



comunis

Inter-municipal Cooperation for Strategic Steering of
SME-oriented Location Development in the Alpine Space



COMUNIS

Inter-municipal Cooperation for Strategic Steering of SME-oriented Location Development in the Alpine Space

Project Synthesis

Project term: 01/07/2009 – 30/06/2012

Project reference number: 12-2-1-CH

Lead partner: University of Applied Sciences Western Switzerland – Institute of Tourism

Authors and editors: COMUNIS Project Consortium

Lead partner: University of Applied Sciences Western Switzerland, Institute of Tourism, Switzerland
Nicolas Délétriz, Marie-Françoise Perruchoud-Massy, Roland Schegg, Nathalie Stumm – www.hevs.ch

ERDF-Lead partner: Chambre de Commerce et d'Industrie de Lyon, Délégation de Tarare, France
Claire Delsuc, Florine Goncet, Marc Malotaux – www.lyon.cci.fr

Association Suisse pour le Service aux Régions et Communes, Switzerland
François Parvex – www.serec.ch

Bosch & Partner GmbH, Germany
Stefan v. Andrian-Werburg, Konstanze Schönthaler – www.boschpartner.de

BSC Poslovno podporni center, d.o.o., Kranj, Slovenia
Helena Cvenkel, Barbara Špehar – www.bsc-kranj.si

Canton du Valais Service du développement économique, Switzerland
www.vs.ch

European Academy of Bozen/Bolzano, Institute for Regional Development and Location Management
Thomas Streifeneder, Miriam L. Weiß – www.eurac.edu

Ministero dell'Ambiente e della Tutela del Territorio e del Mare, Italy
Paolo Angelini – www.minambiente.it

Regionalentwicklung Vorarlberg, Austria
Franz Rüf, Peter Steurer – www.leader-vlbg.at

Società Consortile Langhe Monferrato, Roero, settore progetti europei
Maria Crea, Chiara Gesino, Silvia Lodato, Valentina Scioneri – www.lamoro.it

Stadt Sonthofen
Sandra Feuerstein, Fritz Weidlich – www.sonthofen.de



Editor: COMUNIS Project Consortium

Coordination of the publication: Miriam L. Weiß (EURAC research)

Translated by: Stefan v. Andrian-Werburg, Nathalie Stumm, Miriam L. Weiß, Roberta Zanetti

Layout: EURAC research, Typoplus

Print: Athesia Druck Bozen

The COMUNIS project is part of the European Territorial Cooperation and co-funded by the European Regional Development Fund (ERDF) in the scope of the Alpine Space Programme.

Table of Contents

1.	The Project	4
1.1.	In a nutshell.....	4
1.2.	Background	5
1.3.	Approach.....	5
1.4.	Project partnership and pilot areas.....	6
1.5.	Knowledge management.....	8
2.	The Results	10
2.1.	The pros and cons of inter-municipal cooperation.....	10
	2.1.1. Advantages and chances.....	10
	2.1.2. Disadvantages and risks	12
2.2.	CLD-Guidelines.....	12
	2.2.1. Process	13
2.3.	Models of inter-municipal CLD	21
	2.3.1. Land use management.....	21
	2.3.2. Promotion and communication.....	22
	2.3.3. Business support services.....	23
2.4.	Transferability of CLD-models to different regional contexts	24
2.5.	Recommendations	29
3.	Conclusions	31
3.1.	Outlook	32
3.2.	Research needs	33

1. The Project

1.1. In a nutshell

Many good reasons speak in favor of cooperation initiatives at the inter-municipal level to position municipalities as sustainable commercial location(s) in the growing competition of the regions. The advantages are perfectly obvious: pooling financial and human resources helps to reduce or avoid costs e.g. for professional location marketing; cooperation can facilitate access to sponsorship if incentives are provided only for initiatives that are jointly planned; cooperation helps turning individual weak municipalities into an inter-municipal strong, innovative and vital economic location that offers favorable location conditions to businesses, workers and inhabitants. However, an inter-municipally developed and agreed strategy, which takes into account the specific conditions of Alpine locations for a sustainable commercial development, is often missing in Alpine valleys. It was the aim of COMUNIS to develop and promote cooperative strategies for inter-municipal Commercial Location Development (CLD) in mountain areas. To this end, COMUNIS pointed out the advantages of encouraging inter-municipal and of enhancing intra-territorial cooperation in pilot regions (section 2.1). Moreover, COMUNIS developed guidelines for devising and applying inter-municipal CLD-strategies adapted to local and regional challenges, conditions and potentials (section 2.2).

These guidelines provide practical advice to municipal economic and to spatial planning departments as well as to development institutions. Other targeted groups are cities, villages, regions, location managers and regional developers.

The project also results in a knowledge-management system (section 1.5) that provides technical solutions for the cooperative CLD and institutionalizes the sharing of experience. The creation of sustainable structures for managing commercial/industrial location development in selected pilot regions has been induced by the project.

1.2. Background

In Alpine regions, adjacent municipalities strongly compete for economic development. Although this is not an Alps-specific problem, the Alpine topography creates framework conditions different than those prevailing in the plain. Steep landscape and mountains, increased probability of natural hazards, etc. limit the land available for development. This requires a considerate joint approach to commercial and industrial development as well as smart cooperative solutions for a sustainable use of endogenous potentials.

Additionally, in times of decreasing municipal budgets, outmigration of young and educated people (brain drain), and repercussions of overall economic development not stopping at municipal borders, inter-municipal cooperation for commercial development suggests itself as problem solution.

Yet, municipalities abstain from pooling financial and personal resources for an inter-municipal approach to strategically developing and promoting themselves as an attractive and sustainable commercial/business location. Instead of taking the initiative for long-term development, municipalities react at short term, which leaves them little room for maneuver.

1.3. Approach

Against this background, the eleven partners in the Alpine Space project COMUNIS aimed at developing cooperative and comprehensive strategies for inter-municipal **Commercial Location Development (CLD)** in the Alps. By enhancing the exchange and cooperation amongst neighboring municipalities, COMUNIS aspired to overcome individual attempts of problem solution. The approach of COMUNIS was based on the idea of splitting up the complexity of CLD. It is broken up into the following issues:

- **Strategic approach:** land use management; promotion and communication; business support services;
- **Organizational and structural components:** organization and financing; spatial planning and soil policy; identification of supply and demand; promotion/marketing; evaluation methods.

1.4. Project partnership and pilot areas

The partnership brought together local, regional, and national entities belonging both to the private and to the public sector: institutions of higher education, regional development agencies as well as state bodies, private research institutions and municipal administrations. Being able to mobilize a broad range of skills covering both the field of theoretical knowledge and the field of practical experience played a crucial role for the acceptance and implementation of the project.

A network of observers (included in Figure 1) supported the general aim of the project. In particular, the observers engaged in the innovative approach of cooperation and contributed to the adoption of strategies of CLD and to its operational implementation.

