the variety, reciprocal independence and numerous transformations of the instruments that financed these projects hindered any understanding and hence any assessment of this new approach to local development, an approach that is still ongoing but in some respects is already undergoing rationalisation. The complex and mobile conceptual framework supporting this policy, with equally complex and mobile institutional arrangements, has helped obscure any sense of the overall scale of the local development world, where virtually no observer or analyst appears to have a reliable, comprehensive vision of the situation. As a result, in the Italian debate over development policy, the (alleged) novelty of local development has often blurred certain factual elements of significant importance (including the amount of financing being channelled to this segment of development policy).

The primary objective of this paper is to help remedy the information shortfall in this area, focusing exclusively on the Integrated Territorial Projects in the Mezzogiorno, a local development approach that played an important role in programming Community

¹ This does not include the ten so-called "Community" Agreements, financed at the end of 1999 on the occasion of the last reprogramming of Community resources in the 1994-1999 cycle. For more details, please see the appendices to the Annual Report of the Department for Development Policy, sundry years.

funds for regional development in the 2000-2006 period. Where appropriate, we seek to offer an interpretative and analytical contribution to the debate based in part on a critical assessment of developments associated with the ITPs.

The Integrated Territorial Projects were introduced within the general framework document for programming Community funding for southern Italy – the Objective 1 Region Community Support Framework (CSF)² – which defined them as "a set of consistent and closely connected intersectoral actions focused on achieving a common territorial development objective that justifies a unified approach to implementation",³ subsequently specifying some of the features that they must have. The creation of this opportunity within the national programming framework gave rise to the ITP experience, which we describe and examine here, addressing in succession a number of theoretical, factual and contextual aspects in the three main chapters of the study.

First, the discussion does not appear to place this generation of projects within the theoretical framework and historical experience on which the ITPs draw. It would appear necessary to undertake a preliminary effort to classify such initiatives in order to assess this experience, as it allows us to identify and select the objectives that drive the action of the ITPs. Chapter II therefore seeks to develop a simplified classification of the main theoretical strands of thought and the corresponding policy families that guided the development of the ITPs.

Second, the possibility of conducting mutually communicating assessments of this experience depends on the availability of shared descriptive information on all the ITPs in the South concerning both the features of the integrated projects and the measures contained within them. Chapter III, which draws on data from the Structural Funds monitoring system and a monitoring system developed specially for the ITPs, organises key – albeit unfamiliar even to the better informed public - information on the structure and state of implementation of the integrated projects in the seven southern regions covered by the 2000-2006 Community programming period for areas whose development is lagging behind (Objective 1 regions).

The third aspect on which the intensity of the debate is not supported by adequate understanding of the situation regards the continuity between the ITPs and previous local development programmes. Chapter IV offers a number of attempts to measure

² For Italy, the 2000-2006 Objective 1 regions were Basilicata, Calabria, Campania, Puglia, Sardinia and Sicily, as well as Molise, which was in the phasing-out stage.

³ *Quadro Comunitario di Sostegno*: post mid-term review, paragraph 3.10.

such continuity, which underlies the oft-debated issue of consolidating the capacity of local actors to plan and manage development measures.

The chapters that follow offer a rich body of empirical evidence to sustain a debate that has all too often been based on partial and episodic information. Nevertheless, before beginning our examination of the substance of the ITP experience, it seems advisable to eliminate an underlying misunderstanding concerning the more general issue of local development policies in order to circumscribe the scope of our comments, critical and otherwise, offering some quantitative data on the proportion of funding involved in local development instruments. We focus on the Mezzogiorno because this is the area on which funding has been focused and where development policies have been given a formal general mission to foster development on a broad basis.

While there is no doubt that a great many projects have been financed, with a variety of non-uniform criteria adopted in approving such financing,⁴ the belief – implicit in many discussions of the results and difficulties of local development policies in the last decade – that local development instruments have received a predominant share of the financial resources available for development policies is unfounded.⁵ In reality, the start - at the end of the 1990s - of relatively pervasive government decentralisation saw the rapid emergence of the regions, rather than local coalitions, as formal leading actors alongside central government in the definition of the substance of development policies. In this period, the role of major regional multisectoral programmes in the planning and management of development resources was expanded, flanking single-sector initiatives run by central government, although the latter, which continue to show a strong bias towards investment incentive mechanisms for individual enterprises, have nevertheless continued to dominate.

⁴ Among these was the controversial decision taken in 2001 to finance nearly all proposals for Territorial Agreements that had accumulated to that point, owing to the impossibility of conducting a robust comparative selection process.

⁵ Reading some of the opinions expressed on the promotion of development in the last decade – especially for the South – one notes that these are implicitly based on the belief that such policies have been organised around local development instruments above all. These often critical views assert that policy essentially and mainly based on a “bottom-up” approach to development issues has dominated, thereby neglecting broader problems that require a more general vision. An additional source of confusion introduced by this critical view, especially when not advanced by specialists, is the highly simplified conflation of actual local development instruments and the devolution of responsibility to regional authorities, as well as considering anything other than narrowly defined national policy as a bottom-up approach. To be fair, the debate among specialists has suggested that local development and the related policies are an antagonistic alternative but rather a necessary supplement to traditional economic policy “beginning with the observation that the process of globalisation has been accompanied by a parallel process of new regionalisation of economic organisation” (CISS, 2005).

It is no easy task to reconstruct the allocation of financial resources for economic development objectives. The structure of planning and operational instruments,⁶ the number of players involved in policy-making,⁷ the diversity of the measures actually financed and the very structure of the funding sources and the rules governing their use represent a challenging framework for investigators to interpret, which is probably the source of the cognitive errors concerning the relative financial weight of the various instruments involved.

Taking the allocation of additional development resources in the so-called new programming process,⁸ we can use official sources to reconstruct, net of allocations associated with the winding down of the extraordinary intervention programme, appropriations totalling more than €100 billion for the South.⁹ Over the period, financial resources were channelled, using a variety of approaches, above all to two major types of local development instrument based on the definition of sub-regional projects and programmes by local coalitions: the Territorial Agreements and the Integrated Territorial Projects.¹⁰

⁶ Programmes cofinanced by the EU, programmes financed with national additional resources, national-level special projects, territorial projects, statutory incentive mechanisms, agreements between different levels of government for the selection and financing of infrastructure projects, etc.

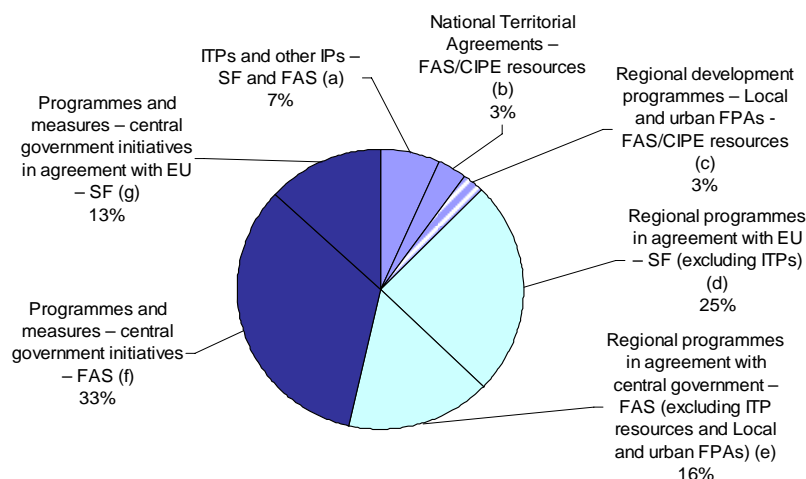
⁷ Central government departments, regional governments, local authorities, entities delegated by central or regional government.

⁸ “New programming” refers to the reorganisation of territorial development policies in Italy launched in 2008 by the then Treasury Minister Ciampi, which largely coincided with the 2000-2006 Structural Funds cycle. It represented a broad overhaul of development policy for the South.

⁹ As no unified monitoring system for development policies broken down by policy instruments and types currently exists, the data presented here are drawn from a variety of sources. The figure has been reconstructed on the basis of the resolutions of the Interministerial Committee for Economic Planning (CIPE) allocating additional resources to the South for the various initiatives, considering the years to which the resources refer as from 2000 (therefore also including appropriations approved prior to that date) as well as the public resources of the Community programmes for the Mezzogiorno in the 2000-2006 cycle (those represented by the 2000-2006 Objective 1 CSF covering the seven southern regions and those that, in the same programming cycle, were assigned to the Abruzzo region under Objective 2 and Objective 3). Tables reporting this data are presented in the appendix to the DPS's 2007 Annual Report. For more information on the reconstruction process, see the notes to Figure I.1.

¹⁰ The funding was disbursed directly by the CIPE for the Territorial Agreements and indirectly by a variety of mechanisms established at the regional level for the ITPs.

Figure I.1. National and Community additional resources (Fund for Under-Utilised Areas and Structural Funds) allocated between 2000 and 2006 to various programming instruments for territorial development initiatives in southern Italy (percentage distribution)



Notes: Total additional resources of the EU Structural Funds (SF) including national cofinancing for the 2000-2006 period and the Fund for Under-Utilised Areas (FAS) allocated for development policies for the Mezzogiorno amount to €105 billion, corresponding to the public cost of programmes run by central government departments (the National Operational Programmes - NOP) and regional governments (the Regional Operational Programmes - ROP) of the Structural Funds for 2000-2006 Objective 1 regions (7 regions of southern Italy) and the Abruzzo region for 2000-2006 (Objective 2 Single Programming Document and Objective 3 ROP) and the FAS allocations for southern Italy pertaining to the period from 2000 (up to 2009) calculated on the basis of CIPE fund allocation resolutions up to 2006. The various instruments considered (a, b, c, d, e, f, g) represent specific instances of such allocations and were reconstructed as follows:

(a) amount of SF resources and, to a lesser extent, FAS resources allocated by the regional governments to the 2000-2006 Integrated Territorial Projects drawn from various sources (*Monitoraggio Geo-referenziato dei PTT - ReteNuvr, Ricognizione sui Progetti integrati per il Documento Strategico Mezzogiorno*, 2005); (b) amount of resources allocated by the CIPE to national Territorial Agreements; (c) the amount is a subset of the resources allocated by the CIPE to the regional investment programmes to be defined within the framework of the Framework Programme Agreements (FPA) from the additional FAS resources planned for local and urban development initiatives. Although such FPAs are not local development instruments proper, as they do not represent the outcome of a project defined at the local level, an unknown portion of the resources was used for infrastructure projects in areas in which true local development instruments were deployed; (d) amount of resources for 2000-2006 SF programmes run by the 8 southern regions net of resources that the programmes themselves allocated to finance the ITPs; (e) FAS resources allocated by the CIPE to the Institutional Programme Agreements defined by the southern regional authorities with the central government to be implemented through the FPAs (instruments that identify the projects to be financed on a regional and sectoral basis). Information on the resources appropriated for the Agreements and their programming within the FPAs can be found in the appendix to the 2007 Annual Report of the DPS; the share pertaining to the Mezzogiorno was calculated on the basis of the relevant resolutions allocating the funds. The reference data represent the total amount allocated to the regions for the years from 2000 onward net of the FAS resources presented separately under point (c) and other FAS resources that the regions allocated to supplement the SF resources directed at the ITPs. Since the reconstruction of the amounts involved draws on a variety of sources, some double counting (overestimation) may have occurred, although the divergence is immaterial by comparison with the total; (f) FAS resources allocated by the CIPE to central government departments for initiatives in southern Italy; (g) amount of public resources of the SF programmes for 2000-2006 run by central government departments (the NOPs) associated with the 2000-2006 Objective 1 CSF.

Sources: based on data from the DPS 2007 Annual Report (appendix); CIPE resolutions; *Monitoraggio Geo-referenziato dei ITPs-Retenuvr, Documento Strategico Mezzogiorno* (DSM); FPA monitoring.

An analysis of the allocations to the various instruments and programmes as from 2000 shows that local development instruments received a minority share of total financial

resources, at around 10-12 per cent,¹¹ although the scale of the funds allocated is certainly significant in absolute terms and considerably more than those disbursed to similar instruments in previous periods (used for implementing Community programmes or pilot projects, with relatively limited resources).¹²

Apart from the difficulty of gathering, harmonising and interpreting the data, it is necessary to identify and understand the reasons why local development instruments, despite receiving a minority share of resources, have attracted a much larger share of attention in the debate than the rest of public development intervention, which has received the bulk of additional resources.¹³

A variety of possible explanations need to be considered. First, it can be argued that local projects are numerous and widely disseminated at the territorial level, and have in any case mobilised and continue to mobilise – regardless of their inherent qualities or shortcomings – a substantial amount of energy, human resources and institutional effort. This stands in contrast to major development programmes undertaken by regional or central government, which despite their more abundant resources have a more highly concentrated structure of management responsibility and their details are less well known.

Perhaps the most important factor is that local development is considered by many to represent the direction of regional development policies – much debated at the international level – and a litmus test for all policy-makers at the various levels of government, as it represents an essential crossroads between theory, which can be

¹¹ Equal to the sum of a, b and c in Figure I.1.

¹² During those years, other instruments were also in place but are not considered in the total here (notably Community LEADER programmes for the promotion of development in rural areas) owing to the impossibility of calculating the funds involved with a sufficient degree of accuracy. However, financing for such instruments is relatively modest by comparison with the Territorial Agreements and the Integrated Territorial Projects. Moreover, the calculation adopted an inclusive approach under which, for example, the ITPs were considered to comprise all the projects promoted by the regional authorities in the Mezzogiorno under the 2000-2006 Community programming cycle, including certain projects of a more sectoral nature in which the contribution of local coalitions was nil or negligible.

¹³ If we instead consider expenditure on capital account as from 2000 and the average delay in project implementation with respect to allocation of funds, local development projects account for a substantially smaller amount. This is not due to any greater difficulty in implementing such projects but rather to the generally slow progress of public investment, which means there is a significant lag between the phases in which policies are defined and those, often coming many years later, in which they are fully implemented. Considering the average implementation time for public investments, which, depending on the scale of the projects involved, can vary from a minimum of five years to a maximum of more than fifteen, expenditure on local development measures is still modest by comparison with the overall cumulative expenditure for the same period, of which a significant portion still regards the completion of works, programmes and projects that were planned well before 2000. More specifically, the cumulative expenditure figures for 2000-2006 include expenditure connected with the final phase of the 1994-1999 Community programming cycle, which was formally completed in 2001 (with a spending peak in 2000-2001), and that associated with public investments carried out under decisions made in the closing phase of extraordinary intervention in the Mezzogiorno.

segmented by issue, and the necessarily unified reality of local territories. The competitiveness of territorial systems, local prosperity and the effective ability of communities of institutions, individuals and enterprises to pursue development in specific places are increasingly viewed as the test of a country's actual capacity for growth and social cohesion. Policy instruments that are directly aimed at fostering greater development, better institutions, a denser fabric of public and private relationships in specific locations are an especially interesting challenge both for those who consider the direct mobilisation of local resources to be essential, and therefore participate in the debate to improve them, and for those who support alternative policy approaches of broader, more general scope. Among the latter advocates, local development projects attract the attention both of direct opponents – who are few – and those who argue for the “weaker”, but no less effective, version of that thesis, for which such projects are not capable of overcoming the larger difficulties they face.¹⁴

Finally, we must also bear in mind the fact that local development instruments give roles, responsibilities and powers to actors who are not traditional policy-makers and thus represent a tool for redistributing decision-making power or at least expanding the number of actors involved. Moreover, in addition to the reassignment of responsibilities, local development, if interpreted correctly, as it is formally based on a project proposal, requires various levels of government to perform more complex functions than those they are used to handling. Not only must the specific local coalition proposing the project be equipped to pursue the initiative, melding a variety of cultures, the external source of funding must also have a substantial capacity for dialogue, assessment and negotiation, which brings with it considerable organisational and political costs.

Although the interest of observers is not commensurate with the effective financial scale of local development instruments, it is not unwarranted. In any event, it is essential to be aware that the debate over local development, even when apparently dormant, is not only a forum for academic enquiry into the best approach to intervention: it is also an arena for development ideas based on visions, interpretive approaches and interests that are not always reconcilable. The remainder of this study therefore seeks to provide material that we hope can help enhance the awareness, quality and tone of this debate, so essential to policy-making.

¹⁴ This distinction is influenced by the well-known classification of reactionary arguments proposed by Hirschman in *Retoriche dell'Intransigenza*; see Hirschman (1991).

II. The theoretical and practical background to the ITPs

II.1 A proposed conceptual ordering: theory and key experiences

The Integrated Territorial Projects (the ITPs) are clearly a specific, historically contextualised policy instrument for the promotion of local development. Nevertheless, all policy instruments obviously have links to similar experiences in the past and are also developed on the basis of previous achievements. Running through the background of the definition of local development instruments is a deep, uninterrupted debate driven both by the views of the actors who actually participated and by theoretical analysis developed by observers and scholars. The design of such instruments is, in reality, often significantly influenced by the theoretical positions prevailing at the time they are developed, even when such ideas filter through to policy-makers in simplified form. The formulation of policy instruments is thus normally grounded in a cultural background that may be absorbed by policy-makers in a not entirely conscious manner.

In the case of the ITPs, we feel it is especially important to examine the variety of theoretical work and practical experience that has influenced their conception and implementation. In our view, this variety is one of the factors at the root of the differentiation of the initiatives that have been carried out. It also helps understand how the “mixed” approach of the ITPs gave rise to such an eclectic range of practical solutions as well as internal contradictions.

To this end, we suggest distinguishing among three large families of theoretical ideas and assumptions that have been applied to varying extents in the ITPs: the *primacy of local, participation and cooperation* and *integration-multisectorality*. The ITP experience is by no means the first time that these principles, to which an identifiable theory of action corresponds, find practical application. They have helped guide earlier local development experiences such as (in Italy) the LEADER projects promoted by the European Commission and Territorial Agreements, which were already active in the 1990s.

Alongside these theoretical references, those who are more sensitive to the institutional aspects and historical evolution of policies tend to emphasize the diachronic links between local development initiatives. Many therefore see the ITPs as the product of a longer, primarily empirical, learning curve that has developed new approaches on the basis of widely shared, albeit non-formalised, assessments and beliefs of those involved in the process.

The ITPs acknowledge this dual evolutionary history. Within each issue, space is given to theoretical analysis and the concrete experience with which the actors involved sought to put such analysis into practice, distinguishing between the two levels without

giving precedence to one or the other. As it is impossible to establish what came first and what has actually influenced what, we seek to characterise each of the three principles by describing a set of ideas that, while constantly evolving, has taken hold at the international level and a number of key initiatives drawn from the national and international experience.¹⁵

None of the three basis principles that we address will be entirely new to those who work in this field.¹⁶ What we seek to accomplish is to maintain the distinction between these three logical elements in the policy approach to local development – which is more often presented as unified – in order to identify distinguishing features that can help us comprehend the ITP experience better.

II.1.1 The primacy of the local

The *importance of the local level* is an element of two, considerably different, theoretical schools.

One view that developed more closely within the development debate argues directly that the constraints and potential for development are significantly local in nature. This position is tightly bound up with the interpretation of Italian economic development within the "industrial districts". In brief, this refers to the capacity that certain circumscribed areas have developed over time to capitalise on their (local) knowledge and skills and to use this foundation to pursue strong collective action successfully involving enterprises and institutions.¹⁷ Apart from the extensive literature on the origins and evolution of districts that is so important in the Italian case, the relevance of the local dimension is also implicit in the theoretical literature, which emphasises the increasing returns on investment. In this vision, specific, otherwise unavailable resources are mobilised at the local level, helping to trigger virtuous, cumulative growth processes. Another argument for the importance of the local in development can be found in a diversified set of ideas that have identified specific local constraints that hinder the exploitation of theoretically feasible opportunities, where neglecting specific local

¹⁵ The decision to frame the Italian experience within the broader international cultural and professional environment was prompted by the conviction that the various national systems are connected among themselves by the swift and informal exchange of ideas. The international diffusion of ideas is often not obvious to those who work exclusively within their own country, but when we take a more general perspective, we find that similar policies and approaches are increasingly being adopted in different countries, where they are justified as responses to previous national experiences and internal debates when in fact they form part of broader cultural trends.

¹⁶ References to certain of these concepts are always present in academic studies and in the strategic and operational documents that guide the actual development initiative.

¹⁷ The literature on industrial districts is extensive. The most well-know works are those of Becattini (1987; 1991). For more on the role of districts in Italian development, see Brusco and S. Paba (1997).

features and circumstances could explain the failure of overly general policy measures defined from on high.¹⁸

A different and more compact theoretical tradition, one that is not linked to development issues, forcefully argues that the local level (meaning a level close to the populace) is where fiscal and administrative responsibility should lie. In the final quarter of the twentieth century, this position was advanced by a number of strands of liberal thought, which argued for the need to limit the areas and means of intervention of the State in the economy. This school argues that rather than centralised planning of public intervention, many of the categories of development expenditure should be deployed by local governments, as development is held up by local-level market failures. In other words, a restrictive interpretation of the public goods whose production justifies public intervention limits the State's scope for action to indivisible local-level services or infrastructures.¹⁹ Responsibility for delivering these goods and services should lie with local government, which is more likely to perform the task efficiently as it is directly answerable to its local electorate. To achieve this enhanced efficiency in public action at the local level, however, responsibility for public intervention must be accompanied by an increase in local governments' power to levy taxes.²⁰

However different they may be, both of these schools of thought conclude that the local level is quite relevant to the construction of policy instruments, implying that policy-making should be primarily local or that the influence of the local level should not be negligible, making substantial decentralisation of policy and administrative responsibility essential. Regardless of the variety of theoretical models of the nature of the problem to be solved in local contexts, local government authorities have an advantage over central government in selecting most economic development measures. This advantage derives from two factors: one, a better understanding of the needs, aspirations and material circumstances of local areas given local government's proximity; and two, greater accountability, which gives local government authorities an incentive to produce results desired by the local population.

Nevertheless, the favour bestowed on decentralising responsibility to a more local level or policy instruments that are expressly characterised by the attention devoted to local constraints and opportunities also has its empirical roots in the relatively explicit negative assessment of a number of historical development policies planned by policy and administrative centres that were separated physically, culturally and experientially from the local region targeted by the intervention. The reasons for this failure, or in any event the depletion of the transformational power of the intervention in contexts that had historically

¹⁸ See Rodrick, 2004.

¹⁹ See Bennet, 1990.

²⁰ See Dillinger, 1994 and Tanzi, 1995.

evolved from their initial state, were attributed, in line with the theoretical visions noted earlier, to an incomplete understanding of the economic, social and cultural features of the territories in which the policy measures were deployed and to the insufficient involvement and empowerment of local authorities.²¹

In Italy - considering the more recent past - a similar trend towards greater involvement of local authorities in development policy proper emerged in the mid-1980s. At that time, the limitations of the extraordinary intervention experience in the South, which had originally been planned to last for a considerably shorter period of time, began to be sufficiently clear to practitioners and analysts that they could no longer be ignored. This forced policy-makers to rethink their approaches to promoting development in backward areas, leading to the decision to reform (in 1986) and then close (1992) the agency with which this project is most closely identified, the *Cassa per il Mezzogiorno* (the Southern Italy Development Fund).

The favourable view of decentralisation that still dominates at the international level gradually spread to Italy, where criticism of administrative and institutional centralism had been mounting, eventually leading to the urgent recasting of the institutional arrangements that characterise the country today. From standpoint of development policy, a position advanced in a well-known work²² argued that the main drawback of the centralised system was that it undermined the accountability of local political forces, enabling them often to wield patronage in administering funds, with none of the incentives that come with holding a decision-making position that is accountable to the public. This argument gradually gained traction. The reform of the system of municipal elections (1993) introduced the direct election of mayors, with the intent of strengthening their personal accountability to the electorate.

