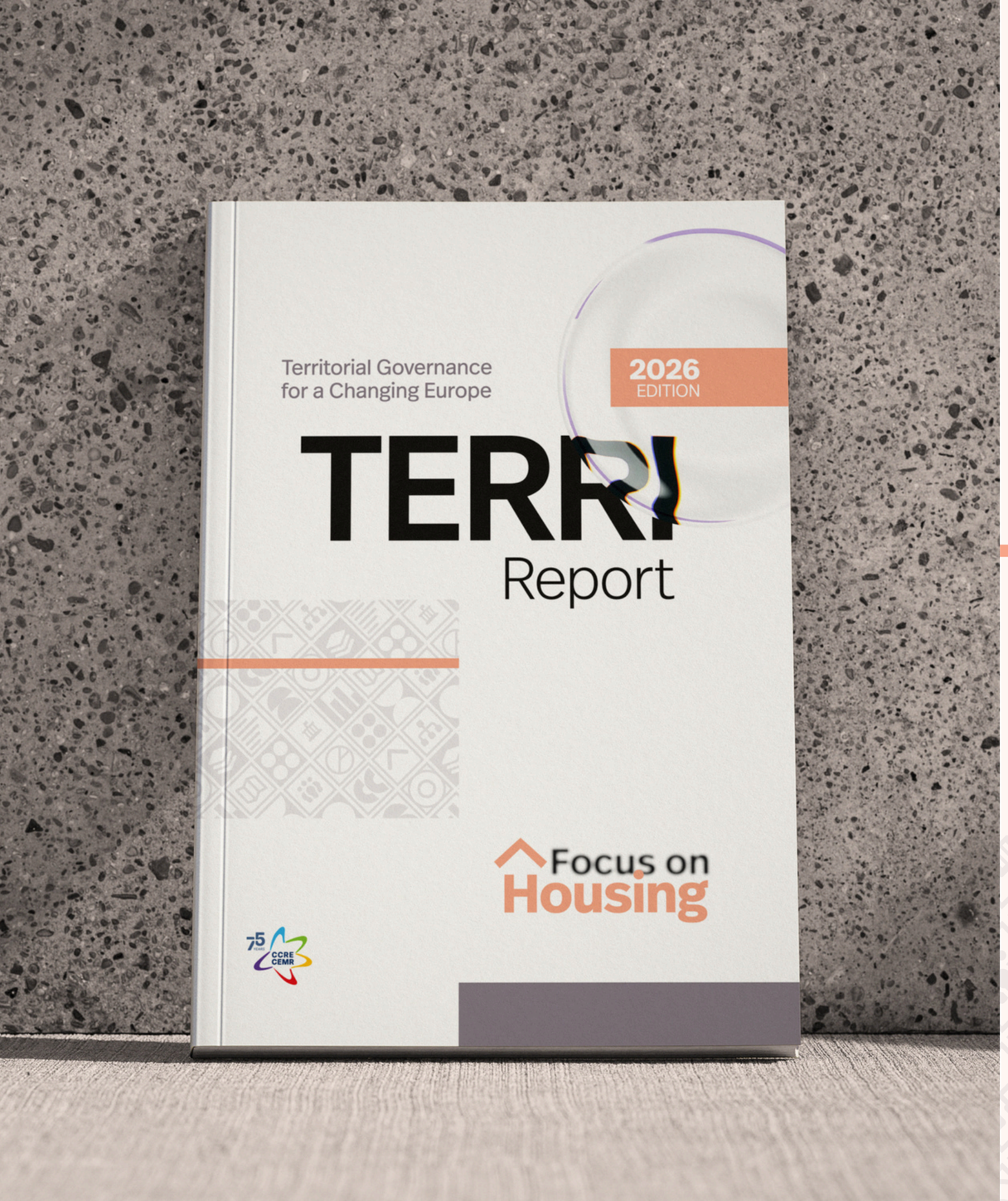


75 YEARS CCRE CEMR Local & Regional Europe

TERRI 2026

Governance, Capacity and Delivery in Europe

Why TERRI Report?

Are Europe's governance systems equipped to deliver growing policy ambitions?

- Evidence from CEMR member associations
- Governance Reforms
- Powers and responsibilities
- Capacity
- Finance
- Housing

Evidence of reform activity: CEMR survey results

50%

No changes/reforms between 2021-2025

32.1%

Changes/reforms between 2021-2025

17.9%

Ongoing reform

TERRI 2026 · CEMR · Figure 1.1, Types of Administrative Unit Reforms Reported (2021–2025). Source: TERRI Survey 2026

Types of reform and their drivers

Drivers	Types
Efficiency and administrative capacity	Territorial reforms
Local autonomy and voluntary reform	Governance reforms
Governance modernisation and multi-level governance	Competence Reforms
European Integration and external reform drivers	Service delivery reforms

How responsibilities are organised?

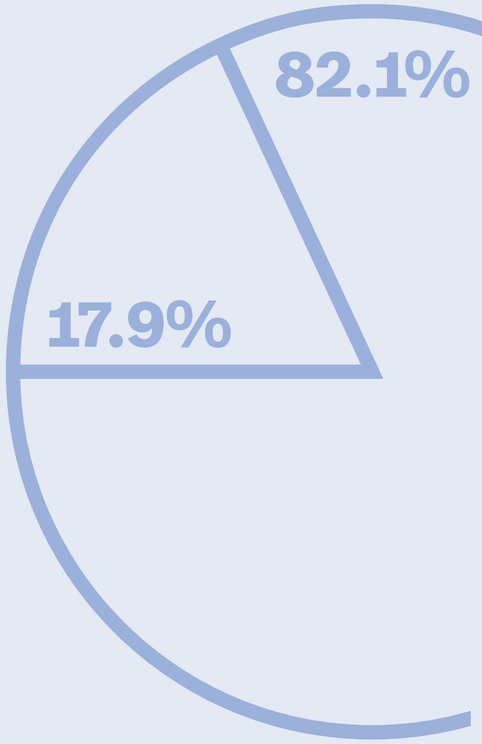
No single governance model emerges as consistently superior