Both project partners and observers worked in selected areas (Figure 1) to test and implement the so-called strategy for CLD.

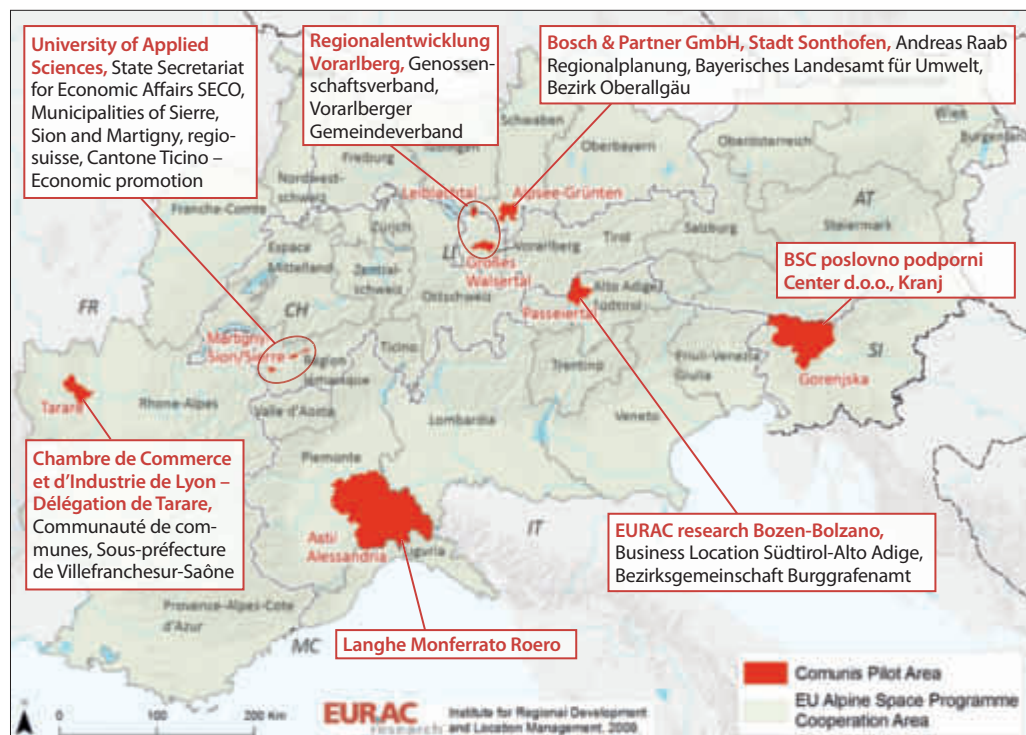


Figure 1: Map of the Alpine Space Programme area indicating the COMUNIS pilot areas and responsible **project partners** and involved observers.

Partners and observers have pursued the following objectives in the pilot regions:

Municipalities of Martigny / Sion / Sierre (*Canton of Valais, Switzerland*)

In the three towns of the Valais Romand stakeholders are sensitized to and trained in industrial ecology thanks to a cost-benefit analysis elaborated within the project, in order to enhance a sustainable economic development.

Alpsee-Grünten¹ (*Bavaria, Germany*)

In this area the municipalities plan to install a Special Purpose Association that acts as interlocutor for companies and enables accurate and demand-oriented management of commercial zones. All fundamentals for the creation of the Association will be prepared until spring 2012. The Association shall be formed until summer 2012.

Leiblachtal and Großes Walsertal (*Vorarlberg, Austria*)

A Project and Location Cooperative has been set up that serves as an institutional structure enabling municipalities to implement CLD-strategies and land policy.

Tarare region (*Greater Lyon, France*)

Here, local authorities focus their activities on a joint territorial marketing and the implementation of a hosting policy by means of a so-called “Village d'accueil”. The aim is to enhance the economic attractiveness and facilitate the establishment of businesses.

Gorenjska (*Slovenia*)

The aim is for two municipalities to cooperate on a joint development and to reinforce the integration of environmental aspects in the development of commercial locations.

1 Despite one municipality withdrawing from the project, the other four municipalities will further commit themselves to establishing a joint CLD concept in the region. Presumably, the cooperation will be extended, since the municipalities of Bolsterlang, Bad Hindelang, Ofterschwang and Fischen already expressed their concrete interest in promoting common CLD policies.

Passeiertal (*Autonomous Province of Bolzano-South Tyrol, Italy*)

Existing inter-municipal cooperation structures have been analyzed and approaches for optimization are being devised. Innovative solutions on how to confront commercial and industrial vacancy as well as transport/traffic flows have been discussed with local stakeholders.

Municipalities of Nizza Monferrato, Canelli, and Calamandrana (*Asti Province, Italy*)

The main aim of activities in the area is to develop shared public/private policies for deploying new energy-saving systems and for establishing focus groups with businesses and municipalities.

1.5. Knowledge management

To manage the knowledge developed and documents produced throughout the project, COMUNIS implemented a sustainable knowledge management system. Sustainable in this context means the system will provide access to knowledge also after the project's end.

An inventory of available instruments was first drawn up. These tools were classified according to their specific contribution to the spreading of knowledge. A system has subsequently been developed, implementing several instruments, as shown in Figure 2. This system includes instruments implemented within the Alpine Space Programme, the knowledge management platform of the Swiss regional policy *regiosuisse*, as well as three worldwide Web 2.0 sites (LinkedIn, Slideshare and Wikipedia). Often visited, these Web 2.0 sites will help attract a number of visitors to both the project and the Alpine Space Programme websites.

The system led COMUNIS to set up a dynamic process continuing well beyond the project's end. Each partner thus developed his own network of relations with experts in the relevant countries. This network, bringing together representatives from the public sector, associations, consultancy firms, as well as training and research institutes, not only supports the dissemination of the project results, but also provides further value to them. For this reason, special attention shall be paid to the network activity to be coordinated by community managers in the field of inter-municipal cooperation and CLD.