As the theoretical avant-garde became increasingly convinced of the need to give local governments planning and decision-making authority, the initial practical examples of planning local development initiatives in those years took a substantially different approach. With the policy instruments deployed for the LEADER projects and the Territorial Agreements, local private - not public - sector actors were often designated to take the initiative in the construction of local development projects. In some Territorial Agreements, municipal governments, run by mayors elected under the reformed system, did take on the challenges of the new policy but often proved to be unprepared. In many

²¹ The issue is so vast that a small number of examples cannot encapsulate the extensive international debate on the assumption of greater responsibility by sub-national levels of government in implementing development policies. This argument is especially strong in the context of urban policy (see for example Rondinelli, 1990), which found fertile ground for implementation in many policies adopted in Latin America (CEPLAN), with the World Bank being one of its greatest advocates, as demonstrated by its creation of an entire unit devoted to administrative and fiscal decentralisation.

²² See Trigilia, 1992.

cases, then, the local governments were overtaken by the dynamism of private-sector organisations. Although in certain cases this disadvantage was offset by local governments taking on the role of coordinator and manager of the initiatives, on other cases this did not happen, either because their initial weakness was too great or the shared development of the project was merely formal in nature. It is therefore possible that in the deployment stage, the design of the instruments was poorly suited to fostering complementarity between private initiative and public responsibility. This perpetuated the misconception that the final decision on investments of a purely public nature could be substituted by private activism.

Local development policy in the 1990s, and Territorial Agreements in particular, generally ran up against the technical weakness of local public institutions, which hindered the transformation of the benefits promised by theory into real achievement. The difficulty encountered by municipalities in taking on responsibility for planning and management due to their unfamiliarity with the tasks required and the challenges presented by this activity dashed the expectations of many observers.²³ This lent some force to the argument that decentralisation works best in places that are already developed and, therefore, decentralising is not necessarily a good idea.

But were the Territorial Agreements really an example of decentralising policy responsibility? The fact that central government continued to act as policy-maker and source of funding²⁴ and the lack of an institutional framework with clear rules requiring and governing the participation of local-level public institutions casts doubt on the assertion that the experience truly represented a first step towards the decentralisation of development policy.

If blame for the many problems and delays experienced with the Territorial Agreements has often, and correctly, been directed at the uncertain and undeveloped framework of rules,²⁵ much less attention has been devoted to examining the reasons for that uncertainty and lack of definition. They are probably associated, at least in part, with the theoretical ambiguity of the vision that sustained the launch of this policy. We argue that more than one school of thought was incorporated in this policy structure, and of these the position that policy and administrative decentralisation, in the sense of granting local public entities power to plan the future development of their territory, was not dominant.

²³ See De Vivo, 2000.

²⁴ The Territorial Agreements were all financed through appropriations authorised by the CIPE, with the exception of the Agreements under the multiregional local development programme for the 1994-1999 Community planning cycle, which were in any case approved by the then Monitoring Committee of the 1994-1999 Objective 1 CSF with regard to the portion financed by Community funds and which had a twin programme, using national additional resources, that was in any event approved by the CIPE.

²⁵ See, for example, DPS (2003) and Cersosimo and Wolleb (2006).

In designing the Territorial Agreements, the idea of devolving responsibility to the local level had to compete with other positions that were perhaps even stronger at the time. These argued for the need to give policy instruments the mission of replicating the organisational and functional approaches of the productive areas of the Centre-North, which focused on small enterprises and, above all, the experience of the industrial districts.²⁶ The LEADER projects and, in many respects, even the Territorial Agreements, interpreted the bottom-up approach more as the involvement of the local private sector (an issue we address shortly) than as the political and administrative decentralisation of economic development promotion.²⁷

Compared with these local development planning experiences, the Integrated Territorial Projects associated with the 2000-2006 Community programming cycle represent the most authentic application of the principle of decentralisation of public responsibility in economic development. The process has undoubtedly been uneven and contradictory, as this role has always been shared (to varying extents) between local and regional government. Nevertheless, compared with the negotiated programming initiatives of the 1990s, the local role is one of the more distinctive elements of this experience. Limiting (perhaps too much) the involvement of the private sector to what has (with a few exceptions) been a consultative role,²⁸ one of the major innovations of the ITPs has been the assumption of full programming and design responsibility by regional and local authorities. It is not yet possible to estimate the transformative power of this change, which on occasion saw the sharing of responsibility for defining the problem of backwardness, together with responsibility for its solution, with the lowest level of local government in the Italian system.

II.1.2 Participation and cooperation

An essential element of local development policies is the expansion of *participation* in policy decisions. This element has been so central to the theoretical approach to local development and to practical experience that isolating administrative decentralisation from the direct participation of private actors (as we do here to clarify its various implications) would be, in the view of many practitioners and scholars, a mistake.²⁹

²⁶ It should be noted, however, that only a few scholars have argued that industrial districts could be truly replicated through this policy, above all in view of the fact that studies suggested the Italian experience was fuelled by special ingredients that had accumulated over the years. The links between these circumstances and the history of the areas in which the phenomenon emerged and the behavioural norms shared by those, and only those, productive and social communities ensured that the districts would endure but also ensured that they could not be reproduced artificially.

²⁷ In 2001, the reform of Title V of the Italian Constitution made the outlook for the local development projects launched during the 1990s even more complicated, in view of the dominant role it gave regional authorities - who were absent in the initial phase - in promoting local development.

²⁸ This emerged in the first analytical study of this issue prepared by FORMEZ when the ITPs first began to be implemented; see FORMEZ (2003a).

²⁹ See, for example, UNDP, 2002; Culpepper, 2005.

However, separating the two components at the logical level, if not in reality, is possible if we consider the fact that the normative thesis arguing for direct participation in policy-making has evolved through separation from the ordinary operation of public democratic institutions. The argument for participation in local development is founded on the idea that it is not sufficient to rely solely on democratically elected institutions as the expression of the will of individuals and businesses. This is especially true when development policy, as happens in the majority of cases where a major transformation of the status quo is required, imposes costs on certain local players to the benefit of others. Extending participation beyond public institutions therefore reduces the risk of opposition by the former, thereby improving the chances for success.³⁰

The main line of theoretical thought concerning the broad issue of direct participation in public decision-making is known as deliberative or associative democracy.³¹ This view argues that the justice and quality of public decisions are enhanced when decision-making processes involve organised private-sector stakeholders alongside traditional elected public officials.

Note, however, that this theory, as with most ideas inspired by the current enthusiasm for participation and cooperation, does not apply solely to local policy. Rather it regards public decisions at any level and in any sphere, not just economic development policy. This is demonstrated by an extensive family of initiatives involving the participatory formation of the budgets of public entities, one that is spreading to many countries around the world following the initial projects begun in Brazil towards the end of the 1980s.³² Exercises in the participatory formation of local authority budgets are a form of practical experimentation with the idea that the direct participation of the people improves public decision-making and should enrich the democratic electoral process. As it involves an ordinary government decision-making process – projecting expenditure for the coming year – this practice can in some respects be considered a more advanced application of the approach adopted in involving citizens in “special” decision-making processes, such as those regarding specific economic development programmes or local development projects financed by special-purpose funds.

The partnership principle (which envisages the involvement of economic and social partners in all stages of any intervention) is a consolidated part of the European Union's regional policy approach, adoption of which is required under the legislation governing

³⁰ See Picciotto, 1992.

³¹ The formulation developed by Cohen and Rogers (1992) is a keystone of this strand of thought in political philosophy, whose greatest force lies in the fact that it is found in a growing number of decision-making institutions that are public but open to the participation of private-sector actors.

³² The pioneering experience in participatory budgeting in the Brazilian city of Porto Alegre is comprehensively documented in Abers (2000), while the subsequent and varied experience of many OECD countries is surveyed in Caddy et al. (2007).

the use of the Structural Funds.³³ Involvement of the bodies representing the interests of enterprises, workers and the general public is a common feature not only in the preparation of programmes but also during their implementation by way of the participation on monitoring bodies of representatives of the stakeholder groups affected by the programmes. The ITPs, which were formulated within the framework of Community cohesion policy, were thus born as part of the policies that admit and encourage partnership consultation, extending this participatory approach to integrated local-level intervention packages. Yet again, we find that the principle now dominates the thinking on public action, and is widely practiced.

Another group of policies grounded in this principle that cannot be ignored due to its importance within the international development aid movement is what international development institutions call Social Investment Funds. These funds finance small-scale local development initiatives involving infrastructure or social welfare projects. They have been offered by the main international organisations, including the World Bank, to countries undergoing structural adjustment programmes as way of mitigating the “temporary” hardships that such processes can create for certain vulnerable groups of the population. Somewhat like the ITPs and the earlier negotiated planning, albeit on a much more limited scale, these projects claim that they are demand-driven and community-based, since, as a condition of receiving financing, they involve the beneficiaries in the definition and implementation of the initiatives through organisations representing their interests at the local level.³⁴

European regional policy and the social funds of the international organisations are but two stand-out examples – thanks to their links with prominent international organisations – of the attempt to apply the principle of participation to development policy, and to local development policy in particular. Nevertheless, they represent only a very small part of the experimentation going on at the national and local level, where this major methodological principle is being applied with the general and explicit support of virtually everyone.

While expanding the scope of participation is becoming a generally accepted element of development policy, the actual approaches to involving citizens and other private-sector actors in decision-making processes vary significantly, are highly sensitive to local circumstances and, in many cases, leave public institutions disoriented in tackling new challenges and problems. The broad spread of participatory methods, combined with

³³ See Regulation (EC) no. 1083/2006, Art. 11.

³⁴ A critical survey of the main assessment issues regarding these projects is offered by Mansuri and Rao (2004). The involvement of the populace and local communities is considered so important in this category of projects that the related programmes are often classified as community-based or community-driven development. However, most observers claim that this has not ensured the substantive participation of the poorest classes or that their benefits have truly reached the weakest groups.

the inexperience of many local governments and private organisations in implementing this laborious process of consultation and involvement, has created room for the development of empirical techniques to activate the interest and energies of the private sector and to build a consensus for the collective preferences expressed within participatory institutions. The need for rapid changes in the action of public entities gave rise to professions dedicated to accompanying these sensitive processes, on which (as the available evidence suggests) actual achievement of the forecast benefits of participation depends.³⁵

The great diversity of actual experience with this approach is no coincidence. Rather, it reflects contamination from other ideas in the social science field, which are often perceived as connected with the idea of participation but are in fact quite different. Other concepts that are often cited in justifying or rationalising consultative or partnership initiatives in local development policy are founded on theoretical notions such as *cooperation*, *social capital* and *relational networks* and their contribution to innovation and learning.

As a result of the conceptual diversity of the issue, if we were to ask the multitude of actors involved in development policies what the benefits are of direct involvement of the public and businesses in the formulation and implementation of those policies, we would probably receive a multitude of different answers.

Among the reasons often given to justify certain local development instruments that rely heavily on the active participation of the beneficiaries of the policy, one frequent response is the idea that cooperation among private-sector economic agents, even outside public decision-making circuits, has a beneficial impact on economic development. In the economics and development economics literature, this position has been formulated clearly and persuasively, at least with regard to industrial productive systems and the management of natural resources owned or used collectively.³⁶

Local development policy theorists and practitioners also frequently cite a more general concept originating in sociology: social capital.³⁷ The specialised literature identifies social capital as a factor that benefits each individual in terms of the quality and strength of his or her relationships with others. Without attempting to examine this discussion in detail, it is clear that the use of the term "capital" for this relational variable brings it into the

³⁵ One example of the attempt to standardise the strategic participatory approach to the development and implementation of projects is the World Bank "primer" on the construction of local development strategies, above all with regard to urban projects (Swinburn et al., 2006). One methodological approach that takes account of territorial diversity, which has primarily been tried in Europe, is that proposed by Meyerstamer and Waltring (2005).

³⁶ As regards industry-manufacturing, the reference is obviously the vast literature on industrial districts. While this school of thought originated with the study of success stories in Italy, it has heavily influenced policy for productive systems based on small and medium-sized enterprises at the international level as well. One key work in the equally extensive literature on cooperation in the use of collective natural resources is Ostrom (1990).

³⁷ For one of the original formulations of social capital, see Coleman (1988). A survey of the limitations of using this concept in guiding public intervention policy is given by Harriss and de Renzio (1996).

sphere of economic development, creating scope for treating it as we would other variables we want to control through public intervention, applying the concepts of investment, accumulation, etc.

There have been many attempts to use this category within the literature of regional economic development, of which the work of Putnam (1993) must take pride of place, both because of its influence within the international intellectual community and because its analysis seeks to explain the historical, but still timely, problem of Italy's regional underdevelopment.³⁸ The broadest outcomes of his work - one has attracted a large international following - has been to promote the use of a variety of approaches to measuring social capital, such as the number and scale of certain types of association.

Measuring social capital has become the objective of a profusion of empirical literature that, however, reveals - in part due to its variety but occasionally also the poor robustness of the methods adopted - the ill-defined and mobile theoretical confines of this variable. While analysts are now almost unanimous in considering social capital a significant factor in economic development, in diverse operational applications it is represented with considerable variety (with regard to the presence of social or behavioural norms, institutions and organisations and/or the ways in which these operate), with approaches adopting different paradigms in which the cause and effect relationship between social capital and development and between static and dynamic conceptions of social capital itself become essential, as well as - and this is especially important for our purposes - different responses to whether, how and to what extent it can be induced intentionally where such capital is lacking. The multiple characterisations and thus the vagueness of this variable make it all the more difficult to formulate policies to foster it in the desired manner, even for those who are convinced that it is at least partially amenable to control through public intervention.

Today, a dozen or so years after the initial pioneering work on social capital, even while maintaining an unchanged level of consideration for the importance of relational variables within development processes, the literature now tends to focus on the ways economic actors interact cooperatively rather than on their existence and on the nature of the rules and purposes of organisations rather than on their number.³⁹ Similarly, relational networks

³⁸ In his book *Making democracy work*, Putnam uses a number of original metrics to argue that the causes of economic disparities among Italian regions should be sought within a variety of social norms governing collective action that have taken hold over a considerable period of time, which we can associate with social capital. While this is not the appropriate forum to examine the debate triggered by Putnam's argument, many have called his position "pernicious" owing to the pessimistic implications this has for the possibility of intentional, constructive intervention to modify the key variables underlying economic development. The "futility" of development policies over a time horizon limited to a few decades is indeed implicit in a vision that connects social capital and civic spirit with learning processes that last for centuries.

³⁹ Taking, for example, just one of these lines of enquiry - where associations are seen as a vehicle for promoting development - the simplistic view that the rate of participation in certain types of association was a constituent element of development itself, or that the formal participation of such organisations in decision-making processes would enhance their quality, is much less widespread than it used to be. Private associations can have properties that

are examined through quantitative metrics of exchanges among their members, with the aim of identifying nodal points and hierarchical relationships that can indicate whether a network can contribute to economic development in its current configuration.⁴⁰

Unlike the notion of participation, which from the very outset had a normative character within the theory of deliberative democracy, the concepts of cooperation and relational networks cannot be incorporated in policy discussions without certain transformations or clarifications. Their use in the design or assessment of intervention instruments is often weakened by the ambiguity surrounding the possibility of fully considering them variables that can be controlled by public policy. Nevertheless, despite these limitations, they are used with increasing frequency in policy analysis. After all, in constructing development policy instruments, the activation of relational networks, cooperation networks for the solution of shared problems and information exchange networks becomes an essential complement to the very idea – examined in the previous section – that in many cases development constraints and potential are frequently local in nature. This means that they can be tackled or exploited only with a certain degree of organised activation of the local interests that would benefit directly from the removal of those constraints or the seizing of those opportunities.

In addition, as intangible concepts such as information and knowledge join the lexicon and strategy of development intervention, the importance of stimulating relational and connective elements *per se* in the construction of local development instruments is gradually becoming clearer.

The theoretical work concerning the role of cooperation in economic development now emphasises the positive dynamic properties that relational networks can have in development processes rather than the optimisation of processes on an unchanged-resource basis. Regions and other territories that have developed public-private institutions that constantly re-examine and redefine the nature of problems together with their solutions are considered better equipped to cope with an increasingly uncertain and volatile international environment.⁴¹ Scholars of the most innovative territories focus on the most favourable "environments" and "networks", in the belief that relational resources are now more important than tangible resources in boosting competitiveness.⁴²

The efforts of modern theory are thus focused on reconciling the concept of information, which through functioning networks can be channelled into dynamic accumulation and

help foster or inhibit economic development depending on their organisational characteristics and their rules (Doner and Schneider, 2000).

⁴⁰ See Grote, 1997.

⁴¹ See Sabel, 1994.

⁴² See Storper, 1997.

diffusion processes with extraordinary development potential, with that of territory, which requires us to consider the physical confines in which these relations unfold.

In addition, in devoting greater attention to networks and information flows that foster development, the local development world encounters an interesting limitation to localism, to the closed logic of negotiation as among between known actors and resources, and a stimulus to address one of the most common problems in the development of backward areas, namely the possible sources of transformative ideas (innovation).⁴³

Although the construction of more highly evolved and open relational networks was not among the objectives explicitly assigned to the ITPs, the participatory approach, which was followed in any case, albeit with certain regional differences, places them within the mainstream of development policy, applying widely-held ideas that have received consensus approval at the international level, even though they may be difficult to specify rigorously. However, the difficulties and contradictions that the ITPs have displayed concerning the effective and substantive involvement of local private-sector partners are a common feature in independent assessments of the projects. They can be attributed to the inexperience of participants and policy observers, which caused them to underestimate the challenges and to have excessively high expectations for these processes.

While the ITPs take a more resolute step in the direction of real delegation of authority from central to regional and local government,⁴⁴ participation has probably evolved in the opposite direction. If we can be granted this generalisation, which is likely belied by a number of specific projects, the ITPs represent a retreat on the participation front compared with previous experience with negotiated planning, even if their design has always envisaged some degree of involvement of private partners, which has differed in the various regional models. The collegial bodies representing the interests of local private-sector participants have in most cases played a merely consultative role. For this reason, it is no coincidence that the ITPs have been criticised most vigorously by analysts who espoused the theoretical tradition of deliberative democracy, relational goods and public-private cooperation.

⁴³ The theory of social networks has long recognised that, within networks, the most important and most transformative information-bearing ties are the weakest: those between different internally-cohesive groups (Granovetter, 1973). Hence the current interest, which is also reflected in the proposals for local development in the 2007-2013 regional development programming period, for forging connections between local projects and centres offering skills and knowledge not available in the more restricted confines in which projects carried out entirely at the local level are developed and implemented. See *Quadro Strategico Nazionale 2007-2013* (July 2007), in particular the section on local development in chapter II and the introductory section to Priority 7 - Competitiveness of productive systems and employment in chapter III.

⁴⁴ As we see in the chapter devoted to assessing projects that have actually been implemented, the more explicit decentralisation still does not incorporate a clear and uniform division of duties and a clear acceptance of the new reciprocal role between regional governments and local actors.

II.2.3 Integration-multisectorality

The underlying philosophy of instruments such as the Territorial Agreements or the LEADER projects did not necessarily envisage an integrated, multisectoral vision like the one that which later underpinned the introduction of the ITPs.⁴⁵

One distinguishing feature of the ITPs as an instrument of local development policy is in fact the integration of actions of differing natures and sectors within the framework of complex projects tailored to the needs and opportunities of specific territories. This need for integration, in the sense of coordinating diverse interventions, is not exclusive to local development policy. This is an issue familiar to the debate on public intervention to foster development in general, which originated in and gained persuasive strength from the criticism of investment policies designed on a purely sectoral basis. Sectoral plans and projects, or initiatives comprising only one type of intervention, may give rise to an inconsistent, or even contradictory, framework at the local level, even where they are internally coherent. Unlike the other issues briefly addressed in previous sections, however, integration is not a principle that local development policies incorporate naturally. On the contrary, local public action mainly involves plans and projects that seek to respond to tightly circumscribed sectoral problems (productive activities, training, mobility, etc.).

The need for integration therefore takes on different meaning and force in different policies, depending on their complexity and the breadth of the sectoral scope of intervention. In the case of the ITPs, integration is a constituent element of the instrument⁴⁶ but has a highly different significance depending on the project because the sectoral spectrum of the initiatives are so diverse, partly owing to the different regional-level rules governing the design of the interventions. As we will see later in greater detail, some projects were clearly multisectoral in nature, almost constituting generalist development and investment plans with broad goals. In other cases, and notably in response to the approach adopted by certain regions to their territory, the integrated projects were effectively conceived as highly focused and detailed initiatives, within which the integration of diverse actions lies in their shared pursuit of a single thematic mission or objective.⁴⁷

⁴⁵ In particular, the orientation of the first-generation Territorial Agreements was almost exclusively focused on the promotion of local manufacturing, an approach that is not accorded the same favour within policy for areas whose development is lagging behind.

⁴⁶ The 2000-2006 Objective 1 CSF introduced the concept of Integrated Territorial Project with a special accent on this feature. Section 3.10 of the document proposes them as a set of consistent, closely connected intersectoral actions that converge on a common local development objective and justify a unified approach to implementation.

⁴⁷ To help clarify this point, take the “Certosa di Padula” ITP in the province of Salerno. It comprises infrastructural, intangible and entrepreneurial support projects for which responsibility lies with various government departments. The projects are unified by the shared objective of leveraging a cultural attractor for tourism purposes. Nevertheless, it is clear that this example of integrated planning does not pursue general multisectoral objectives nor does it cover all segments of the local economy. Rather, it restricts the scope of its action to measures that serve to achieve the objective representing the underlying idea driving the project.

The underlying concept supporting the principle of local-level integration – designing different measures on the basis of a common development idea with a view to preventing conflicts or duplication and fostering synergies – is simple and powerful. It also appears so reasonable as to obviate the need for justification or development into practical guidelines. Despite its apparent simplicity, implementing integration on a practical basis at the local level is extremely laborious, as it calls for the coordination of sectoral centres of responsibility within government that operate in accordance with their own approaches and that are generally reluctant to allow such approaches to be reciprocally contaminated within the framework of more general decision-making processes.

Multisectoral planning is traditionally associated with an image of the State as a strong and competent actor, one that has the capacity to tackle numerous problems simultaneously and is able to reconcile the myriad interests and views that it represents in complex decisions. Owing to the coordination challenges within government departments that it must solve, as well as the more ambitious role that it sets the State, the idea of multisectoral or integrated intervention was, in many respects, received with greater enthusiasm in the middle of the last century, when State decision-making was more authoritarian and centralising.

Even restricting ourselves to local-level investment plans and projects only, in Italy the push to intervene simultaneously in an integrated fashion to improve specific (rural) areas was very strong during the Fascist period. This principle guided the agricultural reclamation and colonisation initiatives carried out through the *Opera Nazionale Combattenti*.⁴⁸ A similar planning approach for agricultural infrastructure projects was adopted by the *Cassa per il Mezzogiorno*, which developed its long-term investment plans at the level of hydrographical catchment basins, simultaneously planning reservoirs, hydroelectric stations and reforestation upstream as well as irrigation works, reclamation and land improvement works downstream. Already defined as “integrated” in its original infrastructural conception, the notion of reclamation adopted by the *Cassa* was extended over the years to comprise processing plants for agricultural and forestry products, small-scale social infrastructure such as churches and sports facilities, as well as social welfare and training activities performed by the regional agricultural reform agencies. This form of “integrated” planning, which was based on the American experience with the Tennessee Valley Authority created as part of the New Deal, was considered at the time to be the most modern approach to planning local development in lagging areas.

The multisectoral approach under which different measures are planned simultaneously in response to different forms of backwardness continued to dominate the international

⁴⁸ For more on the activity of the ONC, later taken over by the *Cassa per il Mezzogiorno* in early years of its activity, see Barone (1986).

consensus concerning rural development policy in subsequent years as well. The driving force behind this conception was a systemic vision of the problem of rural backwardness, which directly generated the theory that the policy response should simultaneously tackle all aspects of the issue, including social and health problems. This was the philosophy underpinning the “Integrated Rural Development” projects in the developing world, which received massive funding from international organisations in the 1970s. The projects, which envisaged coordinated infrastructural, social and health measures, with the delivery of modern, high-productivity inputs and technical assistance in their use, sought to counter the exodus of people from the countryside by targeting various aspects of the vicious circle of underdevelopment in marginal rural areas. The gradual abandonment of this approach by international development donors was prompted by growing criticism of the complexity, high cost and high skill level that the projects required of local institutions.⁴⁹

After a period in which integrated, multisectoral planning was viewed with suspicion due to its association with heavy-handed, expensive and pervasive State intervention, the issue has been regaining currency within the many forms of sectoral planning for local development. Among the social projects promoted by the World Bank, one factor for success is the coordination of social and assistance initiatives with those promoting productive activities and territorial planning.⁵⁰ Urban development and regeneration projects also adopt a systemic, multisectoral approach in the belief that such development cannot be pursued through instruments and measures involving merely physical intervention in urban areas. Even LEADER projects, despite their origins within a policy orientation as sharply slanted towards sectoral intervention as rural development, later saw the adoption in various cases of an integrated, multisectoral approach that extends well beyond the productive aspects of the agricultural world.

