

<b>Program</b>	Interreg Europe
<b>Program call</b>	1, ending on 31st May 2022
<b>Program objective</b>	1. A smarter Europe
<b>Specific objective</b>	(ii) Digitalisation for citizens, companies, research organisations and public authorities)
<b>Project acronym</b>	TRANSFORM
<b>Project title</b>	compeTence centRe for smAll muNicipalities to Strengthen the know-how and digital transFORMation

Fragmented local government is characterized as (too) many municipalities with insufficient capacity and resources to discharge their obligations and opportunities under the law, which in some countries is accompanied and aggravated by unclear allocation of responsibilities and/or gaps and overlaps with those of other public institutions (at any government level). While local territorial fragmentation can be an explicit policy decision (as occurred in some pre-accession countries in the 1990s), fragmented local government tends to arise through ‘path dependency’, as historical, geo-political and socio-cultural factors lead to a ‘municipal map’ that becomes increasingly disconnected from the functional demands and exogenous challenges facing public administration at the local level.

In recent decades, most Member States have strived at some point to identify and achieve the optimal size and territorial coverage of local self-government (LSG) to deliver the latter’s duties to local communities efficiently and effectively. Intuitively, questions of scale cannot be separated from those of scope - what local government actually does. While not a condition of EU membership, every Member State is a signatory of the [European Charter of Local Self-Government \(ECLSG\)](#), which defines its concept, coverage and characteristics. The ECLSG recognizes that funding should follow functions, requiring that ‘local authorities’ financial resources shall be commensurate with the responsibilities provided for by the constitution and the law’, and that this should derive from local taxes and charges, at least in part, meaning they have the power to determine the rate (Article 9).

In this context, the rationale for administrative-territorial reform is that there are (some) territories at the lowest functioning level of government that are too small to discharge their existing responsibilities and resources efficiently and effectively, and are likely to lack the capacity to absorb further functions and funds in the future. However, despite any comparative analysis of policy approaches across the EU must start by recognizing that the context is very different in each Member State, there are also some common challenges, which TRANSFORM aims to tackle:


	<b>Key findings</b>	<b>In detail</b>
	<b>I) Structured and co-ordinated network to foster governance</b>	
<b>1</b>	Different configuration of sub-national government in each Member State	While the smallest municipalities will always tend to struggle to provide more than basic services, the most critical factor is the set of functions that LSGs are expected to fulfil, either on a statutory basis (own duties) or assigned by higher levels of government (delegated duties). <a href="#">EUPACK 3’s country experts</a> have analysed functional assignment by policy area. Unsurprisingly, the local level is overwhelmingly focused on financing and provision functions, especially related to education, social welfare, environmental protection, public utilities, healthcare and, to a lesser extent, economic affairs and internal affairs (police).
<b>2</b>	Lack of aggregated maps of stakeholders in each region	
<b>3</b>	Limited indication of the potential efficiency of LSG	
<b>4</b>	Difficults in assessing how easy or hard it is for a municipality to serve its community.	

II) Policy approaches		
5	Policy makers – especially at the local level – focus their attention on citizens needs rather than internal needs	Central authorities have typically laid out criteria to guide decision-making, whether centrally or locally, towards the LSG model. These often include size as a proxy for efficiency, setting thresholds for minimum population coverage. There have also been attempts to take account of territorial coherence and socio-economic cohesion, recognising that LSG policy does not exist in a vacuum, but must also take account of historical, spatial and cultural factors. None of the 27 Member States has employed financial viability or administrative capacity as explicit criteria.
6	Low level of know-how in European public policy instruments	
7	Lack of cooperation among stakeholder and related low level of knowledge of the existing best policies and scenarios for municipalities	
III) Governance coordination		
8	Lack of cooperation between municipalities of different regions	There is a lack of coordination among the EU and national level concerning creating policy ecosystems, in terms of schemes, funding and programs. Therefore, there is a clear need for significantly improving the effectiveness of the available counselling support through a more joined-up approach at EU level. The lack of coordination of existing models in the EU policy framework for small municipalities, is the key driver of informational asymmetries, causing duplications of assessment costs, missed economies of scale, lack of common digital systems and, missing opportunities at all the different governance level.
9	Missing knowledge on common needs for small municipalities	
10	Lack of speed iterating over improved solutions	

A more complete understanding can only be built from the bottom-up, by looking at the reform strategies and specific circumstances of individual countries. TRANSFORM aims at increasing the know-how on digitalisation in small municipalities (less than 30,000 inhabitants) including them in collaborative processes, thus improving their capacities and enabling them to create effective governance and policy-related actions to impact and create policy instruments and at least 10 competence centres for small municipalities at European Level. To achieve these goals, the project is divided in **3 different phases**:

 **Phase I: Identification of context, final users and their needs (WP2)**

The first phase will be focused on the **identification of the needs of small municipalities** that could be addressed by the development of the competence centers, according to the challenges identified by the project. To do so, the consortium will use all its expertise, intellectual capacity and technical competences to propose a robust framework for explaining, mapping and exchanging existing practices of competence centre for small municipalities at European Level. During this phase a number of outputs will be generated and will contribute to a detailed identification of a set of needs that could be addressed by the project to improve policy instruments and implement new projects.

 **Phase II: Accelerating quality for cooperative approaches in small municipalities (WP3 and WP4)**

The second phase will be mainly focused on **transfer of knowledge** and the **generation of training practice and tools** to address the identified needs in the Phase I. Particularly, this phase will be divided in 2 different parts: a first theoretical one related to the creation of the TRANSFORM model for competence centers and the implementation of the transition




manager profile, and a second one, more empirical and related to the validation of the TRANSFORM model via exchange of best practices and trainings among the members of the consortium.

**Phase III: Building efficient and digital governance via the TRANSFORM model (WP5)**

This phase will be focused on **the launch of the TRANSFORM model via the pilot phase**. 2 TRANSFORM open call will be opened and each pilot will follow the intervention logic of Interreg Europe, involving 20 small municipalities (10 per open call): during this pilot phase the selected towns will have the opportunities to apply the TRANSFORM model, implementing 60 pilots in 1 year.

**Main outcomes of the TRANSFORM model**

Given the **high scalability of the purpose governance model** as well as the ambitious targets to be achieved by the end of the project, a monitoring phase on the year 4 (WP7) will ensure the sustainability of the program. Moreover, **by the end of the core phase** at least one of the following actions should be produced:

-  Plans for policy changes
-  Creation of a competence centers among at least 2 different neighborhood small municipalities
-  Participation in at least 1 European project (regional, national or EU level) concerning Digitisation for citizens, companies, research organisations and public authorities

**Potential Consortium**

We are looking for small municipalities (less than 30,000 inhabitants) and regional authorities that are willing to support the creation of the competence centres at European Level.