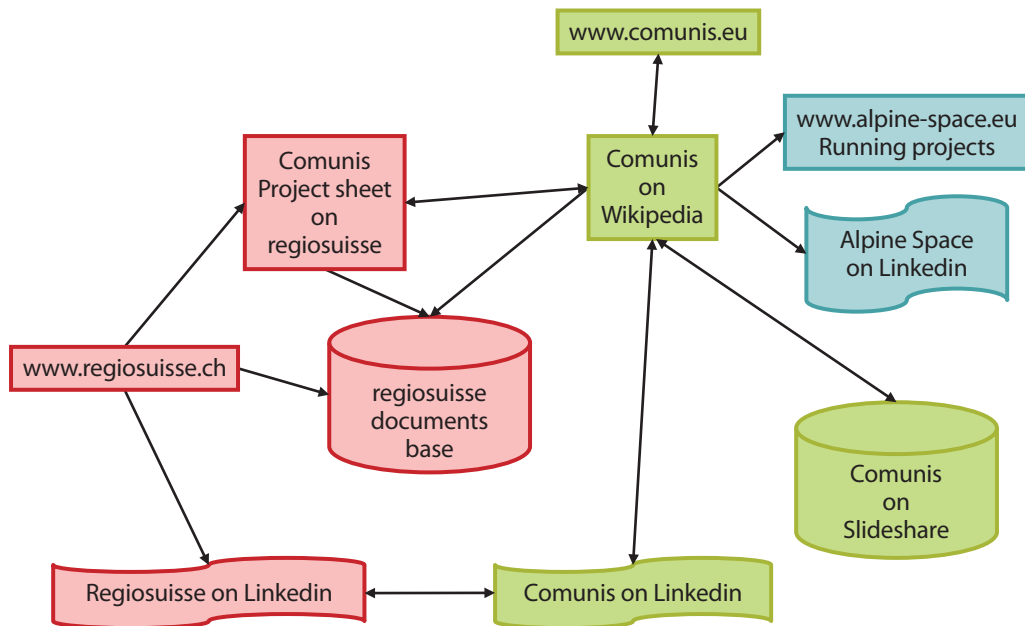


Figure 2: Knowledge management within the project.

The documents produced can be downloaded from

- www.comunis.eu, COMUNIS project website
- www.regiosuisse.ch, Regiosuisse – Swiss network unit for regional development
- www.eurac.edu, Project website on the homepage of the project partner EURAC research
- www.slideshare.net, Slideshare

2. The Results

2.1. The pros and cons of inter-municipal cooperation

In most cases, cooperation in the field of economic promotion – more precisely business settlement, provision of commercial/industrial zones – aims at achieving higher economic benefits for all participating municipalities, to increase the municipal tax revenue and creating improved conditions for local businesses and employees (RAUCH et al. 2001: 78²). But the advantages gained by an inter-municipal approach to CLD go beyond serving only economic purposes.

Especially in mountain areas, where land is an even scarcer resource than in the plain due to topographic reasons, an inter-municipal approach to CLD is *the* essential step to sustainably use and preserve the landscape, to counteract outmigration, and to preserve decentralized work places. Besides, as complex and lengthy process, inter-municipal CLD concerns not only the people living and working in the area but also public and private institutions, the legal and spatial planning framework conditions as well as the natural environment (MATSCHEK 2011: 92³).

Arguments exist both in favor of as well as against inter-municipal cooperation. However, it shall be pointed out that the advantages and chances outweigh the disadvantages and risks.

2.1.1. Advantages and chances

Finances	Reduce costs and contribute to steering and reducing the utilization of land for commercial purposes.
	Facilitate the access to sponsorship if regional financial incentives are provided only if initiatives are planned as cooperative or within regional project partnerships.
	Enhance the possibilities to organize and finance professional location marketing.

2 Rauch, F., Spielmann, K. & B. Golas 2001: Kooperation von Gemeinden zur Entwicklung von Wirtschaftsstandorten, im Auftrag der Bundesländer Oberösterreich, Salzburg, Tirol und Vorarlberg. Braumann, C. (Hrsg.) Salzburg, 122 p.

3 Matschek, M. 2011: Interkommunale Zusammenarbeit (IKZ). Schriftenreihe des Österreichischen Gemeindebundes – Recht & Finanzen für Gemeinden 02/2011, Wien, 120 p.

Administration	<p>Divide tasks to deal with the growing complexity of municipal duties and responsibilities.</p> <p>Draw on experts and specialists from other municipalities when encountering the challenge of (new) communal tasks.</p>
Competition	<p>Represent the region as strong and innovative economic location and as one entity on the regional (respectively national and international) level.</p> <p>Avoid competition among municipalities for businesses and inhabitants by finding a regional consensus and designing a regional economic strategy.</p> <p>Increase the chances for new business settlements from within the area and from outside by speak with one voice as a region (instead of multiple voices from individual municipalities).</p> <p>Offer a location in the greater area (not necessarily on own municipal grounds) with the most advantageous location factors for the settlement of an interested business instead of losing the business to a competing region.</p> <p>Participation in inter-municipal CLD of municipalities which do not have suitable areas on their own (e.g. due to topographic reasons).</p> <p>Improve infrastructure of locations and accessibility to regional infrastructure.</p>
Employment	<p>Preservation of work places by means of strategic planning and administration of commercial areas in the region.</p> <p>Preservation of decentralized work places, particularly of SMEs.</p> <p>Offer alternative work places for people employed in agriculture.</p> <p>Promote cooperation of enterprises and educational institutions.</p>
Demographic development	<p>Alleviate the out-migration (and the natural decline of the population) by increasing the region's attractiveness as a place to work and to live.</p> <p>Cooperation and identification with the area to foster the motivation to stay.</p>

2.1.2. Disadvantages and risks⁴

Finances	CLD is related to municipal budgets – when cooperating, municipalities may be obliged to disclose municipal finances (and other information) to the partners.
Administration	<p>Establishing and ‘cultivating’ inter-municipal CLD is a laborious and lengthy process.</p> <p>Personnel changes within the partnership can lead to problems (e.g. disagreement, motivation change, etc.) and complicate or terminate the process.</p> <p>Redistributing or changing responsibility of tasks resulting from a cooperation can slowly lead to a loss of autonomy and significance which is perceived by municipalities as a threat to their existence.</p>
Competition	<p>Limited decision-making freedom of single partners: cooperation requires compromises and mutual agreement.</p> <p>Perceived fear or threat of municipal mergers (especially smaller municipalities).</p>

2.2. CLD-Guidelines

It was the avowed goal of COMUNIS to help enhancing the use of cooperative strategies for inter-municipal CLD in mountain areas. To achieve that, on the one hand exemplary developments and processes were started in the pilot regions that could serve as a model for other regions. On the other hand, guidelines for action were developed to assist communities and regions in planning and implementing inter-municipal CLD policies. Intended as a practical handbook for actors at local and regional level the Guidelines describe the following:

⁴ Various sources:
 Rauch, F., Spielmann, K. & B. Golas 2001: Kooperation von Gemeinden zur Entwicklung von Wirtschaftsstandorten, im Auftrag der Bundesländer Oberösterreich, Salzburg, Tirol und Vorarlberg. Braumann, C. (Hrsg.) Salzburg, 122 p.
 Wirth, K. 2005: Interkommunale Zusammenarbeit aus dem Blickwinkel des Good Governance. In: KDZ – Zentrum für Verwaltungsforschung, Forum Public Management, 3/2005, pp. 10-12.
 Biwald, P. (n. d.): Leistungsfähige Gemeinden durch interkommunale Zusammenarbeit – ein Projektbericht. Vortrag im Rahmen des Arbeitskreis III „Verwaltungsreform – leistungsfähige Gemeinden durch kommunale Zusammenarbeit“:
<http://www.staedtebund.gv.at/oegz/oegz-beitraege/jahresarchiv/details/artikel/arbeitskreis-iiiverwaltungsreform-leistungsfahige-gemeinden-durch-kommunale-zusammenarbeit.html>

- Options for action in different regional contexts, such as: commercial land use management, promotion and communication and business support services;
- Methods and tools for the various working steps, from an initial situation analysis to setting up a management structure;
- Tools for cost-benefit-comparison and the assessment of environmental impacts.