Nevertheless, the LEADER programme itself demonstrates how the adoption of the “integrated” approach to which many sectoral policies aspire can remain limited to within a single sector that, de facto, finds itself isolated in terms of the source of funding and the institutional actors involved in planning and implementing the associated measures. Independently of the thematic scope of individual sectoral development instruments and policies, true multisectoral integration of local development policies must seek to coordinate the various institutions responsible for sectoral development intervention. This is the real dimension of integration that most often trips up attempts to develop broad approaches to fostering local development, which promote synergies and prevent waste. It cannot be denied that the ITPs took up this challenge, one with few precedents in Italy, through the direct involvement of local political authorities, who have general responsibility for developing their respective territories.

⁴⁹ See Eicher and Staatz, 1984.

⁵⁰ See Helling et al., 2005.

III. Evidence on the ITPs: structural and dynamic dimensions of a policy in action

III.1 The nature of the ITPs and monitoring

The current debate about the ITPs is undoubtedly conditioned by the fact that, partly owing to their links to the theory and practical experiences briefly addressed in the previous section, they are not generally viewed as individual projects and experiences under way, but rather as a local development policy “instrument”. This approach is necessary in order to assess the consistency, robustness and effectiveness of a distinctive phase of development intervention if we are to conduct an appropriate assessment. The attempts at measurement presented in this section also implicitly place the ITPs on the same level as other local development instruments. Nevertheless, if we consider the fact that this category of projects was initially conceived and introduced as part of a broader programming process, we must also acknowledge that this assessment approach is an interpretative stretch, which, if it is to be useful, must qualify its purposes and explicate its limitations.

The ITPs were initially proposed as one way of identifying and implementing the tangible interventions of the variety of multisectoral regional programmes financed by the Structural Funds for southern Italy during the 2000-2006 period, rather than as an independent policy instrument fully defined in its original operational framework. Only at a later stage, when these plans were rolled out, did the ITPs become *de facto* instruments for regional policy-makers in their own territories, at the end of a lengthy process whereby Italy’s regional authorities each independently established a regulatory and procedural framework, consequently producing considerable differences from region to region.

In order to avoid the trap of an overhasty interpretation of the characteristics of the ITPs, it is important to recall that regional authorities were hardly involved at all in another significant local development initiative of this period, the Territorial Agreements, where they were not assigned any specific role. The experience of these Agreements was therefore mainly absorbed at central government level, which was the source of the integrated planning proposal.⁵¹

⁵¹ This contrasts with the way in which 2000-2006 Objective 1 CSF fully exploited their role in territorial development intervention, where they were a precursor of a more general trend that would become clearer following the amendment of Title V of the Constitution in 2001.

As we saw in the previous section, the opportunities created by the Objective 1 CSF for integrated planning did not attribute to this operational approach with local development goals *per se*, such as opening participation to private actors or devolving powers to local authorities (neither of which were issues that featured in the definition put forward under the CSF).

The ensuing debate about the ITPs as an instrument for local development during the 2000-2006 programming cycle was, in consequence, complicated further by an incomplete awareness of the nature of the task allocated to the regional authorities at that time (which was not just to activate the instrument, but also to interpret it and establish its operational rules) and an only a partial understanding of this approach to intervention, the main characteristics of which – partly because of variations from one region to the next – remained relatively poorly understood by participants for most of the period.⁵²

The reasons for the poor – or at best, highly fragmentary – availability of information can be ascribed to the following factors: (1) the generally slow start-up of ITP initiatives, which in some parts of the Mezzogiorno only took on definitive form in late 2004; (2) the of the measures funded within the ITPs even after that date, an issue we will return to later; (3) the inadequacy of the official Structural Funds monitoring system, which was not conceived to capture the integrated approach governing the ITP interventions.⁵³

⁵²We refer here, in particular, to the semi-academic debate at the central level, not the discussion that unfolded at the territorial level, where the expectations of local actors that they would be allocated resources for new projects ran up against the evolution of the various different regional models, whose approach to implementation took time to emerge, and in some cases was intermittent and problematic. Debate at the territorial and local level moved in another direction, focusing on different issues (more closely associated with everyday matters and local expectations, as well as more closely linked with the operational functioning of the various procedural solutions adopted) that those that fuelled the debate at the central government level and among remote observers, who were more interested in the ITPs as a category of intervention and in its average functionality.

⁵³ The monitoring issue is a particularly sensitive one, with complex aspects that we do not address here. Nevertheless, it is important to note that the “MONIT” monitoring system for 2000-2006 Community programs, which gathers information at individual funded intervention level, is essentially structured to record the progress of the lowest-level legally-relevant planning units of the programming process, namely the *measures* into which the Operational Programmes (OPs) are organised. Because the ITPs do not constitute a fully-formalized unitary entity for 2000-2006 Community programming purposes, they do not feature in the monitoring process as an independent unit by which progress is measured. As things stand, the ITPs are covered by MONIT indirectly, via the individual planning initiatives that they encompass, which may be recognized as belonging to an ITP because of an additional characterizing variable. However, this method of identification was only added at a very late stage of the monitoring process (because the ITPs were identified considerably after start-up of the programmes themselves), it is not comprehensive and it is significantly hampered by the lack of uniformity in how programme managers enter projects into the monitoring system. Although MONIT is an interesting source for an overview of the characteristics of ITP initiatives, especially at a rather advanced stage of the 2000-2006 implementation cycle, it does not offer any degree of completeness for the observation of individual ITPs. As we shall see later on, it was for this reason that in 2003 the Objective 1 CSF Monitoring Committee established an initiative to run alongside the official monitoring process in order to gather data on the ITPs more systematically. Other initiatives for

This section draws on the most comprehensive and reliable data sources, including in terms of the comparability of data between different regions and projects, in order to reconstruct the key characteristics that the ITPs assumed during the final phase of the 2000-2006 planning cycle. Starting with a description of the economic and financial frameworks envisaged for the ITPs in the various regions, we investigate the most tangible aspect of the projects (the initiatives they financed), and then work backwards to the more institutional and strategic elements: the underlying choices that guided the ITPs in the first place, the management models adopted, and the partners who participated.

To date, two official sources have been available for overall analyses of the ITPs: the Structural Funds monitoring system, MONIT, which primarily supplies indirect data on the ITPs through a variable that links monitored interventions to any reference ITP, and the Geo-referenced Monitoring System for the ITPs run by UVAL and the Evaluation Unit Network, which, as far as data on interventions are concerned, draws on a number of variables from MONIT itself. The UVAL system, which was designed specifically to monitor the ITPs, contains additional data specific to these projects. The additional information is both temporal (with early acquisition of data compared with the MONIT system in terms of information on interventions whose project documentation is already in the approval phase) and content-oriented (with the measurement of certain strategic, institutional and operational elements which lend a unitary perspective to the interventions that make up ITPs). Accordingly, the geo-referenced monitoring system is used here to characterise institutional and strategic aspects and to reconstruct the initial ITP planning frameworks.

It would nevertheless be an error to identify an *ex-ante* programming approach in the text of the approved ITPs, as we can for the programmes in which they are inserted, on the basis of the dynamic monitoring of their implementation. Over the period of the ITP experience, programming was not restricted to the initial phase of the project life cycle. It appears evident that the generically-defined implementation phase was not merely limited to implementing the initial orientations and interventions, with amendments being made only exceptionally in order to respond to unforeseen events. On

monitoring the ITPs were initiated over the years, most notably by a range of projects involving the provision of technical assistance to programmes. These monitoring sources have provided material that in some cases has been very valuable to the debate, but in the absence of an official framework, the usability of this data has been limited to persons who have developed their own cognitive reference frameworks. In addition, in many cases, they have been limited by the nature and purpose of the technical assistance projects, which were numerous and not always successfully coordinated. Though there are exceptions, the data generated by such initiatives were not gathered for the purpose of providing data to third parties other than the commissioning authorities to be used and analysed for other purposes.

the contrary, many of the ITPs turned into protracted planning exercises in which the concept of integration between interventions was not defined *ex-ante* once and for all, but was refined during the life of the projects, with many of the initially-planned initiatives being substituted with others along the way. When not achieved as initially envisaged owing to the elimination or substitution of fundamental components of the overall project, integration was not abandoned as a principle and, in many cases, was redefined and sought in areas that had not initially been considered.

III.2 The total number of integrated projects, and the number examined here

The Integrated Territorial Projects were deployed with a variety of characteristics in all of Italy's southern regions and in the majority of regions in the Centre and North.

Overall, more than 200 initiatives that qualify as having adopted an integrated planning approach were undertaken in the Mezzogiorno and included as part of the 2000-2006 Community programming cycle. Not all of these projects were formally designated ITPs: while many regions did use this term, they also adopted a rich variety of other acronyms to underscore differences in focus and in the regulatory framework used in defining and approving projects. As evidence of how far the mechanism was substantively decentralized to the regional level, and how ill-suited the initial monitoring tools were, even the number of integrated projects was, for a long time, open to debate,⁵⁴ as the variety of uncoordinated identification efforts dragged on.

The first comprehensive formal count of the variety of initiatives that had been approved was drawn up for the final eligibility date under the Objective 1 CSF (31 December 2004) for these projects to qualify for Community co-financing as part of the 2000-2006 cycle, and to establish the contribution of Community programmes to integrated projects (see Table III.1).

⁵⁴ The notes to Table III.1 show that this fact was influenced by analysts' choices in formulating definitions and interpretations. The monitoring required under CSF rules, which was used to generate this table, included integrated projects that had been wholly formulated and managed by the regional authorities or whose territorial scope of intervention was not defined *ex ante*.

Table III.1 Number of integrated territorial planning projects in Southern Italy at 31 December 2004

Region	Projects designated as ITPs	Integrated projects under other names (**)
Abruzzo⁽¹⁾	8	
Basilicata	8	4
Calabria	23	33
Campania^{(2) (*)}	51	
Molise	7	
Puglia	10	10
Sardinia^(*)	13	19
Sicily	30	7

Notes: (1) Data for the Abruzzo region have been drawn from FORMEZ and refer to the Objective 2 Single Programming Document. (2) For the Campania region, the formal name is never ITP; all integrated projects in this region are designated as IPs. (*) Integrated projects with other names do not include those in Campania and Sardinia under specific EAGGF measures (agriculture and rural development initiatives), which were still in the process of implementation as of the survey date. However, it should be noted that although many projects qualified under this measure (already envisaged in the rules of the fund concerned in order to replicate certain intervention approaches that had been tested as part of the LEADER projects), they were small in financial terms. (**) Integrated projects under other names include projects that were highly similar to the ITPs (in particular, two urban projects in Basilicata, six in Calabria and five in Puglia), and a number of other approaches whose unified nature and territorial characteristics were less strict. For Sicily, six out of the seven initiatives in this column are wholly comparable to projects formally designated as ITPs.

Source: The data are drawn from the integrated planning section in the Documento Strategico Mezzogiorno (Southern Italy Strategy Document) - December 2005.

Although the phenomenon was been extended to the programming of the Structural Funds in a far more general sense,⁵⁵ here we focus on the seven southern Italian regions that are included in Objective 1 in the 2000-2006 Structural Funds cycle, for which more structured information is available, as these projects are covered in both of the monitoring sources we discussed earlier.

As regards the nature and number of the projects under consideration, the focus of our analysis is more circumscribed than it could theoretically be. In principle, our analysis adopts an operational definition of integrated territorial projects that only includes those that apply to territories on a sub-regional scale, consisting of groups of geographically contiguous municipalities. Only a few exceptions (both inclusions and exclusions) have been made to this criterion where it was necessary to adapt to categories formally adopted by certain regions. For example, some regions, such as Campania, lump together ITPs and other projects that do not comply with the territorial contiguity requirement in a single category; other regions, such as Puglia, address issues that are in

⁵⁵ A significant amount of documentation on integrated planning experiences in Central and Northern Italy can be found in FORMEZ publications *Atlante dei progetti territoriali integrati, I modelli regionali di programmazione* and *Esperienze locali a confronto*, which were published as part of the “Sostegno alla progettazione integrata nelle regioni del Centro-Nord” project, Rome, May 2005.

many ways similar to the ITPs separately, but do not have the same level of detailed information for these projects.⁵⁶

With these premises, we examine a total of 156 ITPs in seven different regions, corresponding to the projects that are currently included in the geo-referenced monitoring system, the only one that provides comparable data on the projects' structures.⁵⁷ Table III.2 shows ITPs currently in the system, differentiated by the themes that characterize the underlying purpose of integrating a variety of initiatives, namely: 1) Area Projects which offer a degree of thematic detail sufficient to identify an authentic overarching concept; 2) Area Projects which offer generic economic development end-goals; and, 3) Urban Projects which unite development initiatives in areas characterized by an existing city.

Table III.2 ITPs by type of macro-integration

Regions	Integrated Urban Projects	Area Projects	Area Programmes	Total no. of ITPs
Basilicata	2	0	8	10
Calabria	7	9	13	29
Campania	5	46	0	51
Molise	0	7	0	7
Puglia	0	0	10	10
Sardinia	1	0	12	13
Sicily	3	14	19	36
TOTAL	18	76	62	156

Source: Geo-Referenced Monitoring System for the ITPs - DPS/Retenuv

As we have seen, this number does not fully cover the entire universe of integrated projects activated in the regions reported that comply with the operational definition adopted by the CSF (see also Table III.1). A number of other projects are included in the operational programmes of these seven regions that, for a variety of different reasons, have not been included in this survey. Easily the most numerous of these projects are integrated rural development projects funded solely under the EAGGF, with 41 additional projects in Calabria and 20 in Campania. These projects were excluded

⁵⁶ It is worth noting that in some of the cases that we have excluded from our analysis, references to integrated planning in planning documents regard methods of planning that differ significantly from the ITP model outlined in the CSF and elsewhere. Indeed, some regions repeatedly refer to "integrated planning" to promote the implementation of part of their program measures with procedures that are somewhat more structured *ex ante* than simple general calls for proposals for local authorities used in the past, or to promote calls for proposals encompassing measures regarding different themes. Nevertheless, the actors concerned were conscious of the differences, as in no case did they designate such initiatives as ITPs.

⁵⁷ These 156 projects include all 147 integrated projects that the regions designated as ITPs (less the previously-mentioned exception of the Campania region, which designated all of its integrated projects as "IPs", and a few integrated projects in Sicily, which, for purely administrative reasons, later had their designation changed to PIOS, which stands for Integrated Packages of Strategic Initiatives), plus two integrated urban projects in the provincial capitals of the Province of Basilicata, and six integrated urban projects in the provincial capitals of the Province of Calabria.

because, as shown in Table III.4, the two regions the EAGGF did not contribute to funding more general ITPs, focusing instead on specialist rural development projects. Among the most sectorally focused projects, in Puglia, five urban development projects in the region's capital, and a similar number of tourism-based integrated territorial projects, were excluded from the survey.

Of the 156 projects on which this analysis focuses, the majority consist of true projects (76 area projects + 18 urban projects), that is to say, initiatives with a clear thematic or strategic focus. However, there is a not insignificant number of so-called "area programmes", which mainly address the need to devolve decision-making and planning responsibilities to a sub-regional level of government.⁵⁸

III.3 Characteristics of the ITPs and interventions being implemented

According to the originally-approved project documents, just over 16 per cent of Regional Operating Programme resources (ROPs) was earmarked for the 156 ITPs.

Table III.3 Absolute and relative scale of ITP funding by Region

Regions	Number of ITPs	ROP resources formally allocated to ITPs	Average ITP value	ITP funding as a share of total ROP funding(%)
Basilicata	10	310,063,563	31,006,356	18.3
Calabria	29	428,308,290	14,769,251	10.6
Campania	51	2,035,108,947	39,904,097	26.3
Molise	7	63,119,837	9,017,120	13.4
Puglia	10	714,503,537	71,450,354	13.7
Sardinia	13	353,365,299	27,181,946	8.3
Sicily	36	1,342,045,951	37,279,054	15.9
Total	156	5,246,515,424	33,631,509	16.4

Note: Financial resources and average values (in euros) refer to public contribution to projects drawn on Community funds or co-financing. The ITP share refers to the value of financial resources allocated to ITPs compared with the overall public funding of the relevant ROP.

Source: Geo-Referenced Monitoring System for the ITPs - DPS/Retenuvv, updated as at 31 December 2007

While the variability of the proportion of ROP resources deployed through ITPs reflects the varying degrees of "exposure" of regional administrations to this approach, the percentages reported in Table III.3 cannot be considered as an indicator of the importance of the ITPs as a form of regional public policy. Those who are familiar with the vicissitudes of development policy in regions such as Sardinia and Calabria, where

⁵⁸ Owing to their incomplete specification, it is not easy to apply to these latter projects the standard methods used for integrated development projects internationally, which clearly outline *ex ante* a timescale and require a unitary approach to management, assessment and accounting.

this percentage appears to be lowest, will be aware that the ITPs have long been at the centre of public debate as a topical and challenging issue in the implementation of these regions' respective operational programmes.

Choices about the number and average size of integrated projects reveal even greater divergences between regions. The resources devoted to integrated planning in Calabria today appear to be of a relatively modest scale, as the thematic scope and financial scale of the ITPs in this region were reduced over time, although the overall number of projects has remained unchanged. The low proportion of ITP funding compared with total ROP resources in Sardinia is a factor of the relatively small number of projects, which reflects partial coverage of the region's territory. The selection process for Sardinia's 13 ITPs took place by competitive call, and was supposed to be followed by further selections that were never carried out. Today, in Sardinia, new forms of integrated planning are being deployed, using an approach that seeks to complete the thematic and territorial reach of what was long an unfinished process.

A comparison between regions reveals that Puglia made unusual planning choices in terms of the large financial scale of the ITPs identified, owing to a decision to apply integrated planning across rather extensive territorial areas.

As far as the resources used to finance integrated planning are concerned, a predominant role was played by the Community resources of the ROPs, within which this operational approach was initially conceived. Nevertheless, a not insignificant volume of public funding was drawn from other sources (not shown in Table III.3 but reported in Table III.4), corresponding to almost a third of Community resources. The Campania region contributed predominantly to this figure, with non-Community resources financing accounting for almost 40 per cent of total ITP funding there. This figure, alongside the data on the variety of Community funds making a contribution, reveals that, among other things, that the ITPs were also an experiment in integration and joint planning of different sources of funding, virtually a precursor of the unitary development resource programming introduced with the 2007-2013 cycle, but on a reduced geographical scale.

The ERDF continues to account for the lion's share of the Structural Funds, with the EAGGF and the European Social Fund (ESF) together accounting for more than a quarter of all planned resources only in Puglia, Basilicata and Molise. Nevertheless, in view of the reduced weight of these funds in the programmes, their relative scale is not as modest as it may at first seem.

Table III.4 Financial framework of funding sources of the ITPs by region

Regions	ROPs	STRUCTURAL FUNDS PERCENTAGE				Other public sources	Private resources
		ERDF	ESF	EAGGF	FIFG		
Basilicata	310.063.563	72%	6%	23%	0%	5.572.294	0
Calabria	428.308.290	83%	13%	0%	3%	102.331.325	136.811.288
Campania	2.035.108.947	93%	7%	0%	0%	1.374.180.792	657.257.690
Molise	63.119.837	74%	10%	17%	0%	4.224.042	41.656.513
Puglia	714.503.537	60%	20%	20%	0%	0	280359453
Sardinia	353.365.299	86%	2%	12%	0%	110.382.835	1.257.430
Sicily	1.342.045.951	80%	7%	13%	0%	111.269.841	0
Total	5.246.515.424	83%	9%	8%	0%	1.707.961.129	1.117.342.374

Note: The table reports the amount and breakdown of resources (in euros) allocated to 156 ITPs considered in the geo-referenced monitoring system, drawing on the documents that were formally approved by regional planners. The ROP figure is broken down (in percentages) among the various Structural Funds that are included in the (multi-fund) programme. Other public funding sources include both development-oriented national funds allocated previously to the regions (such as the Fund for Under-utilised Areas, *Fondo per le Aree Sottoutilizzate* - FAS), and other sources of regional and local co-financing. Local sources of co-financing are rather widespread, especially for integrated urban projects. The contribution of private resources is estimated in the planning documents.

Source: Geo-Referenced Monitoring System for the ITPs - DPS/Retenuvv, updated as at 31 December 2007

As far as the use of the allocated resources is concerned, it is worth noting how the ITPs divide allocations among three broad types of operations that encapsulate the typical development project outputs: infrastructure, aid for businesses and intangible initiatives (carried out through the purchase of goods or, more commonly, services).

Table III.5 Use of public ROP resources allocated to the ITPs by intervention type and region (percentages)

Region	Infrastructure	Goods and services	Aid
Basilicata	68.2	7.7	24.2
Calabria	51.1	18.5	30.5
Campania	61.8	12.0	26.3
Molise	53.2	10.7	36.1
Puglia	27.2	29.9	42.9
Sardinia	95.9	1.7	2.4
Sicily	51.1	10.0	38.9
Total	58.3	12.9	28.7

Note: Resources were broken down into these three categories on the basis of the type of intervention envisaged in approved ITP documents. This three-way division differs from the similar content presented in the tables below, which is drawn from initiatives entered individually in the MONIT system.

Source: Geo-Referenced Monitoring System for the ITPs - DPS/Retenuvv, updated as at 31 December 2007 with the exception of Puglia (31 December 2006).

The overall figure in Table III.5 indicates that almost 30 per cent of ITP resources are programmed for transfer to the private sector under the form of aid to business. The average, however, conceals significant variations in project aims from region to region. The greatest divergence from the average is in Sardinia, where interventions are almost entirely accounted for by “infrastructure” projects. Indeed, infrastructure receives the absolute

majority of resources in almost every region.⁵⁹ Puglia stands out for the low proportion funding going to infrastructure, where the ITPs are considered as a method for supporting private entities through aid and services. While this broad three-way division by type of intervention offers fairly generic picture of the changes being sought through the ITPs, a more detailed breakdown of the funded actions offers greater information.

Unlike the preceding tables, Tables III.6, III.7 and III.8 describe the ITPs through initiatives eligible for funding under the ROPs, reconstructed in this case on the basis of the data provided by the official Structural Funds monitoring mechanism (MONIT), rather than from the programming framework set out in the documents of the approved ITPs. All of the following tables that draw on MONIT concern interventions under the aegis of the 147 integrated projects that the regional governments designated as ITPs. By examining initiatives being implemented, this type of classification facilitates characterisation of the thematic specialisation of the ITPs by comparing them with the ROPs of which they are a part.

⁵⁹ In the case of ITPs that access funding other than ROP resources, this proportion would be greater, as other public sources of funding – see Table III.4 above – are for the most part earmarked for infrastructure initiatives.