2.2.1. Process

The Guidelines are divided according to the five stage work process of CLD (Figure 3: process in brief; Figure 4: process in detail). Focusing on the spatial level of an inter-municipal location, i.e. two or more municipalities (hereafter also referred to as „region“), the guidelines present different approaches and opportunities for action and illustrate them with practical examples. The process starts with a municipality or region recognizing and becoming aware of its distinctive challenges („context description“). In the next step a detailed situation analysis is conducted aimed at identifying both obstacles to development as well as local potentials, challenges and opportunities („Analysis“). On this basis, the following step called „development“ sets goals and priorities and suggests possible solutions. The appropriate organizational structure, the distribution of costs, benefits and responsibilities as well as linkages to existing levels of management in the municipalities form the contents of the „implementation“ step. The fifth step, accompanying the process, concerns the „evaluation“ of the process implementation.

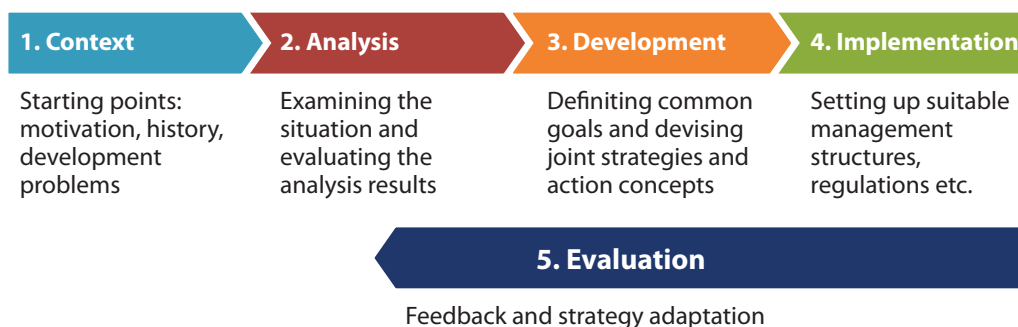


Figure 3: Process scheme of CLD in brief.

The following sections outline steps and contents of the chapters of the Guidelines.

Context description

Rather than a “step” in the strict sense, the **beginning** of an inter-municipal CLD process is about **realizing** that traditional development patterns do not work or do not appear promising any more, and that existing structures and guidelines for action are no longer useful for guiding municipal development in a meaningful and purposeful way. It is also clear that in order to withstand macroeconomic changes and the increasing interdependence and competition at global, national and regional level, local “protected areas” must be created to foster creative and goal-oriented growth in the communities. Based on this, municipalities come to believe changing strategic guidelines are required for this development.

The output of the step “context description” should be a qualitative assessment, drafted by the local political and administrative leaders, on how they see the initial situation and the main problem areas of their municipalities. The motivation for an inter-municipal approach to Commercial Location Development must be clearly stated. Municipalities have to specify which partners in the inter-municipal and potentially greater area should be involved, and possibly put down in writing their willingness to cooperate. Ideally, the process also involves representatives of the local economy.

The relevant chapter of the Guidelines provides examples of various problem situations, which individual municipalities might face and which, on their own or combined, can give municipalities grounds to turn to inter-municipal cooperation for their future development. The provided examples are intended to help municipalities assess their situation as realistically as possible, while identifying any need for more detailed analyses and evaluations.

Analysis

The second step is devoted to accurately assessing the specific situation of the inter-municipal location. Among other things, such analysis should reveal the region-specific characteristics, local settlement policies and overall framework conditions to identify strengths and weaknesses, opportunities and threats as well as to determine the concrete need for action. If necessary,

an in-depth analysis can be conducted for identified problem areas. This is recommended, for example, to determine companies' demand for municipal offers and services (e.g. demand for commercial space, support for settlement and expansion procedures, etc.).

The "Analysis" chapter presents several methods for gathering and evaluating information enabling local authorities to assess the situation on an inter-municipal level. Focus here is paid to the use of the **Balanced Scorecard (BSC) method** developed in the framework of COMUNIS and adapted to the project's needs. For specific problems other methods and tools are introduced, e.g. for analysing

- supply and demand,
- the regional image,
- the value chains and
- for determining material and energy flows.

The BSC is a strategic performance management tool used for securing the quality of an organization or structure. The method aims at providing a fair overview of the performance and efficiency of a single structure or organization (e.g. from an economic or financial point of view). Both operational activities and strategic views are analyzed and assessed qualitatively to find out how far the implemented actions and activities match the visions and objectives. The qualitative assessment is based on an evaluation of defined quantitative and qualitative indicators.

The pursued objectives of the methodology as a basis for the further working steps within the framework of COMUNIS were:

- To gain an overview of the pilot regions' economic, political, social, and geographical location conditions.
- To analyze and evaluate existing systems and framework conditions for inter-municipal CLD.
- To identify problem situations and problem-solving mechanisms for inter-municipal CLD.

The application of the method within COMUNIS thus required an adaptation of the BSC-method to the needs of the project in consideration of regional development with a focus on CLD. Three core fields, followed by fields of action were identified by the partner consortium (cf. Figure 4):

- **Location profile:** situation and location; economy; job market, human resources; image.
- **Inter-municipal cooperation:** intensity of existing cooperation; attitudes and expectations of stakeholders; political and legal framework conditions.
- **Commercial land use management:** availability and use of land; spatial framework conditions; land prices.

The fields of action were sub-divided into a number of indicators or criteria which were detailed and assessed on a scale from 0-100 (0 = worst situation, 100 = optimal situation) according to the performance of a region in a specific field (Table 1). This evaluation was made in exchange with respective stakeholders and experts and on the basis of quantitative data. Afterwards, the points for several criteria were aggregated, which in turn determined the value of a field of action. Next to evaluating the status quo, stakeholders also set target values to be reached and possible development paths to be taken within the project.

Table 1: Example of the BSC-method used in COMUNIS: extract of a criterion for evaluating the quality of land and premises for commercial use in a pilot area.

Quality of land and premises				
0	25	50	75	100
No infrastructure, bad quality of land and premises because there are no investments. Supply does not match the needs at all.	Brownfields, former industrial site and pollution that are difficult to reconvert (too high investment required e. g.). Low level of supply matching the basic needs.	The land is basically equipped but it needs to be improved / enhanced. Lack of investments. Supply matching the basic needs.	Appropriately equipped (infrastructure, roads, etc.) Diversified types of land and premises. Supply matching the needs.	Very well equipped land (power / gas supply, broadband). Proximity of convenient infrastructures and services. Supply optimally matching the needs.

A comprehensive graphical overview represents the results of the evaluation. The diagram (Figure 5) illustrates both the status quo (actual situation, blue line) of the pilot region Tarare as well as the visions and objectives (pos-

sible development/target situation, green line) set by the region for the core field commercial land use management. Obviously, actions are foremost required in the field of “availability of tools for CLD”. Secondly, strategies are required for improving the “short-, medium, long-term availability (of land for commercial use)”, “transparency and flexibility of procedure (for business settlement)”, “quality of land and premises” and the “price level”.

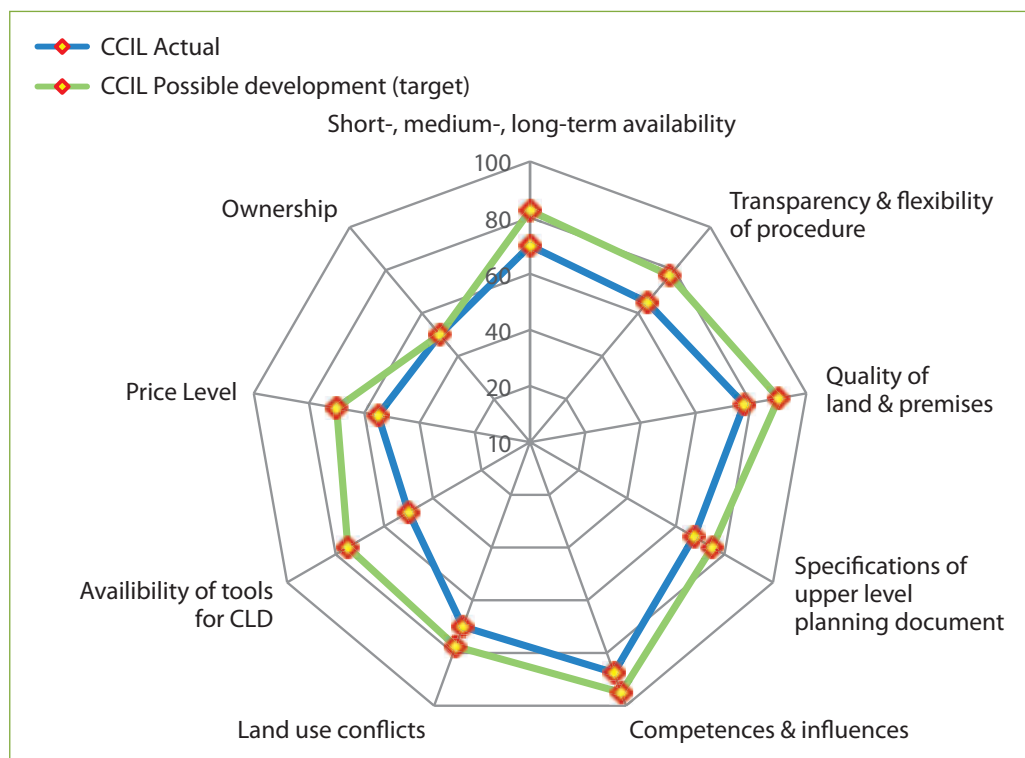


Figure 5: Exemplary Balanced Scorecard for the core field “Commercial land use management” for the pilot area of Tarare (project partner Chamber of Commerce and Industry of Lyon, CCIL).

The results of this analysis fed into the definition of challenges and opportunities, which was supplemented by an analysis of strengths, weaknesses, opportunities, and threats (SWOT). They built the basis for the formulation of specific strategies to reach the objectives in future.

Development

As part of this step, on the basis of the identified needs, municipalities determine the priority actions they intend to undertake. To this end they “weigh” the various required actions and then prioritize the tasks ahead. The

involved municipalities should agree on common targets and tasks and set quantitative target values together where possible.

This serves as starting point for the definition of concrete measures or packages of measures. Municipalities may decide to focus on the joint implementation of specific actions to meet identified needs. Alternatively, municipalities can rely on extensive models of action and adapt them to local and regional needs (see section 2.1). To pave the way for the organizational implementation of measures, the human and financial resources, expertise and structures available to municipalities must be investigated. A **broad political anchoring** of the process is necessary and should be introduced during this step, at the latest, i.e. the local government bodies are to be integrated into the process and the democratic legitimacy for the further implementation of the process must be ensured.

The inter-municipal activities, respectively earlier on the definition of goals can be developed only by the decision-makers of the municipalities, ideally within the framework of externally moderated events. Not only political representatives of the involved municipalities should be involved in the process, but also non-governmental organizations, opinion leaders and local/regional initiatives. The objectives are defined in a so-called “Guiding principle process” (in German *Leitbildprozess*), where the result is not only making general statements, but quantitative indications which can be compared on the level of indicators with the analysis of the status quo. Starting point of these processes is a politically supported expression of interest (milestone 1 in the CLD-process) for drafting a proposal for the adaptation or new establishment of structures/cooperation models.

The “Development” chapter of the Guidelines is primarily focused on ways to develop and agree on common goals and priorities for action at the inter-municipal level. In addition, it illustrates specific measures or sets of measures based on the three models of action formulated in the COMUNIS project concerning land use management, promotion and communication, and business support services (see section 2.3).

Implementation

The fourth step of the process deals with implementing the strategy developed in organizational structures and regulations. In general, it can be assumed that a professionally managed inter-municipal CLD policy requires a

permanent structure, whose functions and characteristics principally arise from the strategic cooperation requirements. **The aim is building structures facilitating efficient procedures, i.e. which have the necessary know-how, authorization and funding. Depending on which objectives and business model were selected, creating a new entity may be necessary.** In many cases, however, it might be possible to “retrofit” existing structures and make them suitable for carrying out the new tasks. In all cases, it is important that the joint structure and decision-making process reflect the inter-municipal nature of the cooperation.

In addition to the management structure, in this step municipalities define also the necessary regulations for cooperation. These include, for example, arrangements on the sharing of costs and revenues, voting and participation rights, the preparation of statutes and articles of association where applicable, the agreement on a joint development strategy, the adaptation of spatial and land use planning instruments to the new policy mechanism, etc.

This step is also about using defined criteria (cost-benefit analysis, environmental impact assessment) to comparatively assess action options, thereby progressing toward the optimal solution for the region.

All the items needed for implementing the strategy and related tasks are described in a checklist presented in this chapter. In addition to the various forms of organization, the chapter also describes a number of implementation practices in the pilot regions, as well as tools for assessing costs and benefits and the environmental impact of potential actions. These instruments are intended to support decision-making in the framework of different development options.

Evaluation

The evaluation step can be carried out following various objectives. First, one can look at whether the proposed measures developed during the process were actually implemented and verify whether the proposed organizational structure was in fact put in place and is operating correctly. Second, one can assess whether the implementation phase managed to meet the project-specific goals, for example using the adapted Balanced Scorecard method. Additionally, an ex-post evaluation could be carried out by means of instruments to examine costs and benefits and the environmental performance of the initiative.