Table III.6 Thematic classification of interventions eligible for financing as part of the ITPs: selected quantitative dimensions

TYPE OF INTERVENTION	number	Costs eligible for financing (euros)				Percentage of interventions in category	Percentage of resources in category
		total	minimum	maximum	average		
Works to protect and enhance environmental resources	578	427.242.564	0	9.595.280	739.174	6,8	12,7
Works to restore or conserve cultural resources	924	901.511.979	6.884	41.976.000	975.662	10,8	26,7
Transportation infrastructure	296	98.042.860	4.633	3.845.407	331.226	3,5	2,9
Physical networks (water, electric, sewers)	42	8.679.165	29.147	1.017.787	206.647	0,5	0,3
Infrastructure to serve agricultural production	18	6.326.057	36.152	1.214.181	351.448	0,2	0,2
Infrastructure to serve trade and industry	172	173.281.759	76.202	7.513.170	1.007.452	2,0	5,1
Urban infrastructure	200	579.199.743	82.633	75.900.000	2.895.999	2,3	17,2
Facilities for public and social services	24	56.025.793	30.223	26.498.000	2.334.408	0,3	1,7
Sports and recreational facilities	178	258.584.688	21.170	38.215.519	1.452.723	2,1	7,7
Total tangible works	2.432	2.508.894.609	0	75.900.000	1.031.618	28,5	74,3
Planning, studies and monitoring	138	44.934.570	0	6.852.480	325.613	1,6	1,3
Promotional, informational and marketing campaigns	135	56.599.228	0	4.305.955	419.254	1,6	1,7
Research	13	1.119.837	39.200	100.000	86.141	0,2	0,0
Business services	108	27.700.917	10.552	3.186.240	256.490	1,3	0,8
Personal services	20	3.567.042	53.200	1.200.000	178.352	0,2	0,1
Recreational and cultural activities	9	5.833.947	30.000	2.100.000	648.216	0,1	0,2
Training of public sector employees	9	227.537	18.427	29.163	25.282	0,1	0,0
Training of unemployed individuals	898	41.460.734	8.497	1.401.351	46.170	10,5	1,2
Training of employees	420	46.550.926	7.500	1.750.000	110.836	4,9	1,4
Employment services	61	18.518.400	16.800	1.389.441	303.580	0,7	0,5
Total intangible interventions	1.811	246.513.139	0	6.852.480	136.120	21,2	7,3
Transfers to individuals	0	0	na	na	na	0,0	0,0
Transfers to non-profit organisations	6	1.196.248	45.000	619.748	199.375	0,1	0,0
Transfers to businesses – research and innovation purposes	6	5.400.634	80.200	3.988.200	900.106	0,1	0,2
Transfers to businesses – environmental purposes	8	3.997.212	39.692	918.376	499.652	0,1	0,1
Transfers to businesses – employment/training/organisation purposes	2	1.688.350	490.916	1.197.434	844.175	0,0	0,1
Transfers to businesses – quality certification purposes	51	1.509.324	6.800	83.995	29.595	0,6	0,0
Transfers to businesses – general	4219	605.922.796	100	8.384.129	143.618	49,4	17,9
Transfers to business consortia	12	1.214.199	37.823	188.440	101.183	0,1	0,0
Total private-sector transfers	4.304	620.928.765	100	8.384.129	144.268	50,4	18,4
Total	8.547	3.376.336.512	0	75.900.000	395.032	100	100

Note: The table reports data extracted from the Structural Funds monitoring system (MONIT). It should be noted that the monetary values of interventions (in euros) correspond to the so-called public cost of individual operations eligible for financing. The overall value is lower than the amount presented in the preceding tables for the overall ROP resources allocated to the ITPs, because, as noted previously, MONIT only recognises 147 ITPs (compared with 156 under the Geo-referenced Monitoring System), and because individual interventions are entered into the MONIT system only at a later stage, when, in general, they are more certain to receive financing (and are expected to be completed within the formal implementation deadline of the programmes concerned) than is the case for the overall project documents.

Source: Based on MONIT data, updated as at 31 December 2007.

First and foremost, the relative specialization of the ITPs in infrastructure can thus be measured by considering initiatives being implemented, and then examined in greater detail. Recovery and conservation of cultural heritage and environmental protection and enhancement works play a large role within the ITPs.

Cultural heritage initiatives have a high profile in absolute terms, accounting for the largest share of resources at almost 27 per cent (see Table III.6), compared with a far lower priority under ROPs (see Table III.7). ITP interventions of this type are numerous both in absolute (924) and relative (11 per cent) terms, and are, on average, of a much larger size than analogous ROP-financed interventions. Although this preponderance is not always

well-known, this specific feature of the ITPs has long been understood by observers, some of whom have even ventured that the ITPs were excessively skewed towards promoting local development by leveraging cultural heritage. Nevertheless, regardless of this schematic interpretation of this strategy, it should be noted that the CSF was the first to orient regional authorities towards integrated planning as the preferential method for exploiting cultural resources for development purposes.

Another special feature of the ITPs concerns transport infrastructure financing, the importance of which is limited not just in terms of the small numbers of projects (296 works, representing 3 per cent of initiatives), but also their low value. With an average value of around €331,000, these works are evidently of a different nature than those - almost four-times larger - financed under the ROPs. These figures confirm that transport system improvements are planned on a wider scale than the local level that characterizes ITPs, for which only micro-interventions regarding minor local infrastructure construction and maintenance are financed. This is an interesting observation, as it suggests that the most suitable programming scale for this sector is not the local level.

A similar interpretation would also appear to apply to civil infrastructure networks, however, which while quite small in size are almost wholly absent from ITP-financed initiatives. However, this may be the result more of overall programming approaches, which tend to undertake such interventions principally through the implementation of sectoral plans on a vaster territorial scale, therefore causing integrated planning to overlook small initiatives for local networks. Only apparently ill-suited to this scale of planning, in many cases they could have been considered as pre-conditions for the initiatives for leveraging local resources typical of the ITPs. This, however, is an issue that transcends the ITPs and would more appropriately be considered as part of the broader framework of development planning, with an assessment of existing or missing links with overall public investment in the target areas.⁶⁰

Intangible initiatives can be assigned to a number of main categories, first and foremost training and employment support services, which together account for 16 per cent of all interventions and absorb 40 per cent of resources earmarked for intangible

⁶⁰ One easily comprehensible reference in its practical repercussions is, for instance, the importance of sewage systems and water treatment plants at highly seasonal tourist destinations. Available data is not sufficient for a remote assessment of whether and how often tourism-focused ITPs have tackled this issue (which is hardly insignificant, given the importance of ensuring quality of the visitor experience) either directly or within planning alliances with overall programming processes.

interventions. These are followed by planning and studies, promotional and information campaigns, and business services: three categories that are similar in size, each absorbing between 1 per cent and 2 per cent of ITP interventions. It should be noted that there is little appetite for initiatives regarding research, personal services, and recreational and cultural activities. It is particularly surprising that this latter category is so poorly represented, considering that it is compatible with the aim of leveraging local resources for tourist purposes that many ITPs are pursuing.

More generally, Table III.7 reveals the small presence of intangible initiatives, both in terms of number and value, within the ITPs when compared with the rest of the regional programmes to which they belong. This quantitative evidence only partially reflects the difficulties that have been encountered, as documented in case studies, with regard to planning and implementing intangible interventions, particularly regarding active labour policies capable of generating synergies with other types of policy, to achieve local development goals.⁶¹ It is instructive to dwell a moment on the origins of such difficulties. One overly-simplistic hypothesis is that they can be ascribed to the inexperience and lack of skills at the local level. Although this is not always groundless, it is nevertheless a hasty answer. Direct, albeit fragmentary, evidence rests on a number of cases in which such interventions were originally well delineated in the project documents, but were not carried through to implementation, or were implemented using some other approach owing to resistance in the regional bodies responsible for evaluating and granting the requests for such activities within the ITPs.⁶² This kind of resistance is even more serious if we consider the fact that the overall mandate for general planning under ESF intervention for 2000-2006 (the fund explicitly intended to financing training and active policies) specifically called for special attention to be paid – at the Community rather than just national level – to local development needs.

⁶¹ This is in line with the findings of the independent mid-term evaluation of the Objective 1 CSF. See *Vision and Value* and *London School of Economics and Political Science*, Aggiornamento della Valutazione Intermedia del QCS Obj. 1 Italia 2000-2006, Chapter 5, pp. 353-535, *Il Ruolo degli interventi Immateriali nei PIT*, August 2006. This article may also be viewed on the web at www.dps.tesoro.it/qcs/qcs_valutazione.asp#risultatiAVQ

⁶² The update to the CSF mid-term evaluation by UVAL (*CSF Obj. 1 2000-2006 - Aggiornamento della Valutazione intermedia - Quadro macroeconomico e analisi dei dati di monitoraggio, parte IIA*) and the *Documento Strategico Mezzogiorno* both called attention to evident difficulties at the regional level in targeting resources on intangible interventions for human resources in a non-generic manner within the territorial projects.

Table III.7 Comparison between the characteristics of initiatives eligible for financing under the ITPs and ROPs, by thematic category

TYPE OF INTERVENTION	Percentage of interventions in category		Percentage of resources in category		Average value of interventions (euros)	
	PIT	POR	PIT	POR	PIT	POR
Works to protect and enhance environmental resources	6,8	2,9	12,7	10,3	739.174	726.761
Works to restore or conserve cultural resources	10,8	1,6	26,7	4,7	975.662	621.871
Transportation infrastructure	3,5	2,5	2,9	14,9	331.226	1.234.436
Physical networks (water, electric, sewers)	0,5	1,9	0,3	10,9	206.647	1.199.559
Infrastructure to serve agricultural production	0,2	0,4	0,2	2,5	351.448	1.293.488
Infrastructure to serve trade and industry	2,0	0,4	5,1	3,6	1.007.452	1.871.768
Urban infrastructure	2,3	0,6	17,2	3,5	2.895.999	1.219.258
Facilities for public and social services	0,3	1,2	1,7	2,3	2.334.408	403.784
Sports and recreational facilities	2,1	0,2	7,7	1,1	1.452.723	957.656
Total tangible works	28,5	11,6	74,3	53,9	1.031.618	954.253
Planning, studies and monitoring	1,6	4,0	1,3	4,6	325.613	234.555
Promotional, informational and marketing campaigns	1,6	1,2	1,7	1,8	419.254	301.115
Research	0,2	0,3	0,0	0,2	86.141	158.877
Business services	1,3	2,6	0,8	1,5	256.490	118.979
Personal services	0,2	1,9	0,1	1,2	178.352	133.573
Recreational and cultural activities	0,1	0,0	0,2	0,1	648.216	373.736
Training of public sector employees	0,1	0,7	0,0	0,2	25.282	74.929
Training of unemployed individuals	10,5	6,6	1,2	5,4	46.170	170.642
Training of employees	4,9	4,7	1,4	1,9	110.836	82.467
Employment services	0,7	4,4	0,5	3,0	303.580	140.477
Total intangible interventions	21,2	26,3	7,3	19,9	136.120	155.776
Transfers to individuals	0,0	4,0	0,0	1,2	na	60.707
Transfers to non-profit organisations	0,1	0,1	0,0	0,1	199.375	333.197
Transfers to businesses – research and innovation purposes	0,1	0,6	0,2	0,7	900.106	239.329
Transfers to businesses – environmental purposes	0,1	4,0	0,1	1,1	499.652	57.330
Transfers to businesses – employment/training/organisation purposes	0,0	0,8	0,1	0,8	844.175	203.017
Transfers to businesses – quality certification purposes	0,6	0,4	0,0	0,1	29.595	31.436
Transfers to businesses – general	49,4	52,1	17,9	21,9	143.618	86.732
Transfers to business consortia	0,1	0,0	0,0	0,3	101.183	1.426.409
Total private-sector transfers	50,4	62,1	18,4	26,3	144.268	87.228
Total	100	100	100	100	395.032	206.125

Note: The figures on ROP intervention and the calculation of associated percentages consider the programmes net of ITP initiatives.

Source: Based on MONIT data, updated as at 31 December 2007.

The third category of *direct transfers* to the private sector is dominated by so-called “general” aid to businesses (i.e. initiatives to support investment decided by enterprises rather than by programmers). This macro-type accounts for a smaller proportion of the ITPs than the ROPs, both in terms of the number of interventions and the amount of resources involved, despite the fact that the average size of each transfer is, a little surprisingly,⁶³ almost twice as high within the ITPs as in other ROP interventions. If we look at this from

⁶³ This information on the significantly above-average size of general business transfers under the ITPs is not easy to interpret. The best way to explain it would be to start with an examination of regional calls for applications for incentives, and the types of enterprise for which they were intended. More general calls targeted at micro-firms and artisan businesses may not have regarded the ITPs, as the difference they might have made would have been too small, whereas those associated with ITPs, owing to the clearer nature of the project of which they were a part, may have rewarded proposed investments with clearer goals, which only already well-structured businesses would have been capable of presenting.

a more general viewpoint, the relative low incidence of aid to businesses among the various initiatives – which is lower both in terms of number and overall value – compared with those existing under broader ROPs, confirms that the ITPs represented a trend reversal compared with previous negotiated planning experiences such as, in particular, the Territorial Agreements, where the relationship between aid and public works was roughly the inverse of that seen with the ITPs.⁶⁴

It is possible to extract further information from monitoring data that, indirectly, to some extent reflects how innovative ITPs have been by comparison with the rest of the regional programming system and the ability of regional governments to absorb this innovation and implement it. To this end, we introduce the concept of “coherent” projects to the analysis. In the conventional usage of the EU regional development community usage, this indicates a project that is included in the accounts of funded interventions, even if it was previously funded by other financing streams and was therefore originally defined within a different planning framework that is often (although not always) already being implemented when the Community programme begins. Alternatively, they may be associated with the programme at a later stage, precisely because implementation is under way. Projects that are “coherent” with programme measures and selection criteria are included in the reporting to the Community entity providing the financing in order to demonstrate progress in investments and payments in order to avoid the decommitment of resources. This purely accounting function is only temporary however: programme managers are required to utilize reimbursements received in respect of the progress made by “coherent” projects to finance new interventions of the same type. The extent to which “coherent” projects have been used therefore reveals the difficulties that programme managers have in initiating certain categories of projects in a timely manner, in compliance with the purposes and rules to which they are committed.

⁶⁴ This had already been noted (for the Basilicata and Sicily regions only) in the 2003 report on development policies; see DPS, *Rapporto Annuale 2003*, p.195.

Table III.8 Proportion of “coherent” projects among interventions financed through ITPs, by type

TYPE OF INTERVENTION	Total		Of which "Coherent"		Coherent share by category	
	number	value (euros)	number	value (euros)	% no. of interventions	% of resources
Works to protect and enhance environmental resources	578	427.242.564	84	36.860.585	14,5	8,6
Works to restore or conserve cultural resources	924	901.511.979	187	229.589.730	20,2	25,5
Transportation infrastructure	296	98.042.860	58	9.809.532	19,6	10,0
Physical networks (water, electric, sewers)	42	8.679.165	2	92.962	4,8	1,1
Infrastructure to serve agricultural production	18	6.326.057	9	1.091.177	50,0	17,2
Infrastructure to serve trade and industry	172	173.281.759	32	42.482.544	18,6	24,5
Urban infrastructure	200	579.199.743	19	157.849.307	9,5	27,3
Facilities for public and social services	24	56.025.793	2	4.705.744	8,3	8,4
Sports and recreational facilities	178	258.584.688	38	46.653.302	21,3	18,0
Total tangible works	2.432	2.508.894.609	431	529.134.884	17,7	21,1
Planning, studies and monitoring	138	44.934.570	9	2.590.668	6,5	5,8
Promotional, informational and marketing campaigns	135	56.599.228	2	482.885	1,5	0,9
Research	13	1.119.837			0,0	0,0
Business services	108	27.700.917			0,0	0,0
Personal services	20	3.567.042			0,0	0,0
Recreational and cultural activities	9	5.833.947			0,0	0,0
Training of public sector employees	9	227.537			0,0	0,0
Training of unemployed individuals	898	41.460.734	2	179.200	0,2	0,4
Training of employees	420	46.550.926			0,0	0,0
Employment services	61	18.518.400			0,0	0,0
Total intangible interventions	1.811	246.513.139	13	3.252.753	0,7	1,3
Transfers to individuals	0	0				
Transfers to non-profit organisations	6	1.196.248			0,0	0,0
Transfers to businesses – research and innovation purposes	6	5.400.634			0,0	0,0
Transfers to businesses – environmental purposes	8	3.997.212			0,0	0,0
Transfers to businesses – employment/training/organisation purposes	2	1.688.350			0,0	0,0
Transfers to businesses – quality certification purposes	51	1.509.324			0,0	0,0
Transfers to businesses – general	4219	605.922.796	12	7.952.401	0,3	1,3
Transfers to business consortia	12	1.214.199			0,0	0,0
Total private-sector transfers	4.304	620.928.765	12	7.952.401	0,3	1,3
Total	8.547	3.376.336.512	456	540.340.038	5,3	16,0

Source: Based on MONIT data, updated as at 31 December 2007

According to the data presented in Table III.8, recourse to this type of project was fairly limited within integrated territorial planning. In the Structural Funds monitoring system, the number of “coherent” projects attributed to the ITPs in the seven regions involved was just 431 for infrastructure interventions, which is the only category in which they represented a significant proportion. Overall, “coherent” interventions accounted for just over 5 per cent of total ITP initiatives, absorbing 16 per cent of authorised resources. This proportion is significantly lower (less than half) than that for “coherent” projects under other ROP interventions.⁶⁵

There is more than one way to interpret this information. The inclusion of “coherent” projects takes place at the programme implementation stage in order to tackle the need to

⁶⁵ The share of "coherent" interventions as a proportion of all ROPs (excluding ITP interventions) in the seven Objective 1 regions at 31 December 2007 was equal to 17.5 per cent of the total number of initiatives and 38 per cent of authorised resources.

ensure financial progress, even if figurative. The lower proportion of such projects within the ITPs indicates that they are a newer and more genuinely additional part of regional development programmes. At the same time, it can be interpreted as a sign that the ITPs represent an area of planning where participants have not given up in the face of difficulties in implementing interventions, in part because they are relatively small: a hard core of regional development policy that is less swayed by a purely financial rationale. This, in turn, can be attributed to the fact that the ITPs respond more directly to specific local needs, to which programme managers have taken on more explicit and more easily monitored commitments.⁶⁶ Once again, however, these observations concerning the ITPs should not be taken out of the context of broader considerations regarding the scope for modifying the programmes of which they are an integral part – a point that, in any event, lies at least partially outside the issue we are examining here.

One characteristic always highlighted by observers regards the large number of ITPs and, particularly, the fact that they have formally regarded aggregations of municipalities that cover virtually the entire territory targeted by the CSF action (for more on this, see the comments following the map in Figure III. 3). This incontrovertible fact – about which we shall have more to say later – is often also associated with the belief that precisely because it has been so widely adopted at territorial level, integrated planning has produced a significant dispersion of interventions. This rather superficial argument often cites the total number of projects financed under the CSF and reported through the official monitoring system as proof of a scattershot approach to financing.

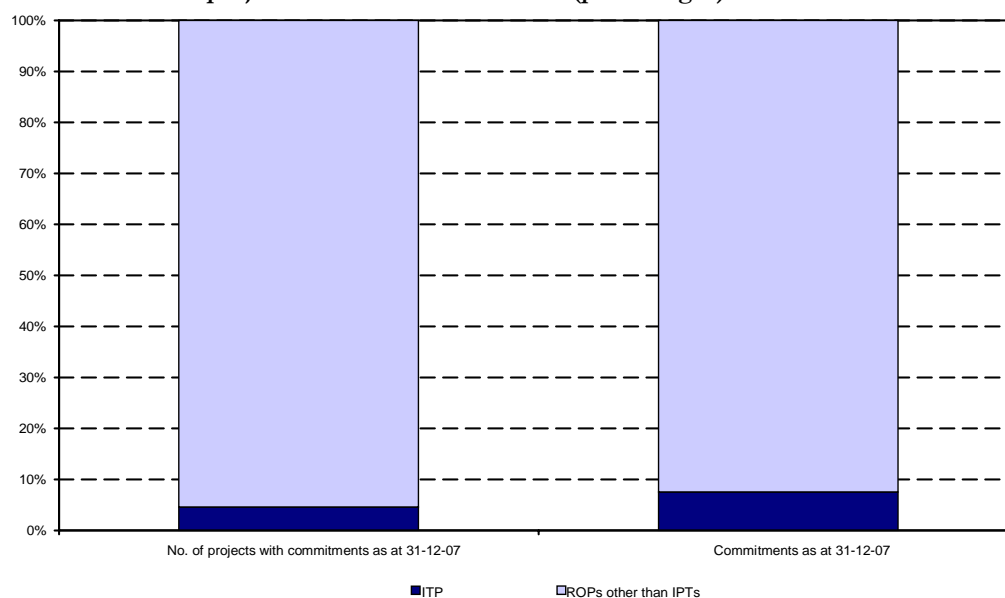
Although this may not be the most appropriate forum for examining the reasons why the number of CSF projects is so large⁶⁷ (it may in part be attributed to the significant

⁶⁶ In the absence of other constraints (on which we shall not dwell here as they regard the operational technicalities of Community programmes which may have more significance in some regional contexts than others), we would not expect to find "coherent" projects attributed to the ITPs in the official Structural Funds monitoring system, as the ITPs are not a material legal entity whose progress must be justified. However, it should be noted that in its mid-term review, the CSF does not require programme managers to complete implementation of ITPs within the timeframe established for implementing the Community programme, but, rather, request that programme managers ensure that such projects are completed even at a later date using other resources. In any event, the use of coherent projects in the ITPs does not appear to be a generalized phenomenon among programmes and, regardless of their more limited presence (which, as we have seen, underscores the efforts of programmers to innovate), it reflects in part the various explicit agreements struck between regional planners and local territories inasmuch as in the majority of cases the use of coherent projects in the ITPs has occurred after a formal promise to restore the additional financial resources in the future to the territories that contributed projects covered by other sources of funding to demonstrate the book progress of such programmes.

⁶⁷ Considering the official monitoring data from 31 December 2007, the number of projects financed under the CSF exceeded 243,000, of which over 237,000 are at a sufficiently advanced stage of implementation to include legally-binding commitments with entities outside government. The equivalent figure for regional programmes alone (ROPs) was over 180,000 projects financed, of which over 176,000 with commitments. Of these, as we saw in the tables presented earlier, ITP interventions numbered 8,547 (of which 8,043 with commitments).

proportion of transfers to businesses and human resource initiatives, along with the typically comprehensive manner in which the specialist rural development fund - EAGGF – acts, as its rules require), it is nevertheless worth clarifying that this large number does not appear to be a consequence of the ITPs themselves. Indeed, regardless of the validity of examining the issue of concentration solely by looking at the number of projects, it should be noted that according to monitoring data as at December 2007, ITP projects accounted for less than 5 per cent of all ROP projects, while at the same time accounting for a larger proportion of resources used (around 9 per cent in terms of financing and 7.5 per cent in terms of commitments – see Figure III.1).

Figure III.1 Distribution of projects and committed resources between the ITPs and other ROP projects as at 31 December 2007 (percentages)



Note: This figure presents the relative shares of projects attributed to the 147 ITPs recognised by the official monitoring system and other (non-ITP) projects under the ROPs. Compared with previous representations, this figure only considers interventions with commitments, which are more easily comparable between the ITPs and other programmes when one considers the absolute relative numbers. A calculation based on the total number of projects in the MONIT system would still generate essentially the same result.

Source: Based on MONIT data, updated as at 31 December 2007.