2.3. Models of inter-municipal CLD

In the framework of COMUNIS, practice examples of inter-municipal CLD were examined. Based on that assessment and the results of a literature review on the subject, the project consortium identified three possible models of action for municipalities: **land use management, promotion and communication and the provision of business support services.**

These models describe different types of measures for local authorities to adopt for addressing challenges in the field of commerce, trade and industry by taking a proactive and comprehensive approach at inter-municipal level. The extensive description of available options should help municipalities to look at their situation and development from a broad perspective. It may be appropriate and necessary to combine these models to take account of the specific situation of a region or municipality, as it often happens in the practice of inter-municipal development.

2.3.1. Land use management

Impetus for a consistent inter-municipal land use management can be given by very different situations: limited availability of usable land, high land prices, difficult ownership conditions, regional land surplus as a result of misguided development policies and unused brownfield sites, just to name a few. Depending on local capabilities, the solutions can considerably vary in scope⁵.

Let us consider the provision of land for instance: a number of municipalities can get together to plan, design, develop and market an **inter-municipal business park** to offer local businesses a chance of relocation and expansion or even to attract new companies from outside.

With the same objective, as part of a coordinated **inter-municipal commercial site policy**, land supply can be tailor-made to meet different business needs, thereby being strongly demand-oriented. The municipalities involved are required to divide tasks in a geographically sensible way, prioritise their goals for future commercial development and jointly develop sites for manu-

5 For practice examples of inter-municipal tools for steering spatial development see for example: Raab, A. (2011): Räumliche Entwicklungen interkommunal steuern – Interkommunale Kooperation – ein bedarfsgerechtes Steuerungsinstrument für räumliche Entwicklungen auf kleinräumiger Ebene. ibidem-Verlag, Stuttgart, 472 S.

facturing, services and trade to be located in the as most suitable identified areas. Going a step further, municipalities may decide to adopt a **joint urban development policy**, which can be worthwhile in some spatial contexts. In that case the involved municipalities would develop a coordinated urban planning and development strategy and common objectives that take into account all necessary urban functions of an area including, for example, housing, transport, social and recreational infrastructure – in addition to industry and commerce. The “land-use management” model may include the preparation and possibly the realization of concrete building projects.

2.3.2. Promotion and communication

In the field of CLD, promotion and communication activities are usually aimed at retaining local businesses in the region and attracting new business from outside. A location (municipality, region, etc.) can undertake various actions to communicate its location advantages, and thus influence the attitudes and expectations of relevant stakeholders. Within the inter-municipal location, it is important to maintain close contacts with individual enterprises and business networks, to inform the public about development processes and actively promote their public engagement. The overall aim is to convey a clear regional identity and a positive image, which can manifest itself, for example, also in a special brand for regional products. A well-defined location profile and a clear development model or guiding principles are also essential for the outward communication and can be meaningfully conveyed, for example, through a website, advertising campaigns and trade shows. The success of the measures depends primarily on how far it is possible to create and cultivate personal contacts with decision-makers, to address the desired target groups and to trigger positive multiplier effects for the location⁶.

COMUNIS makes a distinction between the following two approaches: a joint **marketing of commercial areas**, intended as a stand-alone action or as part of joint land use management activities, can contribute to bring together supply and demand and to promote the settlement of companies in the area (see above). The **location marketing** approach goes a step further and enables a municipality or a region to use its own image as a tool for respond-

⁶ Gubler, R. E. & Möller, C. (2006). Standortmarketing – Konzeption, Organisation und Umsetzung. Haupt Verlag Bern, pp. 258

ing to exogenous impulses or difficulties. The location marketing is based on a holistic view of the site, which includes its specific strengths and weaknesses. The participating municipalities develop a common inter-municipal marketing model and a clear location profile and establish the region as “brand on the market” in the medium- to long-term.

2.3.3. Business support services

Companies increasingly consider the availability of a good range of business services offered by municipalities and regions as an important location factor. The offer may include measures and activities such as municipal support during administrative procedures, financial incentives, relocation management, succession management or incentives for the education and vocational training of workers. At a higher level, the municipalities of a region can work together to introduce a **general trade and industry support scheme** to ensure a coordinated and coherent regional economic development. Widening the perspective allows considering regional value added chains and business cycles, and targeted measures can be adopted to foster their growth. At the same time, inter-municipal cooperation enables sharing expertise and resources, thus paving the way for common long-term economic and political visions. Municipalities can also opt for **individual economic support schemes** for single companies or specific target groups, which may include:

- subsidies,
- credit or investment grants, but also
- remission of fees or deferment of payment, etc.

Other forms of support can include:

- the establishment of a business settlement agency as a *one-stop agency*,
- administrative support for new businesses or
- support to start-up companies through coaching, mentoring or the provision of business incubators.

Consulting services offered to companies may also have a strong content focus and for example aim at promoting the implementation of an **Industrial Ecology** concept. In that case, municipalities encourage companies to co-

ordinate material and energy cycles with each other and to re-use recyclables and residual amounts of energy within these local “circuits”. Municipalities are primarily in charge of carrying out the preliminary analysis and to establish and support networks and working groups involving administration, economy and external advisers.

2.4. Transferability of CLD-models to different regional contexts

Evidently, the success of implementing inter-municipal CLD is determined by the basic principles and success factors for inter-municipal cooperation as such. These are⁷:

- Willingness to cooperate must be given
- „Bottom-up” initiation (imposed cooperation is usually met with skepticism)
- No domination by a single partner
- Ability and willingness to reach consensus
- Adequate decision-making structures to allow for cooperation at eye-level
- Consideration and balancing of interests of all cooperation partners

If these preconditions are met, the cooperating municipalities need to develop a consciousness which inter-municipal CLD-model may be best suited for the specific regional context. The following aspects and questions are to be considered by the municipalities in this regard:

- **Objective/ Task:** Do the municipalities actually pursue the objective which underlies a specific model of action? Which tasks characterize the models of action?
- **Location:** Are the locational pre-conditions required for implementing a certain model of action met? Is the current regional situation similar to the starting conditions described for the models of action? Do the same regional starting conditions prevail?
- **Legal and organizational framework:** Do the municipalities have the autonomy and competence to agree upon the required legal or fiscal arrangements? Do local government / governance structures provide suffi-

⁷ Hessisches Ministerium für Wirtschaft, Verkehr und Landesentwicklung (2006). Gemeinschaftsinitiative Stadtumbau in Hessen – Interkommunale Kooperation.

cient flexibility to lay the foundations for steering the inter-municipal development? *It must be considered that all models require a minimum standard⁸ of organizational agreements on the inter-municipal level:*

- ✓ *Mechanisms and regulations for sharing costs related to the inter-municipal CLD.*
- ✓ *Availability of financial and personal capacities for installing and running a management structure.*
- ✓ *Mechanism and regulations for decision-making on the inter-municipal level.*

- **Economic framework:** Are economic and business structures in place which facilitate or render it appropriate to apply the model in the regional context?
- **Actor involvement:** Which local or regional actors need to be considered particularly to achieve a successful implementation of the model of action?
- **Degree of commitment:** Recommendation or assessment respectively, based on how binding and regulated a model is. Which degree of commitment are the municipalities willing to agree upon, which degree of commitment is required for applying the model?