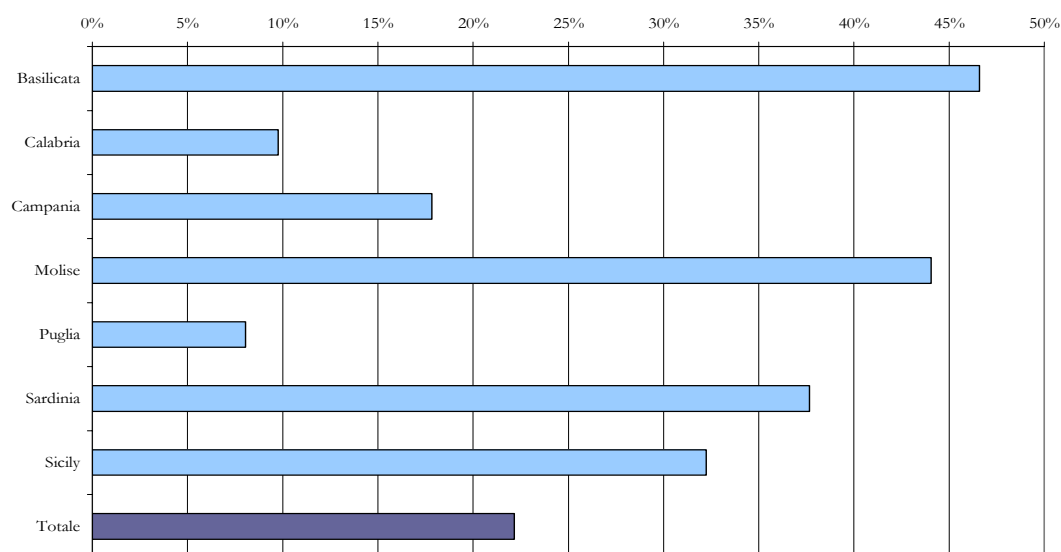
Note that the number of ITP projects as a proportion of the total is so small that even allowing for significant errors in classification (which are always possible in government-sourced data), and considering that projects that we know are part of integrated urban projects under way may not be identified through the monitoring system (which, if we make a broad estimate, may add another 300 or so individual projects), it is not objectively possible to affirm that the ITPs account for the large number of projects registered by the monitoring system. Furthermore, the larger average size of projects in certain major

categories perhaps suggests that, despite anecdotal evidence to the contrary, the alleged and questionable process of offsetting and supplementing of necessary ordinary investment plans has not been conducted primarily through the ITPs.

III.4 Expenditure by ITP projects at end-2007

The expenditure generated by ITP interventions is not a particularly precise indicator of the results yielded by projects, and, accordingly, may appear to be given disproportionate weight in the debate. In part, its value as an indicator of effectiveness is also diminished by the use of “coherent” initiatives, which contribute to the progress of expenditure despite the fact they do not always originate as part of an ITP.⁶⁸ Secondly, such projects are often low-impact interventions that, as they are easier to implement, generate payments earlier. More generally, the progress of payments is not always aligned with the progress that the project is capable of generating inside and outside the institutions.

Figure III.2 Percentage expenditure of resources allocated to the ITPs in Objective 1 regions as at 31 December 2007



Source: Based on data from the Geo-Referenced Monitoring System for the ITPs-DPS/Retenuvv, updated to 31 December 2007

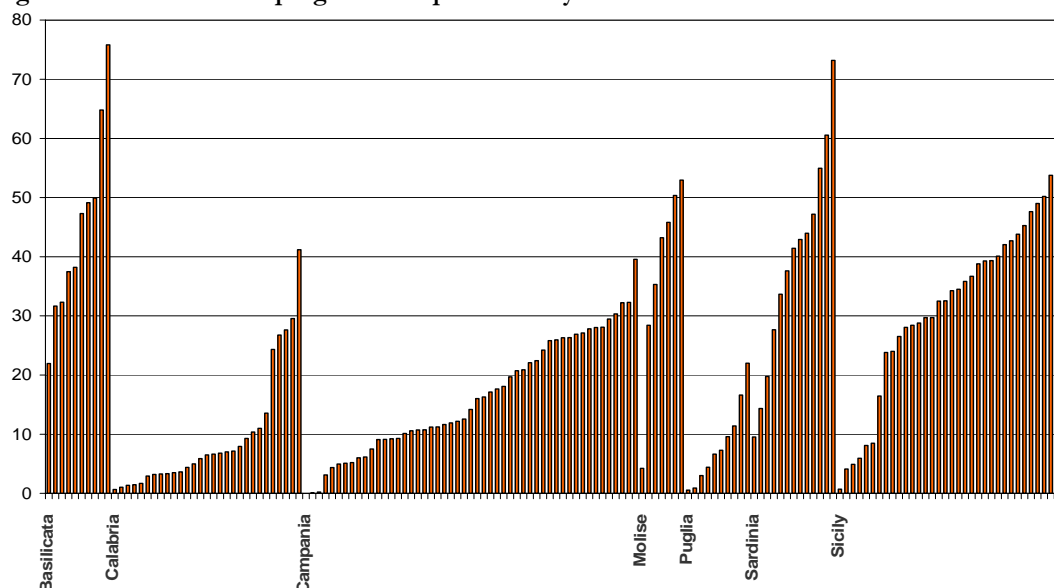
With these caveats,⁶⁹ Figure III.2 shows that at the end of 2007, spending on the 156 ITPs included in our analysis was equal to an estimated 20-25 per cent of the resources that were

⁶⁸ Although not necessarily. As more than one ITP draws on a multiplicity of sources of financing, it is in theory possible that some coherent projects attributed to ITPs are in fact true ITP projects, even if they were originally not conceived as projects to be implemented using Community funding.

⁶⁹ Another factor is the potential delay in transmitting payment data to the monitoring system, which has occurred in various cases.

originally allocated to these ITPs. This represents a payment progress level that, with all due caution concerning compatibility, is lower than the corresponding figure for the ROPs overall.⁷⁰ Ignoring a number of special regional circumstances that are best not addressed here, this fact should be interpreted in the same way as the low level of “coherent” interventions included in the ITPs. The obstacles of faced by the ITPs and their initiatives were all the greater the more innovative they were or, in other words, the greater the discontinuity they introduced into the context in which they were deployed. Moreover, the state of progress of various ITPs as evinced by the expenditure carried out in proportion to the public resources originally assigned to them varies from project to project at the end of 2007, reflecting differences in the periods in which they actually commenced (anywhere from 2003 to 2005), differences in the difficulties encountered along the way, and differences in the degree of the initial project’s maturity and completeness (Figure III.3).

Figure III.3 State of progress in expenditure by individual ITPs as at 31 December 2007



Note: The figure represents spending for each of the 156 ITPs included in the Geo-referenced Monitoring System as a percentage of public resources originally allocated to the project. Data refers to individual ITPs, grouped by the region where they have been implemented.

Source: Based on data from the Geo-Referenced Monitoring System for the ITPs - DPS/Retenuvv, updated to 31 December 2007.

⁷⁰ The corresponding spending figure for all ROPs (i.e., including initiatives that are part of the ITPs) at the end of 2007 amounted to 78.4 per cent of resources allocated. Excluding so-called "coherent" projects, the level of progress declines to 44 per cent. This comparison is limited in absolute terms by the fact that the implementation deadline for the ITPs does not coincide with the Community programme (as noted previously, the CSF allows for their completion at a later date), and, depending on the particular ITP, actual start-up came between 2003 and 2005, i.e. well after the operational start-up of the ROPs. Official monitoring data as at December 2007 shows that the resources allocated to ITP projects were significantly smaller than those originally envisaged in the project documents. If we look at the 147 ITPs in the MONIT system, overall costs eligible for financing amounted to around €3.4 billion, compared with originally planned resources of €5.1 billion. The difference of around €1.7 billion can be considered an early sign that planners decided to complete some of the ITPs after the formal closure of the ROPs.

It is more rewarding to examine the detail of expenditure trends in the various categories of intervention (Table III.9).⁷¹ The most significant types of project in terms of the contribution made to the progress of expenditure – which display the largest percentages in the second column from the right – are the same categories that accounted for the highest proportion of resources in Table III.7: cultural, urban and environmental infrastructure, and general transfers to enterprises.

Table III.9 Expenditure by ITP initiatives by theme, with breakdown of “coherent” projects

TYPE OF INTERVENTION	Resources disbursed					Memorandum item
	Expenditure as at 31 December 2007 (in euros)	Percentage progress in expenditure from resources allocated by category	Percentage of expenditure attributable to "coherent" projects	Percentage progress in expenditure by category net of coherent projects	Percentage share of category in total expenditure	Percentage of expenditure attributable to "coherent" non-ITP ROP interventions
Works to protect and enhance environmental resources	168.449.691	39,4	14,6	36,9	11,7	44,8
Works to restore or conserve cultural resources	450.489.088	50,0	39,0	40,9	31,3	39,8
Transportation infrastructure	51.587.800	52,6	16,1	49,0	3,6	81,6
Physical networks (water, electric, sewers)	3.169.930	36,5	1,5	36,4	0,2	60,2
Infrastructure to serve agricultural production	2.526.796	39,9	39,8	29,1	0,2	44,7
Infrastructure to serve trade and industry	77.607.404	44,8	44,5	32,9	5,4	38,2
Urban infrastructure	219.781.889	37,9	38,8	31,9	15,3	68,8
Facilities for public and social services	9.020.421	16,1	31,2	12,1	0,6	26,1
Sports and recreational facilities	92.412.475	35,7	39,4	26,4	6,4	62,4
Total tangible works	1.075.045.493	42,8	34,3	35,7	74,8	58,4
Planning, studies and monitoring	13.902.959	30,9	11,2	29,1	1,0	23,9
Promotional, informational and marketing campaigns	24.576.421	43,4	0,8	43,5	1,7	10,0
Research	563.310	50,3	0,0	50,3	0,0	21,2
Business services	8.103.191	29,3	0,0	29,3	0,6	10,3
Personal services	1.016.181	28,5	0,0	28,5	0,1	40,8
Recreational and cultural activities	3.347.121	57,4	0,0	57,4	0,2	0,0
Training of public sector employees	227.537	100,0	0,0	100,0	0,0	4,0
Training of unemployed individuals	19.366.450	46,7	0,0	46,9	1,3	28,0
Training of employees	13.717.011	29,5	0,0	29,5	1,0	22,0
Employment services	11.275.160	60,9	0,0	60,9	0,8	40,3
Total intangible interventions	96.095.342	39,0	1,8	38,8	6,7	26,1
Transfers to individuals	0	na	na	na	0,0	44,8
Transfers to non-profit organisations	778.610	65,1	0,0	65,1	0,1	58,2
Transfers to businesses – research and innovation purposes	2.343.066	43,4	0,0	43,4	0,2	26,8
Transfers to businesses – environmental purposes	1.781.899	44,6	0,0	44,6	0,1	4,0
Transfers to businesses – employment/training/organisation purposes	614.642	36,4	0,0	36,4	0,0	16,2
Transfers to businesses – quality certification purposes	336.038	22,3	0,0	22,3	0,0	12,3
Transfers to businesses – general	260.740.425	43,0	2,7	42,4	18,1	27,6
Transfers to business consortia	406.431	33,5	0,0	33,5	0,0	0,0
Total private-sector transfers	267.001.112	43,0	2,6	42,4	18,6	27,0
Total	1.438.141.947	42,6	26,2	37,4	100,0	43,4

Note: The column labelled “Percentage progress in expenditure from resources allocated by category” calculates the ratio between made by projects that fall within each thematic category, on the left, and the total value of projects eligible financed for that same category, as reported in Table III.6, under the “Total” column. The column “Percentage progress in expenditure by category net of coherent projects” calculates that same ratio for a subset of the same projects, obtained by excluding coherent projects. The column “Percentage of expenditure attributable to ‘coherent’ projects” indicates the proportion of the value stated in the first column, generated by payments made by coherent projects; for comparative purposes, the final column shows the proportion of expenditure attributable to coherent projects in the ROPs, excluding ITP projects.

Source: Based on MONIT data, updated as at 31 December 2007.

⁷¹ The table reports a lower absolute level of spending owing to the fact that it draws on the MONIT system as opposed to using the values implicit in the previous figures (sourced from the ITP Geo-referenced Monitoring System). Here, though, the overall percentage of spending appears to be higher, as it regards a smaller number of projects (only those at a more advanced stage of the administrative implementation process). The spending data only reflect problems that occurred after the actual financing of projects, rather than adverse developments that may have occurred earlier and prevented the actual financing of initiatives that were part of an approved ITP.

III.5 Strategic and organisational elements of the Integrated Territorial Projects

The distinguishing feature of the ITPs as an operational approach within the ROPs of which they are a part is the aim of organising with a unitary purpose groups of measures that would otherwise be selected on the basis of competitive criteria applied to the entire programme implementation area. In this type of project, however, the shared purpose of the initiatives is sought at the local level, in the sense that the project of which the individual measures form part is conceived in response to the needs and potential of a specific geographical area. The essence of the shared strategic objective of the project can be summarised as its “driving idea” or “mission”, i.e. the common thread – which the sponsors of each ITP are required to explicate – linking all the different regional models. This “mission” represents the composite objective, which in describing the change that the project seeks to bring about at the local level, enables the thematic or sectoral focusing of all the project initiatives.

Apart from certain general orientations set out in the Community Support Framework for the Objective 1 regions, the selection of the detailed areas of intervention designed to pursue the mission was not predetermined at the central level (which, however, did provide guidelines concerning which parts of the OPs should preferably be achieved through the ITPs). Rather, these were established through dialogue between regional and local interests. It is therefore unjustified, as many have simplistically done, to interpret the strategic choice encapsulated in the mission as the uncontrolled expression of local demands.

The ROPs establish numerous constraints on the goals that can be pursued and the initiatives eligible for funding within the ITPs. In addition, some of the ITPs can effectively be considered regional projects, implemented without any real devolution of management responsibility to local authorities. In other ITPs, the mission was formulated independently by local sponsors, but within a range of possibilities tightly restricted by the regional programming process.

In addition to following a path often determined at the regional level, the mission also had to take account of the expectations of local actors and the specific projects on which these expectations had already effectively crystallised. The disappointment of certain analysts engendered by the generic nature of many of these mission statements presumes that they had been defined prior to the specific identification of interventions, whereas in many cases their formulation came subsequently. In these circumstances, the function of the

mission was to fine the collective rationale for the initiatives ex post, identifying the basis of their integration.⁷²

Given this background, we can examine the thematic distribution of the missions of 97 ITPs⁷³ within the eight categories used by the Evaluation Unit Network (see Figure III.4).⁷⁴ This distribution is markedly skewed towards the tourism development, in the sense of initiatives to leverage local artistic, cultural and environmental resources whose economic potential has not been exploited satisfactorily: more than half of the projects classified fall under the “Tourism” category. This emphasis also appears in many ITPs that do not fully meet the criteria for inclusion in the category and, consequently, were not classified on a thematic basis owing to the greater generality and variety of their declared objectives. The only other significantly large category was industrial development, followed by urban development. By contrast, there were few ITPs focusing on rural development or environmental protection.

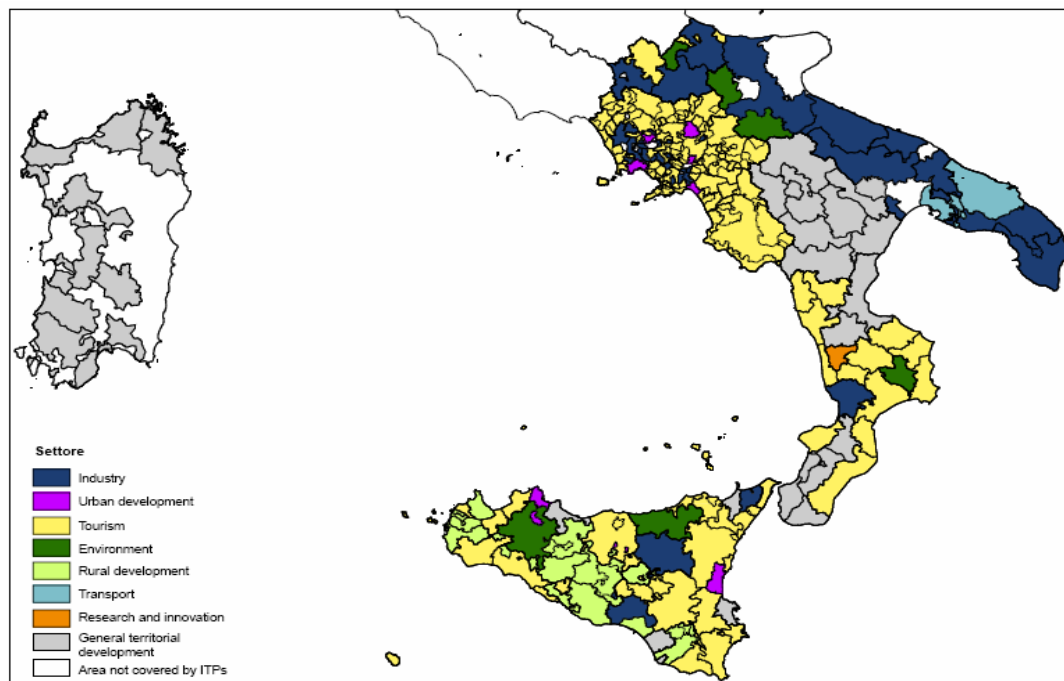
⁷² The conflicts and strains accompanying the definition of the projects are described with reasonable accuracy in FORMEZ (2003), especially in the introductory essay by Pier Carlo Palermo.

⁷³ It is not possible to classify the mission of the ITPs in the “area programmes” category referred to in Table III.2 because they were not focused on a thematic or operational basis but rather pursued the general goal of promoting local economic development. In the map in Figure III.3, the “area programme” ITPs are shown in grey with the label “general local development”.

⁷⁴ The classification was developed by UVAL in early 2003, when it was used in the reports delivered at the Agrigento conference of 6-7 February of that year and the Forum PA conference of 8 May 2004. The reports are available at: www.dps.tesoro.it/uval_doc_contributi.asp.

Subsequently, the classification was revised within the technical group of the Evaluation Unit Network, which conducts the geo-referenced monitoring of the ITPs of the Objective 1 regions.

Figure III.4 Thematic distribution of missions and location of the ITPs

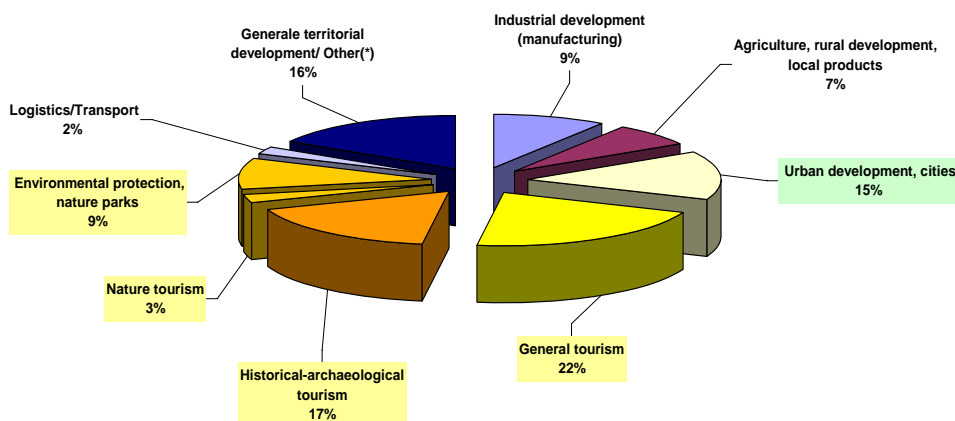


Note: The figure shows aggregations of municipalities covered by individual ITPs, differentiating them by the primary thematic objective in the mission set out in the project documentation. There were 97 ITPs for which it was possible to identify a clear thematic orientation in the mission. Even if it was not possible to identify a precise objective, ITPs that more closely resemble area programmes are also identified (under the classification “general local development”). The figure does not report urban projects carried out in the provincial capitals of Calabria and Basilicata, which overlap with other projects.

Source: Based on data from the Geo-Referenced Monitoring System for the ITPs-DPS/Retenuvv

Figure III.4 shows, above all, the subset of projects analysed by the ITP monitoring system for which a clear thematic choice was made. Even extending the same classification to a broader group of projects, including those that are not associated with well-specified or contiguous territories – and therefore excluded from the geo-referenced monitoring programme – the prevalence of tourism development as the project objective still holds (Figure III.5).

Figure III.5 Thematic focus of integrated planning funding under the Objective 1 CSF



(*) Includes two Information Society projects and one Internazionalization project

Note and source: the figure is drawn from the *Documento Strategico Mezzogiorno* (December 2005) and illustrates the thematic distribution of resources (not projects) originally assigned by the regions to various types of integrated planning mechanisms, as revealed by the survey conducted in 2005 for the Managing Authority of the Objective 1 CSF.

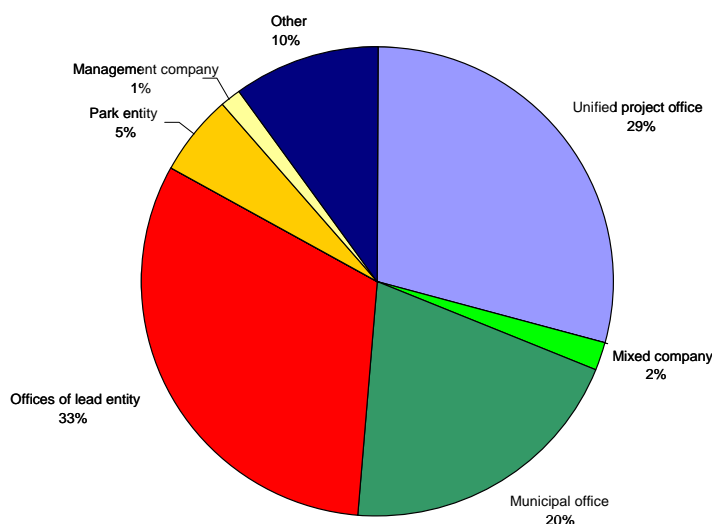
With the identification and adoption of a mission, an ITP ceases to be a mere package of measures and acquires an unified identity. Nevertheless, its operational procedures are not always comparable with those of a true project with regard to the implementation timetable, which is often lacking entirely or ignored; with regard to monitoring and assessment, which have received little – or at least inconsistent – attention from the entities financing the initiatives; and with regard to the management organisation, which in certain cases has been afflicted by uncertainty concerning operating resources and the responsibilities with which it has been charged. Practitioners and analysts have been slow to address management aspects, arguing – partly owing to a lack of experience – that the variables most decisive to the success of these initiatives are the strategic and thematic variables.

It is therefore a challenge to reconstruct the organisational and management choices made in developing these projects. The most accessible information on the ITPs as unitary projects concerns regulatory and procedural issues, which differed in each region and in any event evolved over the course of the programming period. Information on the ITPs considered as organisations, and thus information on the responsibilities and powers of their management bodies and on the project's human resources, is not always available, in part because these aspects were not always clarified by the planners themselves. However, this situation gradually stabilised over time, reaching its definitive shape about half way through the programming period. The data drawn from the Geo-

Referenced Monitoring System can be used to construct an overview, which is summarised in Figures III.6 and III.7.

The first of the two figures shows that about one third of the ITPs used the offices of the lead entity in the institutional coalition as their management base (generally, this was the lead municipality but provincial governments and mountain communities also filled this role). The unified project office – a management structure with greater delegation of responsibility – is the second most frequent arrangement adopted.⁷⁵ Assigning management responsibility to mixed private-sector enterprises controlled by local authorities such as those used to administer previous negotiated planning instruments was a rarer occurrence.

Figure III.6 ITP management arrangements



Source: Based on data from the Geo-Referenced Monitoring System for the ITPs - DPS/Retenuvv.

Despite a number of regulatory uncertainties concerning the legal status of the ITPs and the entities responsible for them (complicated by certain initially poorly defined choices by the regional governments), the following general situation can be discerned:

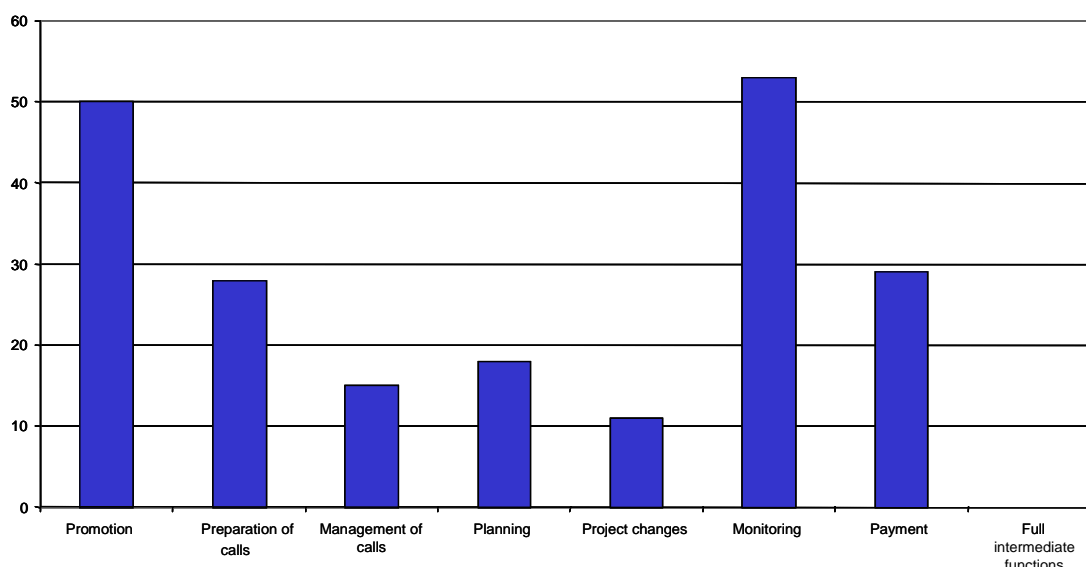
- in only a few cases did the regions entrusted management of the projects to existing entities (e.g. mixed companies or other independent entities) other than the traditional categories of public entity;
- by contrast, in a relatively large number of cases, management responsibility was delegated by municipalities to larger-scale entities in the legal form of

⁷⁵ See FORMEZ (2003c).

unions of municipalities or unified project offices. These were not-infrequent episodes of administrative innovation with potentially beneficial effects on the operation of local institutions reaching beyond the experience of the ITPs themselves.

The framework of skills and functions delegated to these offices is not entirely clear, probably reflecting the considerable diversity among the regions. In general, initial promotional functions and the collection of mid-term monitoring data were most commonly assigned by the regional authorities to local management offices. In only a few cases were these offices also charged with managing administrative procedures involving greater responsibility, such as selection of the actors that would be implementing the initiatives (i.e. call concessionaires, service providers or enterprises receiving incentives). None of the ITP management bodies enjoyed all of the management powers that are normally held by the regional governments, instead playing the role of what the European Union calls an "intermediate body". This is an important point. Regardless of the legitimacy of the regions' justification for taking this approach, any interpretation or evaluation of the ITPs must consider the regional governments – which fund the projects – as jointly responsible, together with the local coalitions, for the outcomes of the integrated projects.

Figure III.7 Functions assigned to the various ITP management organisations



Source: Based on data from the Geo-Referenced Monitoring System for the ITPs - DPS/Retenuvv.

Alongside their organisational and functional features, the ITPs can be qualified as integrated "territorial" projects by virtue of the participation of local entities (other than municipal governments) – public, quasi-public and mixed entities; individual and associated enterprises; private non-profit organisations – in the various stages of the projects. Central government did not provide clear indications concerning the involvement of the partners, nor did the regional authorities provide any extensive guidance beyond a number of procedural instructions. This is one reason that practice differed considerably from region to region and within individual regions. The case studies now available for numerous ITPs - rather than monitoring system data - give the best idea of the approaches taken in organising the participation of private-sector partners and the actual influence they had on the content of the projects and their implementation.

At a fairly general level, these studies show, as is often the case in this type of local development projects, participation is not always substantive, remaining in certain cases a merely formal exercise. Where there has been substantive participation, it was most intensive in the initial phase of the project life cycle, when the priorities for intervention and certain operations were defined. With the start of the implementation phase, real participation, including that of the initially most active partners, often waned. The import of this declining interest (which has also characterised other local development projects) is made all the worse by the fact that the implementation phase, as noted earlier, is often not limited merely to the execution of approved plans but also involves making decisions, some of great importance. Implementation difficulties often require the redefinition of the content of the projects, and this recasting of initiatives – which has a considerable impact on achievement of results – often takes place out of sight (due to the lower level of attention paid by stakeholders) of those who are effected by its consequences.

The identification of the actors participating in various capacities in the projects does not capture the intensity of that participation, its substance or the dynamic aspects of its evolution mentioned above. Nevertheless, it is interesting to observe (see Table III.10 and Figure III.8) which categories of partner entities are the most numerous. As this data has not been collected before, it is not possible to compare the figures on these partnerships with similar information for previous development initiatives.

As no comparison is possible, interpreting the data depends on the expectations that the individual analysts have formed on the basis of their own experience. In our view, for

example, it is surprising to see the individual participation within the coalitions of a significant number of for-profit enterprises. About 15 per cent of the partners surveyed are companies, with much higher levels in Puglia and Sicily. Work is still needed to identify the criteria used in deciding why certain enterprises joined the coalitions and others did not: was participation voluntary, was it based on their economic weight in the area, or their ability, as assessed by the competent public entities, to deliver sectoral skills in the areas covered by the project?

Table III.10 Distribution of ITP partners (other than local authorities) by category

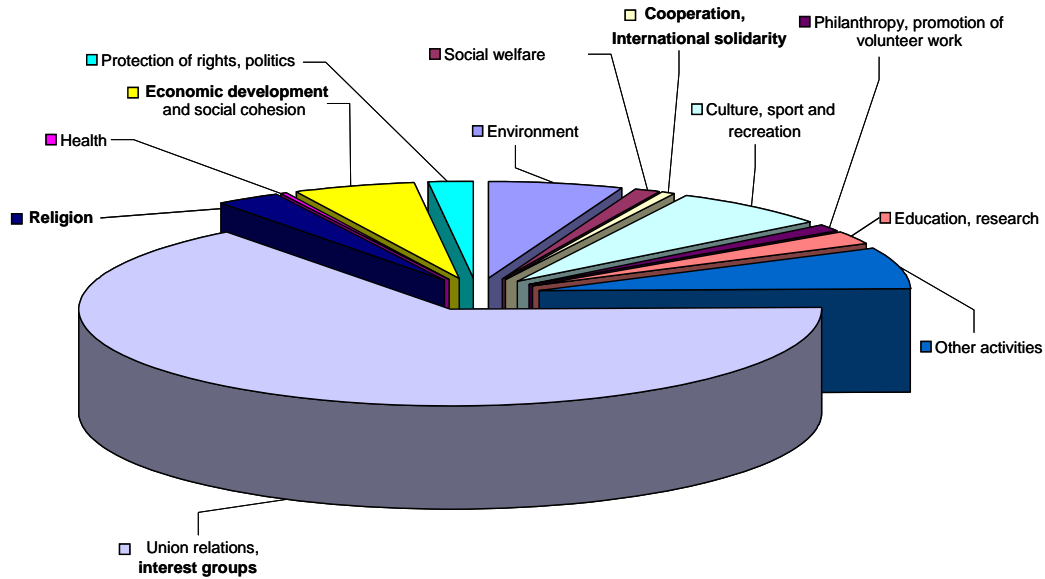
Region	Public entities	Enterprises	Non-profit organisations	Other/Unknown	Total
Basilicata	0	187	125	209	521
Calabria	36	29	262	1	328
Campania	99	19	428	160	706
Molise	9	45	26	4	84
Puglia	17	31	143	1	192
Sardinia	20	1	138	3	162
Sicily	148	92	447	35	722
Total	329	404	1,569	413	2,72

Source: Based on data from the Geo-Referenced Monitoring System for the ITPs - DPS/Retenuv.

Among private-sector participants, non-profit organisations dominate, as is to be expected. By definition, such entities share the collective interest goals of public entities. Figure III.8 reports the distribution of these 1569 organisations by their predominant purpose using a classification scheme adopted by ISTAT, Italy's national statistical institute.⁷⁶ The results show that organisations representing the business world and the professions account for the lion's share of such entities. Striking for their small number are organisations representing non-economic interests such as environmental associations, political or religious associations, groups with social welfare objectives and philanthropic entities, which as we know have a significant, well-rooted presence in the Mezzogiorno. In general, these civil society organisations appear overwhelmed by classic trade unions and professional and industry associations, which, thanks to the national scale of their operations, are therefore more familiar with the entire policy process, even where they may be inappropriate representatives of the specific, diverse needs of local areas.

⁷⁶ For example, see the occasional survey of non-profit institutions in Italy, ISTAT (2001).

Figure III.8 Structure of the partnership representing collective interests in the ITPs



Source: Based on data from the Geo-Referenced Monitoring System for the ITPs - DPS/Retenuv.

Despite a number of interesting exceptions, these data on the type of partners involved in integrated planning suggest that the approaches adopted in involving them in local-level projects tend to follow the template used at the broader national or regional levels. As a result, categories of associations and entities with knowledge that could be put to good use within the projects, both at the initial development stage and during the complicated implementation stage, appear to be underrepresented. The difficulty of ensuring such participation is similar to that found for other aspects of the approval and management of the ITPs, namely adopting approaches to the construction and selection of projects that do not treat everyone in the same generic manner, but rather are capable of adapting plans to the special needs of each territory. Case studies demonstrate that the failures of certain ITPs often hide a failure to uncover the most important needs and interests at stake and to identify the entities capable of making a constructive contribution, failing to involve them in the project.

IV. Continuity and discontinuity between the ITPs and previous local development experience: ideas, people and territories⁷⁷

IV.1 The ambivalent significance of continuity in local development

Through the 1990s, the experience of local development policy in Italy was both intense and complex, absorbing a substantial amount of human resources and a non-negligible volume of financial resources. For the 230 Territorial Agreements alone, more than two-thirds of which located in the South, some €5.5 billion in public funds were made available, mainly in the form of aid for businesses. As we sought to show in the introduction, the financial resources deployed in local development policy, which, while significant, did not play a predominant role within the framework of regional policy as a whole, do not take account of the time and energy that local development in the 1990s required and mobilised. In terms of timing, the proposal to launch the Integrated Territorial Projects as part of the 2000-2006 programming cycle came in the wake of this experience and has been interpreted by many – albeit with some distinctions – as an effort to lend continuity to the approach to local development within the new European programming process.

The actors involved in local development experiences – despite significant differences that depended on their original missions – viewed the essence of that approach as the extensive delegation to the local level of responsibility for proposing and managing the various interventions, with a clear thematic focus on providing direct support to businesses and a high degree of involvement of the private sector (which, in the case of the Territorial Agreements, on occasion went so far as to actually substitute private actors for local authorities in their key roles of defining strategies and initiatives for territorial development).

However, these expectations were not entirely met. Continuity between negotiated planning in the 1990s and integrated planning for the 2000-2006 period was only partial and not always obvious, in the sense that a number of processes (both planning and institutional) were formally interrupted, although many of the past needs and resources were channelled into the new local development instrument. So, in what terms, and to what extent, can we speak of continuity between the local development of the 1990s

⁷⁷ This chapter was written with the invaluable assistance of Giuseppe Di Giacomo to whom I wish to express my sincerest gratitude. Certain portions of the analyses were presented in the 2004 Annual Report of the DPS and in the work presented by T. Bianchi and G. Di Giacomo at the 2005 AISRE convention for the paper *Continuità e contendibilità della leadership dei Progetti Integrati Territoriali: un'indagine empirica*.

and the ITPs? And to what extent have the ITPs contributed to the process of accumulation or “sedimentation”, at the local level, of skills and capacities that is so dear to local development experts?

The following discussion draws on empirical evidence to present elements of possible responses. Once again, it will be an interpretation that is both complexly structured and, as always in such matters, partial. To provide a framework for interpreting such a highly relevant issue (in that it concerns the systemic capacity for learning from and capitalizing on past experience, while at the same time tackling the need for renewal, which is a crucial issue in these policies), we first propose a reference vocabulary to help bring order to the concept of continuity.

Simplifying, we can distinguish between three types of continuity, which forge links over time between projects past and present, while fostering the accumulation of skills and the stability of relationships and expectations within each territory:

- continuity in project content;
- continuity of people;
- continuity in the territorial scope of planning.

In what follows, we will focus exclusively on the latter two, ignoring the first, for which there is some subjective evidence but not enough information to describe and measure the phenomenon.⁷⁸

Many practitioners and analysts argue for continuity in the belief that it can enhance project quality and the functioning of the institutions responsible for implementing such projects. It is reasonable to think that stability in certain elements of local development policy should promote an improvement in technical skills, which, in a context of relative certainty, can be retained and leveraged in the same areas that generated them. Similarly, continuity in

⁷⁸ While difficult to measure at the aggregate level, content (or strategic) continuity becomes of obvious importance when examining individual cases. The strategic content of past projects influences the decisions made in the present each time certain project ideas that are proposed but not acted upon, and on which a foundation of consensus and expectations throughout the territory have formed, are taken up again and included in new projects. In other cases, the past project influences the content of current projects by way of an inverse mechanism, i.e. when projects seek to set themselves apart from past experiences that were seen as defective in method or content. One interesting form of connection between the content of projects past and present has been described in relation to the integrated urban development projects launched as part of the programming of the 2000-2006 Structural Funds, in the UVAL report to the monitoring committee of the Objective 1 CSF (UVAL 2003). The report argues that selection of the neighbourhoods for intervention is influenced by the urban development projects implemented under past instruments such as the PRUSSTs or the Community's Urban initiative, in the sense that the neighbourhoods involved in the urban ITPs, in a form of "turnover" guided by the city administration, are often those that were not involved in the previous projects.

the territorial areas covered by plans and stability in institutional arrangements enable make it possible to perfect the plans over time and to avoid starting from scratch every time procedures and coalitions are created. At the same time, the risk of excessive immobility in institutions and in the positions of strength of the individuals that lead them must not be underestimated. Many consider a degree of spontaneity and initiative to be an integral part of the approach to local development, ensuring the flexibility needed to foster the “new”, but which is not always compatible with the institutionalization even of the most effective experiences. If continuity becomes permanence and consolidation of organisations with unassailable positions that are not periodically legitimized from below and are immune from periodic verifications of their functionality, such continuity reduces the incentives for efficiency and increases the likelihood that the resulting organisations will limit themselves to the unproductive intermediation of resources.

The analysis of continuity and discontinuity does not assume an unambiguous view of the advantages and disadvantages associated with each of the two extremes. Indeed, better understanding and measurement of continuity and permanence over time within local development policies can help to clarify both how best to face the risks connected with the current context, and to maximize the potential for skills accumulation at the same time.

Having grasped the importance of this need, in 2004 a survey was conducted of people in leadership positions within the integrated territorial planning process. To begin, we start with the responses given by the people occupying these positions within the ITPs in the regions of southern Italy to a question concerning the legacy of the negotiated planning experience within the projects for which they were responsible. The data summarised in Table IV.1 below are drawn from the questionnaire used for the ITP manager survey, discussed in the following section.

Table IV.1 Continuity between local development experiences. *What did the ITP inherit from previous local development initiatives within the same territory?*

	All	Initial Promoter	Project Specialist	Institutional Representative	Project Manager
People currently working on an ITP	87	21	26	29	28
Basic strategy decisions regarding territorial development	205	41	58	66	80
Specific projects or actions	112	19	31	41	44
A territorial area concerned	204	43	66	68	73
None	21	3	6	13	5
Total	629	127	187	217	230
People currently working on an ITP	14%	17%	14%	13%	12%
Basic strategy decisions regarding territorial development	33%	32%	31%	30%	35%
Specific projects or actions	18%	15%	17%	19%	19%
A territorial area concerned	32%	34%	35%	31%	32%
None	3%	2%	3%	6%	2%
Total	100%	100%	100%	100%	100%

Note: The question was answered by 143 people stating that they had had previous experience in the local development field. Those surveyed could select from 1 to 4 of the responses offered, which is why the number of answers exceeds the number of people surveyed. The answer “nothing” was allowed even though it was not actually one of the responses listed.

Source: Based on data from the ITP manager study *Indagine sui gruppi dirigenti della progettazione integrata territoriale* (DPS, 2004).

As the data from the study shows, in the eyes of those involved in integrated planning, all three forms of intertemporal continuity between projects would appear to be present. The most important form appears to be continuity in content, which for ITP managers signifies its fundamental strategic elements, rather than specific projects or initiatives being implemented at the time of the survey and which had been conceived within the scope of the previous local development experiences. Those surveyed also attributed considerable importance to the territorial areas involved in programming, which, in some cases – as we will see below – coincide with those for which the previous local planning was carried out. The importance of continuity in the form of involvement in the ITPs of the leading actors negotiated planning was less strongly felt.

In the next two sections, we take a closer look at continuity in human resources and territorial areas, drawing on the evidence provided by this survey, as well as other sources. As we will see, not all of the information gathered coincides with the views of ITP managers.

IV.2 The individual paths of the leading actors in local development and their skills

As noted, the issue of continuity is connected with that of building the professional skills needed for local development by the assumption that stable institutions encourage investment in skills, their conservation and their use within the system. Nonetheless, even

when projects are interrupted or replaced under policy that favours discontinuity, this interruption does not imply that the skills created are lost. If, rather than being dissipated, the skills should migrate to other organisations in the local development universe, such as from mixed enterprises to government, this could even lead to a net increase in system efficiency, as a result of an improved distribution of the skills themselves. The likelihood that the positive effects should outweigh the negative is dependent both on the existence and effectiveness of a market for these types of skills within the context of local development and on the transferability of such skills.⁷⁹

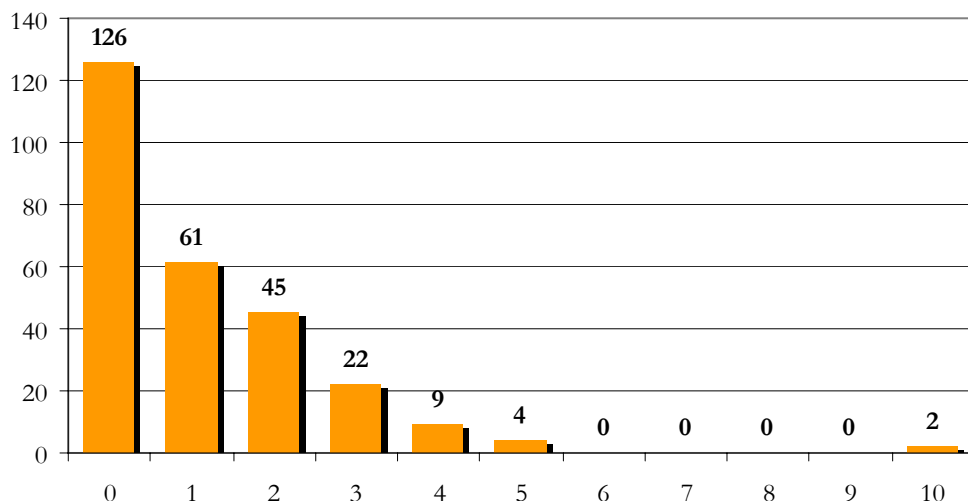
In the autumn of 2004, in order to build an initial set of data to address these complicated issues, the Department for Development Policy conducted a survey of ITP managers in seven regions of southern Italy, consisting of a telephone survey of 269 people in key positions in integrated territorial planning.⁸⁰ In addition to general information and a number of subjective assessments, the questionnaire asked for detailed information concerning any previous experiences in local development projects. Some of this information, which is summarized in the tables and charts provided below, have served to form an overview of the human resource continuity between the ITPs and the previous local development instruments.

The first information we can draw from the survey is a quantitative measure of the involvement within the ITPs of people who had prior experience with local development projects or negotiated planning. The survey findings show that nearly half (47 per cent) of those surveyed said they had had no such prior experience, whereas, among those who said they had (53 per cent), it was not uncommon for such people to have had more than one relevant experience (see Figure IV.1).

⁷⁹ The recent work of Andriolo et al. (2007), which also reconstructs the professional path followed by a number of key players in the field of local development, makes a convincing distinction in this regard. When it is of a political or relationship nature, *leadership* is referred to as “local”, i.e. not transferable to other contexts or other territories. When it is tied to more general knowledge, such as rules and theories, it is referred to as “cosmopolitan” in order to underscore its transferability.

⁸⁰ These positions, which corresponded to actual people, were selected with the help of the local development task force of FORMEZ. The study sought to cover the entire ITP management universe in southern Italy. A total of 314 managers were identified. With 269 interviews, the degree of representation achieved can be deemed satisfactory.

Figure IV.1 Prior experience of ITP managers. *In addition to the ITP for which you are replying now, do you have other significant work experience in local development projects or negotiated planning? How many such initiatives were you involved with? 1 ... 10.*



Note: The figure shows the results for all 269 people interviewed. The frequency of 0 indicates the number of those surveyed who said they did not have any prior experience, while the other frequencies indicate the number of experiences, from 1 to 10, and the corresponding total of those surveyed who said they had had that number of experiences.

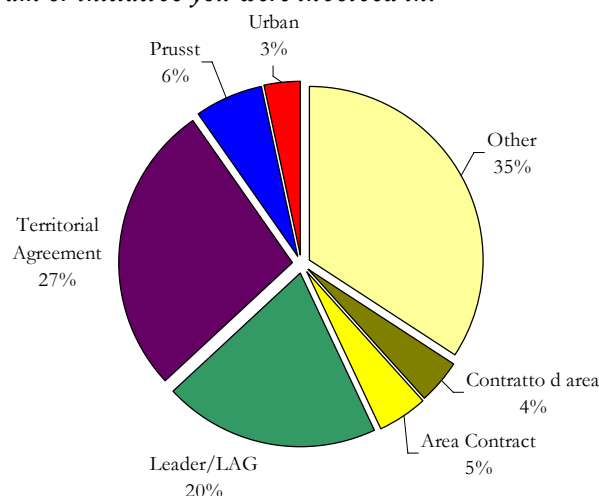
Source: Based on data from the ITP manager study *Indagine sui gruppi dirigenti della progettazione integrata territoriale* (DPS, 2004).

This shows that the launch of the ITPs marked an effective break, or departure, from the policies of the previous decade by bringing individuals with different backgrounds into the system in positions of responsibility. Therefore, a certain degree of continuity in personnel has been achieved, but likely to a lesser extent than would have been expected by those who saw the ITPs as an opportunity to take leverage the experience of the leaders from the previous period of negotiated planning.⁸¹

Nonetheless, the degree of continuity is not negligible. Among the past experiences cited we find the entire range of previous instruments used (see Figure IV.2).

⁸¹ This varies significantly among the regions, whose rules and procedures heavily influenced the access of the leaders of negotiated planning to the positions of responsibility within the ITPs. A breakdown at the regional level would point to a high degree of discontinuity in Campania, where many projects are led by public managers and officials, in contrast to regions such as Sicily and Molise.

Figure IV.2 Types of experience of ITP managers. *Please indicate what type of project, program or initiative you were involved in.*



Note: This question was asked of the 143 people who reported they had held positions in previous local development projects or initiatives. The percentages refer to the total of all initiatives mentioned by each. The question asked to categorize the initiatives after they had been named.

Source: Based on data from the ITP manager study *Indagine sui gruppi dirigenti della progettazione integrata territoriale* (DPS, 2004).

As concerns the type of projects in which those surveyed had prior experience, Figure IV.2 shows that there is a preponderance of experience within the Territorial Agreements and LEADER projects, which were the two main local development initiatives in the 1990s. Less frequent were the Urban and PRUSST development projects, whereas the broad “Other” category is an indicator of the diversity of local development projects, implemented under regional or sectoral legislation, that have contributed to the establishment and success of this particular “profession”.

The ITP management survey went into considerable detail concerning the role of those interviewed within the ITPs and the duties and activities they performed in the past projects.⁸²

⁸² The role played is defined by the main functions carried out within the project as follows:

ROLE	1) Initial promoter	2) Project specialist	3) Institutional representative	4) Project manager
Functions performed	<ul style="list-style-type: none"> • Increasing awareness among local actors of the opportunities • Initial architecture of the coalition • Formulating project mission 	<ul style="list-style-type: none"> • Translating the general development strategy into a project • Executive planning • Analyzing engineering and financial aspects 	<ul style="list-style-type: none"> • General responsibility for implementation • Mediation between local authorities • Institutional relations with the regional government 	<ul style="list-style-type: none"> • Administrative and control procedures • Personnel management • Reporting and monitoring

These roles were attributed to those interviewed with the help the regional local development task forces of FORMEZ as part of the process of defining the roles. The interviewees were not made aware that they had been classified in one of these categories. In certain rare cases, certain ITP leaders were assigned to more than one of these functional roles.