8 These aspects are basic requirements and not mentioned explicitly in Table 2.

Table 2: Overview and characterization of the models of actions described in Chapter 2.1 the above-mentioned aspects and questions.

Model of action	Objective/ Task	Location	Legal/ organizational framework	Economic framework	Actor involvement	Degree of commitment
Land use management	Inter-municipal business park	A suitable site for joint development must exist	Mechanisms for sharing the revenues of settling enterprises in the inter-municipal business park (taxes, land sale etc.)	Demand for future business settlements or relocation of existing businesses exists	Good communication to local/ regional enterprises to be able to balance supply and demand	High, but limited to the jointly developed site
	Commercial Site (Development) Policy	Availability of suitable new sites / land for reuse for commercial purposes in one or more of the participating municipalities	Requirement to jointly plan, purchase, develop and market land at inter-municipal level. Mechanisms for sharing the revenues of settling enterprises in the jointly developed sites (taxes, land sale etc.)	Demand for future business settlements or relocation/ extension of existing businesses exists	Good communication to local/ regional enterprises to be able to balance supply and demand	Strongly regulated organizational structure. Agreement of a joint commercial development model.
	Comprehensive Urban Development	Availability of areas/ land for new use or reuse	Mechanisms for sharing the revenues of settling enterprises in the jointly developed sites (taxes, land sale etc.) Economic power of existing and established companies is to be safeguarded; existing work places are to be upheld	Strong internal and external communication indispensable to gain the trust of the population	Agreement of a joint urban development. Possibly initiation of joint construction projects connected to high financial expenses.	

Model of action	Objective / Task	Location	Legal / organizational framework	Economic framework	Actor involvement	Degree of commitment
Promotion and communication	Commercial Site Marketing - general	Generally possible for any commercial site	Municipalities need to disclose data on their commercial zones (e.g. vacancy, land purchase / rental conditions, etc.) to each other, e.g. to develop a database on commercial real estate.	No specific economic framework required. However, defining the economic location profile facilitates focusing on a target group for marketing activities.	Involvement of (PR-)experts	Low; regulation only required for the sharing of costs
	Commercial Site Marketing – Inter-municipal pool of commercial areas	High surplus of developed commercial areas	Municipalities need to disclose data on their commercial zones (e.g. vacancy, land purchase/ rental conditions, etc.) to each other, e.g. to develop a database on commercial real estate. Mechanisms for sharing the revenues of settling enterprises in the jointly developed sites (taxes, land sale etc.)	No specific economic framework required. However, defining the economic location profile facilitates focusing on a target group for marketing activities and future business settlements in the inter-municipal commercial areas pool.	Involvement of (PR-)experts	Strongly regulated organizational structure and mechanisms of sharing revenues
	Location Marketing	Existence of a regional identity over multiple local identities is helpful (High) personal commitment rooted in the common regional identity eases the process	Only basic requirements	Definition of a joint economic profile representing the entire region that is supported by all economic (and political) actors as well as the population	Involvement of (PR-)experts	Low formal commitment High informal commitment originating from the common identity of the region.

Model of action	Objective / Task	Location	Legal / organizational framework	Economic framework	Actor involvement	Degree of commitment	
Business support and services	Individual business support	Foster the economic situation and structure by individually supporting particular businesses	Generally possible in any region	Only basic requirements	Good knowledge of existing enterprises and economic culture to define which type of businesses/production is to be supported	Good external communication to justify support to selected individual businesses.	Low formal commitment Possibly high informal commitment due to development of joint strategic focus
	Industrial ecology	Optimize the use of limited resources, decrease the need of raw materials, reduce waste, reuse energy and waste within a circle of production/non-production enterprises	Existence of a suitable industrial zone or companies with suitable production cycles respectively	Only basic requirements	A particular company structure eligible for industrial ecology is recommended	Strong contact to local and regional economy Inclusion of experts into the process necessary	Strong integration of municipalities to launch the project, decreasing involvement in the course of implementation. Formal and binding agreements between businesses taking part in industrial ecology

2.5. Recommendations

- 1) By using the CLD-approach the municipalities may create favorable conditions for their economic development, and through indirect consequences for their overall development. However, it is also important for municipalities to recognize and acknowledge that, in view of demographic change, macroeconomic changes and limited resources (e.g. land), boundaries exist concerning their possibilities to influence and steer development.
- 2) The majority of the demand for commercial development (80 – 90%) originates from the resettlement or extension of local or regional enterprises – both in rural as much as in more urbanized areas. This means developing a common commercial strategy should focus on the endogenous potentials. This allows a focused and demand-driven Commercial Location Development and costly investments can be avoided. Important for this is an intense and regular communication with local companies.
- 3) The commercial development of a location is not to be reduced to the provision of commercial areas of large sizes and cheap prices, but an individual and flexible answer to current economic demands. Enterprises often value location factors, such as flexible layout of the land to meet the demand of the enterprise, labor market potentials, municipal support of the development, accessibility (cf. industrial ecology), availability of the qualities needed etc. higher than or at least as high as land prices and municipal tax burdens. In many cases, investors from outside the region require and expect a strong support from the municipal administration, including anything from regulatory advice (e. g. air quality regulations) to public relation activities. The advantage here is an approximate match of corporate and municipal interests. The above tasks can often be processed more professionally in an inter-municipal cooperation than in a single municipality.
- 4) Municipalities have to determine early in the cooperation process whether the necessary conditions for cooperation are given:
 - **Trust, openness, conviction:** The basic requirement for cooperation between municipalities is a strong atmosphere of trust between the persons responsible of the municipalities involved as well as between the mayors and the respective municipal councils. One precondition is

continuous and open communication between these parties. The municipalities involved and their negotiators have to be convinced of cooperation to share the common objectives and to be aware of the consequences of the process; otherwise they will impede the process of cooperation and put the cooperation at risk throughout the entire process. Municipalities possibly impeding the process have (to be forced) to make the decision on their further participation in the cooperation.

- **Degree of commitment:** The possible contents for an inter-municipal cooperation depend on the achievable degree of commitment between the municipalities. It is to be considered that the degree of commitment can be very different depending on the desired solution. Some approaches require, for example not only a breakdown of costs but also of income. The municipalities need to be clear about how far they want to go and which degree of liability is acceptable for them.
 - It is important to keep the process going and not to get lost in questions of detail in the early stages. The participants should aim at simple, transparent and fair problem solutions. The rules of decision making have to be transparent and should possibly allow majority votes for details of regulations.
- 5) Inter-municipal CLD is dependent on a clear description and assessment of local and regional conditions. Within the COMUNIS project, a suitable procedure was developed and practically tested that by means of a detailed analysis of the situation, challenges and opportunities lays the foundation for developing a focused strategy and its organizational implementation. To ensure a long-term strategy and its continuous improvement, methods for an evaluation are presented (see section 2.2).
 - 6) Solutions are not easily transferable, i.e. municipalities must be aware that CLD is connected to a process, which aims at developing a customized solution. Nevertheless, it helps to become knowledgeable about the practice of cooperation and to learn from good as well as bad examples.

3. Conclusions

The Commercial Location Development concept offers municipalities the chance to steer their commercial development in a forward-looking way by cooperating with other municipalities. Due to its diverse indirect effects, the CLD approach goes beyond the objective of a stable economic development. By supporting the growth of businesses and the ensuing job creation, the strategy aims at increasing the attractiveness of the municipalities involved as a place of work and residence. With regard to the demographic change, the strategy is a prerequisite for retaining young people in the region, thus ensuring the future utilization of existing infrastructure.

The proposed models of action aim at retaining businesses in the region or at generating the conditions to release new investments, to create or attract new businesses. This may be by jointly developing commercial areas, joint location marketing or cooperative business support measures. The strategies developed focus on the inter-municipal level. By cooperating, municipalities will have less difficulty providing the necessary administrative and financial support or resources for a forward-looking strategic development, not to mention the fact that sometimes cooperation represents the only viable solution. It is also worth noting that due to various economic, infrastructural and social ties and due to topographic conditions (above all in the Alps), municipalities frequently establish common economic areas, which have a cooperative nature and are beneficial to all municipalities involved, not least because they improve the external perception of the designated area and help it maintain its position as a business location against other regional competitors.

As expected, the project has revealed that, given the large heterogeneity of the economic and social conditions in the Alps, there are no universally valid and easily transferable solutions. Transferability is however possible at other levels. First, a uniform procedure could be applied in COMUNIS (see section 2.2.1) to allow cooperating municipalities to move from a detailed analysis of their situation to adequate problem-solving. Second, since similar problem situations are found also in other regional contexts, it might be expedient adopting solutions (models of action) which pursue similar objectives (e.g. demand-oriented, joint development of selected areas for commercial purposes, optimization of resource utilization by coordinating supply chains (industrial ecology)) (see section 0). However, when it comes to im-

plementation and practical realization, every inter-municipal cooperation initiative will have to find its own individual and tailor-made solutions. This is true for transnational projects that have to deal with different legal and administrative frameworks as well as for projects within the same national context, which rely on an existing basis of trust and commitment between municipalities and depend on the latter's ability and willingness to put their own local potentials in the service of a regional idea.

3.1. Outlook

In some regions permanent structures for the management of CLD could be established in the course of the project. There, related approaches are being tested in practice in Germany and Austria. After studying and analyzing the various forms of inter-municipal cooperation the mayors of the Alpsee-Grünten region decided to jointly develop and market commercial areas in the Alpsee-Grünten region. The decision process for establishing a special purpose association (SPA) has been engaged in and the framework conditions and costs for installing and running such an agency responsible for CLD have been clarified. In the two Austrian pilot regions "Großwalsertal" and "Leiblachtal", the legal and statutory framework of a project and location cooperative (PSG, "Projekt- und Standortgenossenschaft") was discussed and further defined. The implementation goal for Großwalsertal is the creation of a permanent management structure for CLD, meaning the definition of a business plan including arrangements between the communities and the documentation of created rules. In Großwalsertal four of five municipalities decided to take part in the PSG. For Leiblachtal the goal is to create a regional association of five municipalities, meaning the working out of common strategies. The pilot area is working on the strategies for implementation.

In the course of the project, a strategy could be worked out for the implementation of the knowledge management. Focus here is set both on a knowledge management-system and on the concept of transnational tandem regions. That system – linking e.g. the Wikipedia, LinkedIn, and Slideshare webpages – should provide solutions for cooperative strategies on Commercial Location Development. It is a means to institutionalize the sharing of experience in that same field. Additionally, the project partners adapted the

“tandem” program⁹ to inter-municipal issues in a unique and profound way to provide an applicable model to improve intercultural understanding. Concretely, it is envisaged that two pilot regions share their experiences and specific documents. This includes the concept of an ongoing evaluation. The tandem regions meet after completion of the project at regular intervals to discuss the gained experience and to exchange experiences.

3.2. Research needs

Despite the COMUNIS partner consortiums’ efforts to be exhaustive in its research on inter-municipal CLD, certain issues listed hereunder have not been fully discussed within the framework of the project. Similarly, related topics have necessarily been discarded from the project development due to the fact that a serious and sound treatment thereof would require extended investigations. In depth study of the following aspects related to inter-municipal Commercial Location Development would surely contribute to a better understanding of the topic under consideration in the project COMUNIS:

- municipal autonomy¹⁰,
- (inter-)municipal land/spatial planning law and tax systems,
- the conditions for emergence of a supralocal institutional structure¹¹,
- regionalization as a dynamic process and generator of meaning and identification¹².

Success and effects of inter-municipal cooperation in the commercial site development: So far there are few studies that deal with the effects of inter-municipal cooperation for the control of spatial developments (for Germany, see Raab 2011: 38¹³). Useful would be comparative studies which analyze the impact and success of inter-municipal cooperation in CLD in

9 In its origin planned as an interactive means for two people to learn each other’s language.

10 Benefits of competition between autonomous municipalities according to the theory of public choice.

11 According to K. Horber-Papazian & S. Terribilini (In: Katia Horber-Papazian, S/s dir., 2001) a minimum of convergence of the representations and of interests is necessary not only for the production of new spaces for public action, but also for their legitimacy.

12 According to Cl. Raffestin (In: Katia Horber-Papazian, S/s dir., 2001) regions are now engaged in a process of territorialization-reterritorialization-deterritorialization.

13 Raab A. 2011: Räumliche Entwicklungen interkommunal steuern. Interkommunale Kooperation – ein bedarfsgerechtes Steuerungsinstrument für räumliche Entwicklungen auf kleinräumiger Ebene. Ibidem-Verlag Stuttgart, 472 S.

detail, also covering the diverse indirect effects (job development, tax revenues, population, etc.)

Systematic ex-post analysis of costs and benefits of commercial space developments: within the project it was found that municipalities often know neither the direct financial nor the further indirect effects of commercial site developments. It would be helpful to generate a compilation of data and experience (ex-post considerations) concerning the actual cost and value of commercial site development and an examination of the conditions and factors that lead to favorable or unfavorable cost-benefit ratios.

Lead partner

University of Applied Sciences Western
Switzerland – Institute of Tourism
Nathalie Stumm
TechnoArk 3
CH-3960 Sierre
Phone: +41 27 60 69 00 3
Email: nathalie.stumm@hevs.ch

ERDF-Lead partner

Chambre de Commerce et d'Industrie
Claire Delsuc, Florine Goncet
Place de la Bourse
F-69289 Lyon
Phone: +33 4 72 40 56 92
Email: Delsuc@lyon.cci.fr