This approach generated information not only on the number of people that came to the ITPs with prior local development experience, but also on the type of skills that they brought with them. Four role categories for ITP management were defined: Initial Promoter; Project Specialist; Institutional Representative; and Project Manager. Those surveyed were assigned to these roles by those administering the survey prior to conducting the interviews.

Table IV.2 shows that managers acting as “project specialists” in the ITP were more likely to have had past professional consulting experience in the projects in which they were involved previously. These “project specialists” are undoubtedly those who bring the most “technical” skills, which are less specific to the given territory. Their skills are also more transferable from one project to another, regardless of the different procedural characteristics of the various lines of funding. Generally speaking, and in consideration of other responses to the survey, the professionals with the most technical roles tend to continue in such roles over time, even when migrating from one project to another.

Table IV.2 Distribution of roles held in previous initiatives. *What position did you hold in your previous local development or negotiated planning experience?*

	All	Initial Promoter	Project Specialist	Institutional Representative	Project Manager
Occasional collaboration/consulting	169	25	89	22	79
Management	105	36	24	27	48
Employee	18	0	6	3	11
Total	292	61	119	52	138
Occasional collaboration/consulting	58%	41%	75%	42%	57%
Management	36%	59%	20%	52%	35%
Employee	6%	0%	5%	6%	8%
Total	100%	100%	100%	100%	100%

Note: This question was asked for each of the initiatives identified. The sum of the responses attributed to each role is greater than the total because a number of managers held more than one position.

Source: Based on data from the ITP manager study *Indagine sui gruppi dirigenti della progettazione integrata territoriale* (DPS, 2004).

There are also significant differences between the various roles with regard to other information gathered on the various functions and on the activities actually performed during previous projects (see Table IV.3). In general, however, even with a marked degree of specialization in functions, the study also shows that the division of labour is not absolute, with managers involved in various types of activity.

Table IV.3 Distribution of activities actually performed. *In practice, what types of activity did you perform?*

	All	Initial Promoter	Project Specialist	Institutional Representative	Project Manager
Coordinating consulting work	85	11	33	19	40
Negotiation	69	16	22	23	45
Organizing promotion meetings	132	32	51	28	52
Organizing meetings and contacts between partners	139	47	41	32	58
Gathering and providing information on implementation	44	13	21	4	10
Drafting project documentation	173	30	92	14	73
Selecting initiatives	84	19	37	11	36
Total	726	168	297	131	314
Coordinating consulting work	15%	16%	15%	16%	15%
Negotiation	11%	15%	7%	12%	12%
Organizing promotion meetings	17%	21%	16%	20%	16%
Organizing meetings and contacts between partners	22%	25%	18%	26%	20%
Gathering and providing information on implementation	13%	0%	14%	10%	14%
Drafting project documentation	13%	15%	20%	6%	15%
Selecting initiatives	9%	8%	10%	10%	9%
Total	100%	100%	100%	100%	100%

Note: The question was asked for each of the past initiatives identified. The choices were read in random order, and the respondent could specify up to three.

Source: Based on data from the ITP manager study *Indagine sui gruppi dirigenti della progettazione integrata territoriale* (DPS, 2004).

However, the ITP managers who play a project specialist role stand out from the “initial promoters” and “institutional representatives”, who, in their work on previous local development projects, placed greater emphasis on activities that were more relationship oriented. For these two categories, their contribution to integrated planning is distinguished by this capacity to mediate between different objectives and powers, but also by a wealth of fiduciary relationships that would not be applicable in other territories or other contexts. Conversely, the project manager is more closely resembles the project specialist in this regard. However, the former's experience is broader, ranging from knowledge of procedural and reporting aspects to drafting documentation and managing meetings. The different degrees of transferability to other territories and other contexts of the various types of expertise is demonstrated in Table IV.4, which shows the answers to the question – asked only of those with prior experience – concerning whether the current ITP and the previous projects were located in the same territory.

Table IV.4 Territorial mobility of ITP managers with prior experience in local development instruments. *Did the territory in which this instrument was implemented coincide, even in part, with that of the ITP on which you are currently working?*

	All	Initial Promoter	Project Specialist	Institutional Representative	Project Manager
NO	115	24	58	6	55
YES	178	38	61	46	75
Total	293	62	119	52	130
NO	39%	39%	49%	12%	42%
YES	61%	61%	51%	88%	58%
Total	100%	100%	100%	100%	100%

Note: This question was asked for each of the 293 initiatives identified.

Source: Based on data from the ITP manager study *Indagine sui gruppi dirigenti della progettazione integrata territoriale* (DPS, 2004).

The more detailed information regarding characteristics of the functions performed by each category of ITP manager also helps clarify which aspects displayed greater continuity with previous local development instruments, as the data shows rather clearly that the human resource continuity was stronger in certain roles than others (see Table IV.5). Whereas 60 per cent of the project specialists and project managers had prior experience in this field, 65 per cent of institutional representatives stated that this was their first experience. Therefore, the main discontinuity introduced with the ITPs appears to have mainly concerned the institutional representatives, who are also those with the greatest formal authority over the projects. This first piece of concrete evidence, together with the other data, would seem to confirm not so much (or not only) the renewal of institutional representatives, but also the greater presence of such figures among the key actors in the ITPs.

Table IV.5 Continuity and change in local development experience for ITP managers by role. *In addition to the ITP for which you are answering now, do you have other significant work experience in local development projects or negotiated planning?*

	Total number			Percentage		
	NO	YES	TOTAL	NO	YES	TOTAL
Initial Promoter	21	29	50	42	58	100
Project Specialist	31	50	81	38	62	100
Institutional Representative	62	33	95	65	35	100
Project Manager	38	59	97	39	61	100
ALL	152	171	323	47	53	100

Source: Based on data from the ITP manager study *Indagine sui gruppi dirigenti della progettazione integrata territoriale* (DPS, 2004).

The role of “initial promoter” of projects is an important vehicle in the transition between different local planning experiences in the same territory in that, precisely because of such prior experience, these actors can lend the credibility they have accumulated at the local level to new coalitions, as well. The specific contribution of this category would appear,

above all, to be their skills in mediation and persuasion, together with the personal relationships they have established. The figure that emerges is that of a person with close ties to a given territory and thus one with skills that are less transferable outside of that area than for the two more technical categories covered by the study (see Table IV.6).

Table IV.6 Relative importance of the various skills gained in prior initiatives by role held in the ITP. Which skill acquired during past experience in negotiated planning or local development is the most useful in the work you have done for the ITP?

	All	Initial Promoter	Project Specialist	Institutional Representative	Project Manager
Ability to manage meetings and mediate proposals	104	20	35	27	43
Procedural knowledge	94	22	33	19	39
Planning knowledge	101	18	40	19	40
Personal contacts	45	12	14	11	19
Economic/accounting knowledge	33	5	11	5	16
Other	1	0	1	0	1
Total	378	77	134	81	158
Ability to manage meetings and mediate proposals	28%	26%	26%	33%	27%
Procedural knowledge	25%	29%	25%	23%	25%
Planning knowledge	27%	23%	30%	23%	25%
Personal contacts	12%	16%	10%	14%	12%
Economic/accounting knowledge	9%	6%	8%	6%	10%
Other	0%	0%	1%	0%	1%
Total	100%	100%	100%	100%	100%

Note: The question was answered by the 143 people who stated that they had had previous experience in the field of local development. Those surveyed could select up to three of the responses offered, which is why the number of responses exceed the number of people surveyed.

Source: Based on data from the ITP manager study *Indagine sui gruppi dirigenti della progettazione integrata territoriale* (DPS, 2004).

The skills that had the greatest degree of transfer from negotiated planning to the ITPs were those of project managers and project specialists, who both have experience with the procedural operation of projects but differ in that project managers have greater negotiation skills, while project specialists excel in drafting documentation and in their project development knowledge.

On the whole, the study paints a dynamic picture of the human resources involved in the local development process, showing above all that the continuity obtained through people and their past experience was no coincidence, and that it was stronger for technical skills proper rather than the more idiosyncratic relationship element of projects. Those who transitioned into this new phase were those who had the most transferable skills: first and foremost, those who understand the general “project method”, regardless of the specific requirements of each funding instrument; and second, those who see negotiation and relationship skills as a technique that can be learned and applied in a variety of contexts.

IV.3 Stability of territorial scope: the boundaries and scale of local development planning

In local development, any form of capitalizing on past experience requires that something remain unchanged from those experiences. Many observers feel that an appropriate form of continuity is the permanence over time of stable territorial areas to which to apply sequential planning exercises, thereby creating a climate of certainty and convergent expectations among those involved, while also enabling the informed evolution of the projects themselves. To the extent that the identity of the territories involved corresponds with the identity of the related institutions, such stability would also make it possible to take advantage of the areas of negotiating equilibrium achieved in the past and to revive procedures of proven efficacy, thereby achieving clear savings in both time and effort.⁸³ In general, however, it is not easy to establish an unambiguous connection between territorial continuity and overlap of the coalition involved in the local development projects. There are at least two significant issues in these cases. First, unless the territorial area truly coincides with a given administrative authority (as often occurs for urban projects, for example), it is unlikely that there will be an exact match in the coalition between one project and the next, even when the territory is the same, because the projects never involve the interests of the entire population of actors in the area. Given the “crowding” of institutions and organisations in each territory, the stability of territories in planning is a facilitator of continuity in coalitions, but in no way ensures it.

Furthermore, certain important elements of continuity can, at times, exist between territories that are only partly the same from one project to the next. In cases in which a certain degree of overlap, or continuity, is found, how it is interpreted will be a function not only of the theory one adopts (concerning interaction between geographical and institutional aspects of the development initiatives), but also of the aforementioned empirical elements. It follows, then, that one must exercise great caution in interpreting this continuity as an indicator of progress along an institutional or collective learning curve. Moreover, stability in the territorial scope of planning cannot be considered an absolute value in itself or always predominant with respect to other values. Although there are fairly strong theoretical arguments in favour of a degree of stability over time in the territorial scope of planning – positions with which we would tend to agree - one

⁸³ Natali (2007) takes a similar viewpoint in a positive rather than normative sense in describing some of the decision-making processes seen within certain ITPs. The project decisions cannot be understood on their own, isolated from a developmental process in which it contributes to governing a system of relationships in which decision-making is a process conducted over an extended period of time (p. 10).

must not forget the institutional and practical difficulties that do not facilitate it.⁸⁴ This therefore prompts a reassessment of traditional administrative areas as planning areas, even if this is to be interpreted with a certain degree of flexibility, so as to preserve the best methods developed within the scope of local development planning.

The analysis that follows seeks to verify the degree of stability in the territories involved in ITP planning compared with the two main forms of local development initiatives of the recent past – i.e. the Territorial Agreements⁸⁵ and the LEADER projects⁸⁶ – considering those initiatives that were the most mature and which had a sufficiently long implementation phase, as such initiatives are the best suited to testing the assumption whereby any continuity could point to some form of development or learning.⁸⁷ The reasons we selected only these two project families are as follows:

- they had a high degree of significance in terms of the number of projects and the resources committed;

⁸⁴ There are alternative sectoral approaches to that of local development that undermine the rationale of stable in planning areas, which the planners would like to be unique, permanent and not overlapping. When addressing sectoral or thematic objectives for which a given territorial scale is most rational or effective, the local development method, which in and of itself lacks any sectoral content, tends to embrace the appropriate scale. This of course will differ depending on whether the projects focus on industrial development or on restoring balance and cohesion within the regions, or on the protection and development of natural resources. Consequently, only by taking a generalist, purely methodological point of view is it possible to identify capacity building and institutional learning with the stability of territorial scope. When subsequent local development projects change their sectoral objectives – a frequently occurrence in the transition from negotiated planning to the ITPs – it is understandable that the identifying the most appropriate territory from a sectoral point of view should take priority over methodological continuity.

⁸⁵ The Territorial Agreements are a negotiated planning instrument that forges agreement among the various local actors concerning the implementation of a program of integrated actions in the fields of agroindustry, services, tourism and infrastructure (see the CIPE resolution of 21 March 1997).

⁸⁶ The European Community's "LEADER" (Liaisons Entre Actions de Developpement de l'Economie Rurale) initiative calls for Member States to promote bottom-up programming of actions to promote the development of rural areas, which typically feature low population density and a lower level of services for the population, drawing on European Union cofinancing.

⁸⁷ Within these two instruments, therefore, projects were selected so as to exclude the most recent projects that were still under way. More specifically, the exclusion of the most recent project cohorts among the Territorial Agreements was prompted by the proliferation of new projects for 2000-2001, which resulted in near full coverage of the territory of the Objective 1 regions, and led to many cases of involvement of individual municipalities in more than one Agreement. In the light of such criteria, the following cohorts of Territorial Agreements were selected:

Agreements approved under the old procedure

Agreements approved under the new procedure – call of 30 November 1998

Agreements approved under the new procedure – call of 10 April 1999

Territorial Agreements – call of 10 October 1999

Territorial Agreements – call of 10 October 1999 – specifically for tourism

Agreements with preliminary evaluation phase concluded by 1999

Agreements approved by decision of the European Commission

Multi-regional Agreement

Excluding the Agreements not falling into one of these groups, a total of 66 Territorial Agreements were considered. For the LEADER projects, only the first and second generations, which involved the seven regions of southern Italy, were taken into consideration (for a total of 121 projects).

- the timeframe in which they were carried out enables us to hypothesise that some level of transfer or continuity in resources and institutions did occur;
- there is partial and indirect evidence that this type of continuity occurred precisely and primarily between the ITPs and these project categories. One indication in that regard was seen in the replies to a specific question in the ITP manager study discussed earlier.

Table IV.7 shows the distribution of the 66 Territorial Agreements and the 121 LEADER projects considered, broken down by region.

Table IV.7 Distribution of Territorial Agreements and LEADER projects by region

Region	No. of agreements	No. of LEADER I and II	Agreements: percentage of total	LEADER: percentage of total
Basilicata	4	13	6	11
Calabria	9	17	14	14
Campania	11	23	17	19
Molise	2	4	3	3
Puglia	13	18	20	15
Sardinia	7	19	11	16
Sicily	20	27	30	22
Total	66	121	100	100

Source: Based on data for the Territorial Agreements (source: DPS) and LEADER projects (source: INEA).

A first step that can be taken in identifying the differences between the various instruments is to compare a number of simple statistics describing the projects, as shown in Table IV.8. This table also provides an indication of the internal diversity of the projects (the coefficient of variation), which does indeed confirm that the ITPs have been less uniformly focused and that they have been used by the regions in a variety of ways.⁸⁸

The ITPs differ from the Territorial Agreements in that they are, on average, smaller, but show a slightly larger coefficient of variation. Compared with the LEADER projects, the opposite effect holds: i.e. the ITPs are larger on average, particularly in terms of population. This is due mainly to the fact that the ITPs also cover more densely populated urban areas.

⁸⁸ The coefficient of variation for the population confirms this hypothesis in that it points to a greater degree of uniformity among the LEADER projects than the ITPs. Being a standard measurement of the dispersion of values around an average, the coefficient of variation can be used as an indicator of uniformity of approach in project financing policy. Therefore, higher coefficients of variation for the ITPs, both in population and in the surface area covered by the projects, shows that, compared with the Territorial Agreements and the LEADER projects, the ITPs were a more neutral instrument, used differently from one region to the next, as well as within each region, in order to achieve different purposes.

Table IV.8 Comparative descriptive statistics for the ITPs, Territorial Agreements (TAs) and LEADER projects

Number of Municipalities					
Project type	no.	Mean	Median	Standard deviation	Coefficient of variation
ITP	133	15.35	13	12.8	83.37
TA	66	16.81	12.5	13.26	78.88
LEADER	115	13.59	10	12.47	91.76
Population					
Project type	no.	Mean	Median	Standard deviation	Coefficient of variation
ITP	133	157,783	85,963	201,602	127.8
TA	66	191,394	144,090	153,878	80.4
LEADER	115	57,513	53,215	392,877	65.2
Surface area					
Project type	no.	Mean	Median	Standard deviation	Coefficient of variation
ITP	133	74,227	58,830	63,770	85.9
TA	66	101,324	87,329	70,174	69.2
LEADER	115	69,686	51,711	49,811	71.4

Source: Based on data for the Territorial Agreements (source: DPS) and LEADER projects (source: INEA).

In the following analysis, territorial continuity between the ITPs and the previous instruments has been measured with a composite indicator that measures the degree of geographical overlap between the two groups of projects in terms of their surface area and their populations. The classification system used ranks the ITPs by degree of overlap with prior projects on a scale of 1 to 3. The level of greatest overlap (**level 1**) includes the ITPs that are a perfect match with previous local development projects in the same territory in terms of surface area and population. The second level (**level 2**) is for ITPs that are at least an 80 per cent match in surface area and for which the ratio between the populations concerned does not vary from unity by more than 20 per cent. This additional requirement serves to exclude ITPs that entirely contain, or that are entirely contained by, a previous project even if they have significantly different dimensions.

The remaining category (**level 3**) contains all those ITPs that do not reach either of the other two thresholds. This category includes ITPs that differ considerably in terms of the overlap indicator, ranging from the insignificant to the significant. However, here too, we do not rule out the possibility that the areas involved in past projects may have influenced the definition of the territories involved in the ITPs, perhaps on the basis of some sequential aggregation or disaggregation rationale.

The analysis was conducted in 2004 and so applies to the ITPs approved through 2003. Five ITPs in Campania were excluded even though they had been approved by that date.⁸⁹ We analyzed a total of 133 ITPs, fewer than those used for the analysis in Chapter III. The base territorial unit used for these calculations is the municipality, and the data for population and surface areas associated with each are based on the 2001 census.⁹⁰

After applying the overlap indicator calculated as described above, Table IV.9 shows that the boundaries of a total of 6 ITPs in the regions of the Mezzogiorno match precisely with one of the selected thematic local development projects. A further 20 ITPs exceed the partial overlap threshold, but are not exact matches with the project for which there is a significant degree of overlap.⁹¹ However, for the vast majority of ITPs there were no clear signs of geographic continuity. Generally speaking, the intersection of ITPs and previous local development initiatives shows that continuity is not particularly great and that, as might have been expected for an instrument defined in a decentralized manner, the situation varies widely from one region to the next.

Table IV.9 Distribution of ITPs by degree of overlap with previous projects

Region	Matching ITPs (Level 1)	ITPs with at least 80% overlap (Level 2)	ITPs with no overlap (Level 3)
Basilicata	3	0	5
Calabria	1	6	16
Campania	0	3	42
Molise	0	1	6
Puglia	0	2	8
Sardinia	0	1	12
Sicily	2	7	18
Total	6	20	107

Source: Based on data for the groups of municipalities associated with 133 ITPs (source: DPS) compared with the groups of municipalities associated with 66 Territorial Agreements (source: DPS) and 121 LEADER projects (source: INEA).

This phenomenon emerges even more clearly in Table IV.10, which shows the degree of overlap more explicitly (by aggregating, in the far right column, both level 1 and 2, i.e. those for which there is significant overlap). This appears to demonstrate that it was the

⁸⁹ Of the ITPs excluded, four – *Filiera Enogastronomia*, *Filiera Termale*, *Polo Orafo* and *Protofiliera Provinciale* – were eliminated because the territories in which the project took place were not sufficiently contiguous. The *Grande attrattore Reggia di Caserta* ITP was also excluded because it involves the same territory as the ITP for the City of Caserta.

⁹⁰ Overall, 1951 municipalities (of which 240, located in Puglia, Campania and Molise, were involved in more than one ITP) participated in the ITP process, for a total population of 17,317,781 inhabitants (88.4 per cent of the population of the Objective 1 regions), a total surface area of 9,227,120 km², and a consequent territorial coverage of southern Italy equal to 82 per cent.

⁹¹ Of course, the matching ITPs, categorized as level 1, would also pass the less stringent test for 80 per cent overlap, but they have not been counted in level 2 so as to avoid double counting.

decisions and rules defined at the regional level that influenced the outcome in terms of territorial continuity in local development policy.

Table IV.10 Percentage distribution of ITPs on the basis of the level of territorial and population overlap with prior local development initiatives

Region	ITPs in level 1 (percentage of total)	ITPs in level 2 (percentage of total)	ITPs in levels 1 & 2 (percentage of total)
Basilicata	25	13	38
Calabria	4	26	30
Campania	0	7	7
Molise	0	14	14
Puglia	0	20	20
Sardinia	0	8	8
Sicily	7	26	33
Total	4.5	15	19.5

Source: Based on data for the groups of municipalities associated with 133 ITPs (source: DPS) compared with the groups of municipalities associated with 66 Territorial Agreements (source: DPS) and 121 LEADER projects (source: INEA).

The 26 cases of significant overlap (levels 1 and 2) account for 19.5 per cent of the total. However, for certain regions this figure is significantly higher. For example, the regions of Basilicata, Calabria and Sicily show a percentage of ITPs in the continuity classes (levels 1 and 2) of between 30 per cent and 40 per cent and can thereby be said to have a greater propensity for continuity. A second, more diverse group, comprising Sardinia, Campania, Puglia and Molise, shows a significantly lower level of overlap, in the range of 5 per cent to 20 per cent.

It should also be noted that the separation between these two groups does not appear to be correlated with the distinction between the regions that adopted a negotiation-based method in selecting projects and those that adopted a process based on calls for project proposals. Sardinia and Sicily – the only regions that opted for the competitive call process – are at the two opposite extremes, and similarly the other regions are distributed proportionately (three and two) between the two groupings. This suggests that either of the two methods can be used to promote or discourage the recreation of past territorial coalitions.

As mentioned above, even within level 3, composed of 107 ITPs that fall below even the threshold of “weak” overlap, there may be cases in which the territorial boundaries of the past projects have, to some extent, influenced the scope of the ITPs. One clue in this regard is represented by the cases in which the area of the ITP overlaps a previous project and either includes it entirely or is entirely contained within it. As shown in

Table IV.11, there are 56 ITPs – 53 per cent of the total of level 3 and 43 per cent of all ITPs considered – that fall into this category.

Table IV.11 Breakdown of level-3 ITPs into sub-categories, by region

Region	Total ITPs not overlapping prior projects (level 3)	ITPs that fully contain prior projects (level 3a)	ITPs contained fully within prior projects (level 3b)	Total 3a+3b	3a+3b as a percentage of all of level 3	As a percentage of all ITPs
Basilicata ⁹²	5	2	2	4	80	50
Calabria	16	7	1	8	50	35
Campania ⁹³	42	1	9	10	26	24
Molise	6	0	1	1	17	14
Puglia	8	8	0	8	100	80
Sardinia	12	3	4	7	58	54
Sicily	18	17	1	18	100	67
TOTAL	107	38	18	56	53	43

Source: Based on data for the groups of municipalities associated with 133 ITPs (source: DPS) compared with the groups of municipalities associated with 66 Territorial Agreements (source: DPS) and 121 LEADER projects (source: INEA).

It is important to emphasise that there is a prevalence of situations in which the ITPs contain previous negotiated planning instruments in their entirety. An exception is the region of Campania, where both the LEADER projects and the Territorial Agreements contain the ITPs in four cases. This anomaly could be explained by the fact that the scale of the agreements and LEADER projects in this region was, on average, greater than in the other regions. In other important regions, such as Puglia and Sicily, the ITPs that "contain" or "are contained by" other initiatives are of such significance that they account for the entirety of level 3.

As shown in Table IV. 12, a breakdown by instrument (LEADER project or Territorial Agreement) underscores the varying degrees to which the two local planning instruments appear to have influenced the definition of the ITPs. The total number of LEADER projects in levels 1 and 2 is very modest, with just seven cases and only five of these are separate from the cases of overlap with the agreements.

⁹² In Basilicata, there are two cases (Bradonica and Metapontino) in which an ITP is contained entirely within a Territorial Agreement and a LEADER project. These are counted just once in Table IV.11 and in their entirety in the breakdown by policy instrument.

⁹³ The *Ravello Città della Musica* ITP is contained entirely within both a Territorial Agreement and a LEADER project. In this case, it has been assigned to both instruments, but has been counted just once in Table IV.11.

Table IV.12 ITPs with overlap by category of project (LEADER project or Territorial Agreement) with which there is overlap

Region	AGREEMENTS		LEADER PROJECTS	
	ITPs in level 1	ITPs in level 2	ITPs in level 1	ITPs in level 2
Basilicata	0	0	3	0
Calabria	1	4	0	2
Campania	0	3	0	0
Molise	0	1	0	0
Puglia	0	2	0	0
Sardinia	0	1	0	0
Sicily	2	5	0	2
Total	3	16	3	4

Source: Based on data for the groups of municipalities associated with 133 ITPs (source: DPS) compared with the groups of municipalities associated with 66 Territorial Agreements (source: DPS) and 121 LEADER projects (source: INEA).

In the case of the LEADER projects, the overlap more frequently occurs in the form of containment within a subsequent ITP (classified here as level 3). This is particularly true in Puglia and Calabria, where the overlap between ITPs and LEADER projects appears to be highly significant as the LEADER projects are systematically smaller than the ITPs (with the exception of one case in Puglia). In these regions, all of the projects that are contained entirely within ITPs are LEADER projects. The very high frequency of this “containment” (43 out of 56 cases within level 3) is, however, explained by the fact that the reference territorial aggregation for the LEADER projects is, in terms of population, half that of the ITPs on average (see Table IV.8 for a comparison of ITPs and LEADER projects).⁹⁴ Therefore, this fact does not prove that the larger ITP areas were defined in consideration of the areas of the previous LEADER projects.

IV. 4 Continuity and selectivity

The frequent calls for greater project selectivity and focus in local development policy are often accompanied by a sense of dissatisfaction with the ability of authorities to choose from among the best and worst configured projects. However, the evidence regarding the capacity building among the various projects over time offers a number of signs that, in local development, there are selective continuity mechanisms at work that could, at least in part, be the result of informed decision-making by the regional planners. Continuity in competencies and in territorial areas exists, but is partial, indicating a certain degree of

⁹⁴ The exceptions are Campania, where we have the opposite situation (see table), and Molise. The two cases in Basilicata and Calabria are explained by the attenuation of the size scale differences in these regions.

intentional selectivity in the transition to the ITPs but also the fact that there was no automatic recreation of each past experience for the new projects.

As seen in the above analysis, the discontinuity of which many practitioners complain has more to do with positions of formal responsibility than with the more technical positions, which are more readily transferred over time and distance. This in part reflects turnover and, in many cases, the re-appropriation by local elected bodies of ultimate responsibility for development planning in their territories.

Of course, the evidence that there has been some degree of selectivity does not ensure that such selectivity was able to filter the local leaders and institutions on the basis of criteria that favour the most desirable attributes in promoting local development. Nonetheless, the evidence, especially that produced by the survey of key ITP managers, is compatible with a positive form of continuity, one that goes in the theoretically most desirable direction.⁹⁵ We therefore withhold judgment on the quality of the selection process that took place among the coalitions and management groups, which one hopes was based on criteria that reward with future satisfaction the ITP managers most dedicated to doing their jobs well today.

⁹⁵ We do not wish to rule out the possibility that some of the complaints of practitioners about the loss of skills in the transition to the new ITP programming are unfounded. However, their views could, in part, be influenced by their personal interest in the permanence of the management organisations and institutions approved and financed in the past.

V. Conclusions: the ITPs in the local development debate

In this study we have sought to provide those interested in the issues associated with regional development policy with a theoretical and empirical review of the overall experience of the Integrated Territorial Projects in the 2000-2006 programming period, the key features of which are still largely unfamiliar to the general public.

Rather than the aspects addressed here, it might have been a more interesting exercise to examine the signs of change, signs of economic and social development in the areas involved in these projects and the effects attributable to the individual ITPs. Nevertheless the approach adopted here was dictated, on the one hand, by the fact that at the end of 2007, as the data reported here confirm, the ITPs were still in the midst of the implementation phase. On the other hand, we are also convinced that in the case of instruments such as complex local development projects any real assessment of impact cannot be based solely on aggregate data and stylised models (as we have in part done here). Instead, it is necessary to consider the unique features of local cases that are obscured in the average figures. Nevertheless, the analysis we have conducted represents, in our view, essential background for any attempt to evaluate the ITPs (both overall and as individual cases) and, above all, is an aid to understanding the debate over the ITPs.

Our intention was to make a contribution to two important issues that any assessment of public policy must tackle: first, the problem of identifying the strategy or theory underpinning the policy intervention; second, that of placing the specific policy within a historical and evolutionary perspective that spans a longer period of time than the context in which it was implemented.

The theory underpinning policy measures is not easy to reconstruct in the case of the ITPs, as it was not elaborated upon in the programming documentation, even though there are numerous and diverse schools of theoretical and practical thought within the local development tradition on which the ITP experience could draw. Identifying the original objectives of the ITP planners, whether at the central or regional government level, is a necessary step for anyone adopting an "objective-driven" assessment approach. This consists in comparing the original objectives envisaged for a policy measure with the outcomes that it actually produced. More generally, any evaluation is obliged to explicate its assessment criteria, i.e. the objectives and expectations used as a benchmark in forming a judgement, even where these objectives and expectations are reconstructed directly by the evaluator.

The need to clarify the initial perspective that underpins any assessment emerges from the examination of the various theoretical frameworks carried out in Chapter II. Positioning the ITPs along the dimensions (I) of the degree of decentralisation of public decision-making responsibility, (II) of the expansion of participation in public decision-making and (III) of the integration among diverse projects enabled us to isolate the aspects in which the Italian experience stands out from others or aligns itself with the international experience, those on which the greatest reliance was placed and the newest aspects, which could be reconsidered in the future following assessment of the outcomes of their implementation.

As regards extending the scope of participation in public decision-making, the ITPs generally diverged from the prevailing international approach to local development, with the explicit decision to restrict the role of private-sector partners, choosing instead to strengthen the role of municipal governments. As we suggested, those whose vision for local development places greater emphasis on broadening participation will tend to judge the ITPs more harshly than those who emphasise the decentralisation of advanced functions and decision-making powers to a level of government that stands closer to the local communities involved, an area in which the ITPs represented a clear, albeit partial, step forward.

Placing these initiatives in a historical perspective also provides a benchmark for any assessment, reinforcing or attenuating the implications of applying more abstract theoretical constructs, as it helps us look at the instrument in relation to those that preceded it and understand the background conditions in which it was implemented. In the case of the ITPs, for example, this leads us to conclude that the desire to involve the institutions of civil society and economic actors in local development planning was incompatible with real decentralisation of responsibility - never truly implemented - to local authorities.

As regards the scope of extended participation, the severity of many critiques appears to be founded more on the perception that the more regulated approach to intervention of the ITPs represented a step backwards compared with the broad degree of participation, especially at the initial stages, within the local development initiatives in the 1990s – such as the LEADER projects and the Territorial Agreements – rather than on any negative evaluation of the absolute level of participation found with the ITPs.

In addition, if we seek to assess the contribution of the ITPs to the acquisition of skills in development promotion on the part of local institutions, any assessment will depend considerably on our evaluation of the starting point. The levels achieved with the ITPs can easily be characterised as modest if examined in abstract, but they appear more encouraging in the light of the achievements of previous local development efforts, such as the Territorial Agreements, in which the remote public authority who selected them (necessarily less directly involved) partially underestimated the necessary complementarity and non-substitutability between local public capacities and local private initiative. It is important to recall that prior to the ITPs, the regions of southern Italy had never systematically attempted to create local development instruments. It was only with the ITPs that they tackled the problem of acquiring more detailed knowledge of their territories and developing a more advanced relationship with local authorities than responding episodically to case-by-case needs.

More than one reformist front was opened by the development policy deployed with the ITPs. They simultaneously addressed both the desire to decentralise authority and to expand participation in development processes. Interpreted in a broad sense, the mission of the ITPs appears so ambitious as to be unrealistic. And any assessment that took this goal as its benchmark for success could not but reach a less than comforting conclusion regarding the projects' achievements. Depending on the point of view and beliefs of the ITP observer, the ITPs were assigned the goal of revamping the institutional framework of decentralisation or of perfecting the practical implementation of decision-making processes open to non-public participants, which had characterised the experience of negotiated planning with the Territorial Agreements.

At this point, however, it would be appropriate to examine which of the objectives that can be associated with the ITPs were actually explicitly taken up by the institutions involved in the planning process.

The national policy-makers who proposed the ITP approach, albeit in the role of coordinator of ideas rather than a direct source of funding, had in fact neglected both decentralisation and participation as values in and of themselves. Their focus was instead on integration among different forms of initiative within a unitary project directed at solving a significant, well-delineated problem in a specific geographical area. In fact, the 2000-2006 Objective 1 CSF⁹⁶ had even suggested possible thematic areas in which this

⁹⁶ It is best to bear in mind the fact that the CSF cannot in fact be considered a document produced by national policy-makers alone, as it is the product of a lengthy partnership process. However, it was the national policy-makers

approach should be preferred: first and foremost, in leveraging cultural resources, developing tourism and urban development projects.⁹⁷ Efforts to devolve decision-making powers in local development to the regions and local authorities and the desire to activate or regulate the direct participation of the communities involved clearly had a less central role in the ITP approach. Policy-makers were certainly aware of the possible institutional repercussions of the mechanism they were proposing, but seeking out those effects was not the primary motivation for the intervention. By contrast, a central element of the policy strategy was to coordinate the goals and timing of projects funded by the same operational programme and regarding the same geographical area, fostering synergies and preventing conflict among those projects.

Within the regional governments of the Mezzogiorno, however, at the start of the planning process not much progress had been made in analysing local development issues owing to a lack of direct experience. The idea of the ITPs was proposed by national policy-makers just as most of the Territorial Agreements were finally being activated, and the significantly longer debate and mobilisation associated with negotiated planning did not directly regard the regions, which had not (or at least not in any uniform way) capitalised on the difficulties encountered by central policy-makers in governing the instrument. The opportunity created by national planners was seized by all the regions, however, demonstrating that it met a widely felt need within the regions or, perhaps more accurately, a set of diverse needs, differing by region. The real objectives pursued by the regions with the ITPs can be discerned in the text of their respective programmes, in the rules adopted for planning and selection and in the selection of the actual projects.

The effective implementation of the ITPs differed considerably from region to region, as we saw in Chapter III. Approaches took many forms, comparable to multisectoral subprogrammes in some cases or, in a few instances, to projects focused on a specific problem or initiatives to make a sharp break with the status quo. Lying between these extremes were myriad intermediate examples that differed not only in their substance but also in the institutional form of the entity responsible for its implementation. However, there were no cases in which local entities were delegated with a high degree of operational and financial autonomy. This option, which would have been possible,

who underscored the utility of pursuing an integrated approach to local development as the necessary complement of an overall approach that continued to be largely based on the coordination of measures characterised above all by sector of intervention, rather than by the opportunities and needs of the individual areas. For more on the definition of the ITPs, see also the introductory chapter, p. 8.

⁹⁷ See *QCS Obiettivo 1 2000-2006* pp. 108, 112-113 (cultural resources), 173 (tourism) and 191 (urban development).

was initially opposed by national policy-makers themselves, which in the case of the Structural Funds had previously struggled with the uncertain experience of using a Community development instrument (although it was not specifically focused on local development) with extensive devolution of operational responsibility. The result, however, was long delays in implementation in the previous 1994-1999 cycle.⁹⁸

Thus, even the degree of independence that planners had in specifying project content, which varied significantly from region to region, was never very large. The drafters of the integrated projects were allowed to select the types of ITP initiatives from a menu that in all cases was restricted *ex ante* by the need to ensure a certain degree of predictability in financing programmes. In other words, ITP planners were asked to be innovative within pre-determined categories, to compose a creative melody on a given staff and in a given key. By way of administrative rules, however they may have differed from region to region, planning was co-determined by regional and local authorities for most of the ITPs in the regions of southern Italy. This fact highlights the superficiality, at the very least, of the criticisms that attribute responsibility for the decisions of the ITPs concerning the measures to adopt, and hence the related outcomes (whether positive or negative) to just one of the two levels of government (regional and local) involved.

Many of the evaluations of the ITPs did not take adequate account of this cultural, institutional and administrative environment in which the planning of the ITPs took place. In neglecting this aspect, these assessments fail to examine in any depth the institutional reality of this policy, even when their conclusions about the outcome of the configuration of the projects are not unfounded.

Some of the main criticisms of the ITPs deplore the fact that many of the planned interventions cannot be distinguished significantly from investments funded with “ordinary” public resources, which have no specific ambition to bridge the economic and social divides in the areas in which they are carried out. Other variations on this critical theme focus on the mission of many projects, the generic nature of which reveals an inability to make decisive choices for the areas affected, or they point an accusing figure at an allegedly excessive fragmentation of planned measures, placing greater

⁹⁸ The CSF specifically states that the ITPs are not an instrument per se, but rather an approach to implementing the programme, which is founded – without changing it – on the organisation of the Community programme in the various measures of which it is composed. In fact, in describing the legal structure of each regional programme cofinanced by the 2000-2006 Structural Funds, the ITPs have no formal status, as the units into which the programme is organised remain solely the “measures” provided for in the applicable Community Regulation – broadly uniform groups of intervention types connected with a subset of specific objectives for each programme organised on an eminently thematic/sectoral basis.

emphasis on dividing resources in proportion to the weight of the municipalities involved rather than on maximising the global impact of the project.

These criticisms are not always justified, however. The information available to us (presented in Chapter III) shows that over all the ITPs cannot be considered the source of the fragmentation of the initiatives (in the sense of the large number of projects) undertaken under the programmes. And there are many cases in which the project mission did in fact lend unity and direction to the entire project. It cannot be denied that there are also many instances in which these critical views are more well-founded. Claims of poor-quality design lose their strength, however, when they neglect to interpret the causes lying at the root of the decisions made, setting them in relation to the historical and institutional context from which they emerged.

Some have argued that the low quality of planning is a consequence of a lack of appropriate skills at the local level to be used in drafting projects, assessing needs, involving the private sector and forging a consensus. They allege that entrusting the preparation of the projects to weak local actors, without adequate support, produced the opposite of the intended result, in many cases generating "standard" project proposals with managed from outside with little relevance to local needs.

Here, too, however, care must be taken to avoid over-generalising. The evidence presented in Chapter IV suggests that it is a mistake to represent the ITPs in the regions of southern Italy as an instrument deployed in an entirely backward, static world with no capabilities that produces the same coalition of interests on all occasions regardless of the purpose of the project. In reality, the ITP experience created discontinuities in these coalitions and introduced new actors while preserving and activating a broad range of technical skills that had already been involved in the design and implementation of complex territorial projects in the past.

If we decide to accept the argument that many ITPs performed poorly because of the unavailability of certain skills at the very local level, it is necessary to examine the set of expectations that gave rise to this failure, including with regard to the functioning of local development policy.

The position held by some that we should consider local development as a phenomenon that, using financial incentives only, must generate and fertilize itself, given the frequent lack of skills capable of directing this process in the small towns of the Mezzogiorno, has prompted many to argue against local development policies. In an approach in which the

resources (apart from financing) to be leveraged must already be found at the local level, local development policy cannot help but be a policy for the few. There is clearly a paradox in a vision that has excessive expectations for the independent development potential of local territories, based exclusively on their own ideas and physical resources, but at the same time offers an excuse to give in to the temptation to resume centralising the most important decision-making processes of regional development policy. Conversely, the historical evidence and more recent theoretical and empirical work instead show that it is essential to ensure the structured involvement of numerous actors, skills and experience at the various levels of the decision-making process if these policies are to succeed.

Moreover, although it appears more justified in some respects, we cannot fully accept the thesis that attributes the difficulties of the ITPs to the shortcomings and inefficiencies found at the regional level. Shortcomings in the design of the instrument and delays in governing its implementation did affect many regions, and are in part explained by the inexperience of many regional authorities in local development, which may have prompted them to underestimate their mission. Certainly, and especially for certain types of intervention, the regions often acted in a manner that did not facilitate the construction and evolution of projects, in part owing to the overlapping of incompatible “de facto mandates” among the various actors responsible for implementing regional programmes and local projects. Nevertheless, the insistence of local actors in advancing these criticisms in some cases appears to mask the technical and even policy weaknesses of many local development proposals formulated at the territorial level. Many local coalitions seem to have expected too much from the financing entities and project evaluators in terms of regulation and procedures. Past experience at the domestic and international level demonstrates that an important, and in certain respects essential, ingredient of local development processes is an unconventional and practical spirit willing to consider anything that is not expressly forbidden. In this view, criticising the shortcomings of the authorities responsible for regulating development policy is a normal part of the local development milieu, but it turns pathological when it deteriorates into recrimination and wait-and-see politics.

Luckily, the vision of local development that is emerging from the debate among practitioners and truly interested actors – a vision that has been espoused and proposed for the new programming period by the 2007-2013 NSRF – does not focus its attention on a single ring in the chain, whether regional or local, in an effort to assign

responsibility and blame. Rather, it sees these processes as an appropriately mediated encounter between local knowledge and supra-local skills and points of view.

As well as leveraging the resources, ideas and people offered at the local level, this approach explicitly provides for the contribution of external skills, as embodied in the concept of the “competence centre” adopted in the 2007-2013 NSRF. Unlike past experiences, the local development projects of the future are being called upon to seek out their place, their specialisation, their unique skills within the framework of the broader vision of national and international centres with specific expertise in the field in which the local actors want to invest. To succeed, this approach requires that the decision-making process involve the various territorial levels, each within its sphere of responsibility and within the areas in which each holds a comparative advantage.

This is the oft-invoked “vertical governance”, a concept of reciprocal vertical coordination and support among institutional and other actors at every level of the process. It has merit of focusing attention on the factors critical for the success of this policy, even though it remains neutral in respect of the choices and rules that must steer this interaction to ensure that it is as effective and functional as possible. As it currently has little prescriptive content, this new concept must not be used to obscure past experience, in which some form of "vertical governance" must have existed and whose successes and failures must teach us as much as possible. In particular, a position along the vertical chain is not sufficient to ensure the existence of specific and relevant skills, even if it is a necessary condition. It is not enough to be a local to be able to identify the needs and opportunities of a given locale; it is not enough to be removed from the local level to gain a broad view of the situation and possess a creative, farsighted drive.

A similar argument holds for other recommendations for the future, such as the call for greater selectivity in financing local development projects, for clearer integration between tangible and intangible interventions within projects and for closer compliance with the project method. That these were weak points of integrated planning cannot be disputed at the general level. However, the resulting recommendation might not yield the desired results, since the calls for integration of initiatives within projects and exercising greater selectivity in financing them were already very clear in the original 2000-2006 programming. Without an analysis of the causes that generated these weaknesses, there is no reason to believe that reaffirming the same principles will ensure better compliance the next time around.

One important issue concerns the large number of complex local development projects. In the case of the ITPs, all observers criticised this proliferation. This critique appears even more pertinent in the more informed vision of today, which sees local development planning as an effort that simultaneously involves a variety of planning scales and multiple contributions, especially as the human resources available at the central and regional levels that are available to support local initiatives are always limited. This external support may not be necessary in all circumstances, but the scarcity of non-local knowledge resources is all the more evident where higher levels of government (more removed from specific local areas) have the more advanced and broader point of view that must necessarily be integrated within the construction of a local project.

The call for greater selectivity and attention to avoiding the excessive multiplication of fronts in the development effort is thus entirely legitimate. Nevertheless, the fact that every time a special local development instrument has been launched – whether it was a Territorial Agreement, an ITP or a Strategic Urban Plan, to cite some of the more familiar initiatives – there has been an enormous proliferation in its application makes it essential to understand the reasons and mechanisms at work. It is only by understanding these origins and some compromise is forged with the interests (which are generally legitimate even if not meriting special protection⁹⁹) that drive the diffusion and pervasiveness of the local development instrument that we can hope to achieve the planning imperative to ensure selectivity and focus.

As regards the final point, namely closer compliance with the project method, it is no coincidence that this concern was underscored in the 2007-2013 NSRF. As we have said, at the national level, the objective pursued by the ITPs in 2000-2006 was to implement part of the programmes through projects on a sub-regional scale, where many development instruments were recast in a cohesive local framework. Obviously, the national and comparative evaluation of the ITP experience paid special attention to this point, emphasising that many of the ITPs approved and financed did not meet international planning standards, which require clear identification of the purpose of the intervention, the expected timeframe and the organisation charged with managing the projects.¹⁰⁰ This project-based approach is again used in the 2007-2013 NSRF in the

⁹⁹ One element of the explanation for why local communities ask to participate in any type of local development instrument, even when they are unprepared for it, certainly lies in their lack of confidence that they will be effectively impacted by ordinary development planning instruments, a concern that the available evidence suggests is not entirely unjustified.

¹⁰⁰ For anyone who believes that semantics has a substantive content, the common error of translating the initials ITP with "Integrated Territorial Programmes" is revealing in this regard. It demonstrates the fact that project practice has

belief that both regional and local authorities must expand their capacities, learning to represent their intervention in terms of projects. Despite the greater awareness of this need among those most interested in the success of local development instruments, the regional governments managing the programmes must espouse this objective if there is to be any hope of overcome the forces that oppose it. The project method can be an extremely powerful approach to clarifying the strategic and operational significance of the integration of initiatives developed by separate sectoral authorities. Nevertheless, the natural forces of administration tend to push towards the separation of centres of power along professional and sectoral lines. The failure to undertake initiatives, including organisational measures, to foster integration empties declarations of principle on this issue of any real meaning.

Considering the entire set of data, it appears evident that many important issues concerning the overall strategy, organisation and implementation of development policies were brought into closer focus thanks to the ITP experience. With the ITPs, the technical and political path towards a more efficient division of responsibilities among different levels of development policy governance and towards a non-sectoral approach to territorial planning revealed many of its challenges. And it is for this reason that the experience of the Integrated Territorial Projects in the 2000-2006 period should be considered a courageous investment in the future. In looking towards the subsequent stages in this process and the progress yet to be achieved in addressing the local development of disadvantaged areas, the experience of certain ITPs in southern Italy could provide the most valuable material for reinforcing future policy, adapting it to national preferences and the potential of local authorities.

In this paper we sought to avoid entirely another, different issue concerning the motivations and implications of the historical mistrust – present for nearly two centuries – expressed by part of the Italian intellectual class of the capacity to govern of the local, political, administrative and civil society leadership of southern Italy. This decision was prompted both by the fact that the issue is not specific to local development instruments and because it is difficult to situate it within the broader, international standpoint that we have taken as for our theoretical and empirical reference framework. For these reasons, little space was reserved for the radical arguments of those who hope

not yet been absorbed by a large segment of practitioners in the local development field, who are used to conceiving of "plan" or "programme" as a primarily "strategic" reference text containing guidelines rather than a specific explication of what is to be done.

for a general return to policies planned and managed at a level above the local. In addition to not agreeing with such positions, we also feel that they are poorly formulated and without practical implications, as would become clear in many cases should they be developed in greater detail.¹⁰¹ As we have seen, the ITP policy was not a policy of aggressive decentralisation, but rather a partial attempt, different from previous efforts, to implement certain principles of local development, with the vast majority of financial resources being reserved for other types of instrument. Understanding the real dynamics and limitations of a policy is a necessary step to progress towards more advanced public intervention policies that correspond, in addition to theory, to the convictions we somewhat solemnly hold at the European and national level. The involvement of the various levels of government in relation to their specific spheres of competence (meaning both responsibilities and knowledge) is, today, a constitutional value to be prompted even if it can be interpreted in a variety of ways. More generally, and less evocatively, for the Italian experience, it must be acknowledged that in many places and for many resources, local development instruments have been the only opportunity to tackle the challenge of making a real difference through the organisation of collective action.

For this reason, in the short term we cannot retreat from local development policy, as it is one of the components of our model of the state that we must deal with, improving it and ensuring that it operates in the interest of the largest possible number of people. It represents a body of rich and varied experience from our recent history that, regardless of current fashion or overly hasty generalisations, must be examined and assessed more closely, expending the effort to understand the reality.

¹⁰¹ In certain unclear general comments, depending on the point of observation of the commentator, this higher level is sometimes defined as the national level and sometimes as the regional level. Similarly, the "local" policy label is attached to policies programmed and implemented by regional entities, which today are responsible for territorial development.

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