Cluster	Governance model	Core characteristics
①	Municipal-led systems	Municipalities exercise primary responsibility for policy implementation and service delivery, although within national legislative and financial frameworks.
②	Multi-tier governance systems (shared governance systems/competences)	Responsibilities are distributed across multiple levels of government, requiring coordination between legislative, strategic, financial and operational functions.
③	Regional and strategic governance systems	Strategic planning, coordination and policy oversight are exercised through governance structures operating above the municipal level, including regional authorities, devolved administrations, combined authorities or strategic territorial bodies. Municipalities typically perform supporting or implementation functions.
④	Intermediate and inter-municipal systems	Intermediate authorities or inter-municipal bodies coordinate functions that extend beyond individual municipal boundaries and support joint service delivery.
⑤	Hybrid systems	Governance arrangements combine elements of several models and reflect country-specific institutional traditions and administrative structures.

TERRI 2026 · CEMR · Table 2.1, Governance Models for the Allocation of Competences in Europe

How cooperation has become mainstream?

Presence of governance arrangements



82.1%
Arrangements Exist (YES, N=23)

17.9%
No Arrangements (NO, N=5)

The type of governance arrangements

82.6%
Inter-municipal cooperation bodies (N=19)

69.6%
Special-purpose or sectoral entities (N=16)

47.8%
Other forms of municipal cooperation (N=11)

34.8%
Metropolitan or urban area authorities (N=18)

8.7%
Other (specified, N=2)

TERRI 2026 · CEMR · Figures 3.1 and 3.2. Source: TERRI Survey 2026 (N=23 active respondents)

How cooperation has become mainstream?

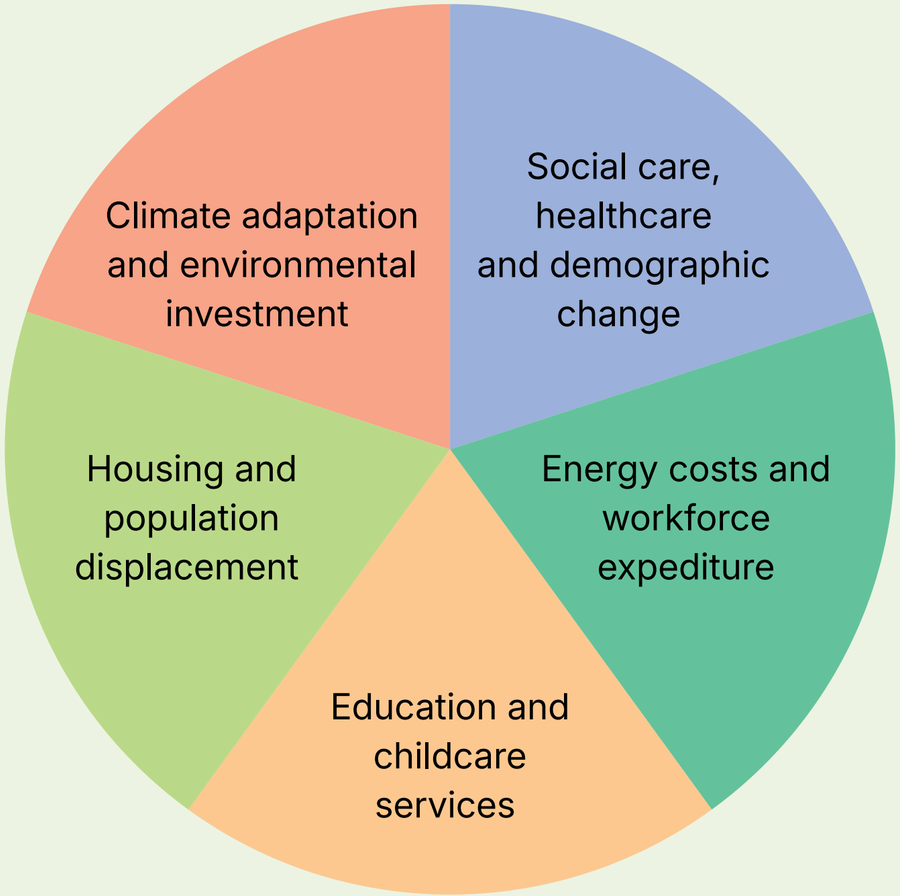
Model	Main Driver	Main Characteristics	Illustrative countries
Ⓐ	Legal integration and financial incentives	Statutory cooperation, delegated powers, financial incentives	Finland, France, Hungary, Netherlands, Norway, Slovenia
Ⓑ	Territorial flexibility and menu-based systems	Menu-based and purpose-built arrangements	Belgium, Germany, Luxembourg, Spain, United Kingdom
Ⓒ	Capacity and sustainability constraints	Shared expertise and service delivery	Estonia, Lithuania, Czechia, Serbia, Ukraine
Ⓓ	Functional service delivery	Weak institutional or financial underpinning	Moldova

TERRI 2026 · CEMR · Figure 4.4, Typology of Inter-Municipal and Alternative Governance Arrangements. Source: CEMR Survey 2026

The Financial Reality

TERRI 2026 highlights main sources of financial pressure faced by local and regional governments

Main sources of financial pressure



TERRI 2026 · CEMR · Section 4.2. Source: CEMR Survey 2026

Responsibilities, Resources & Investment Capacity

Three core messages:

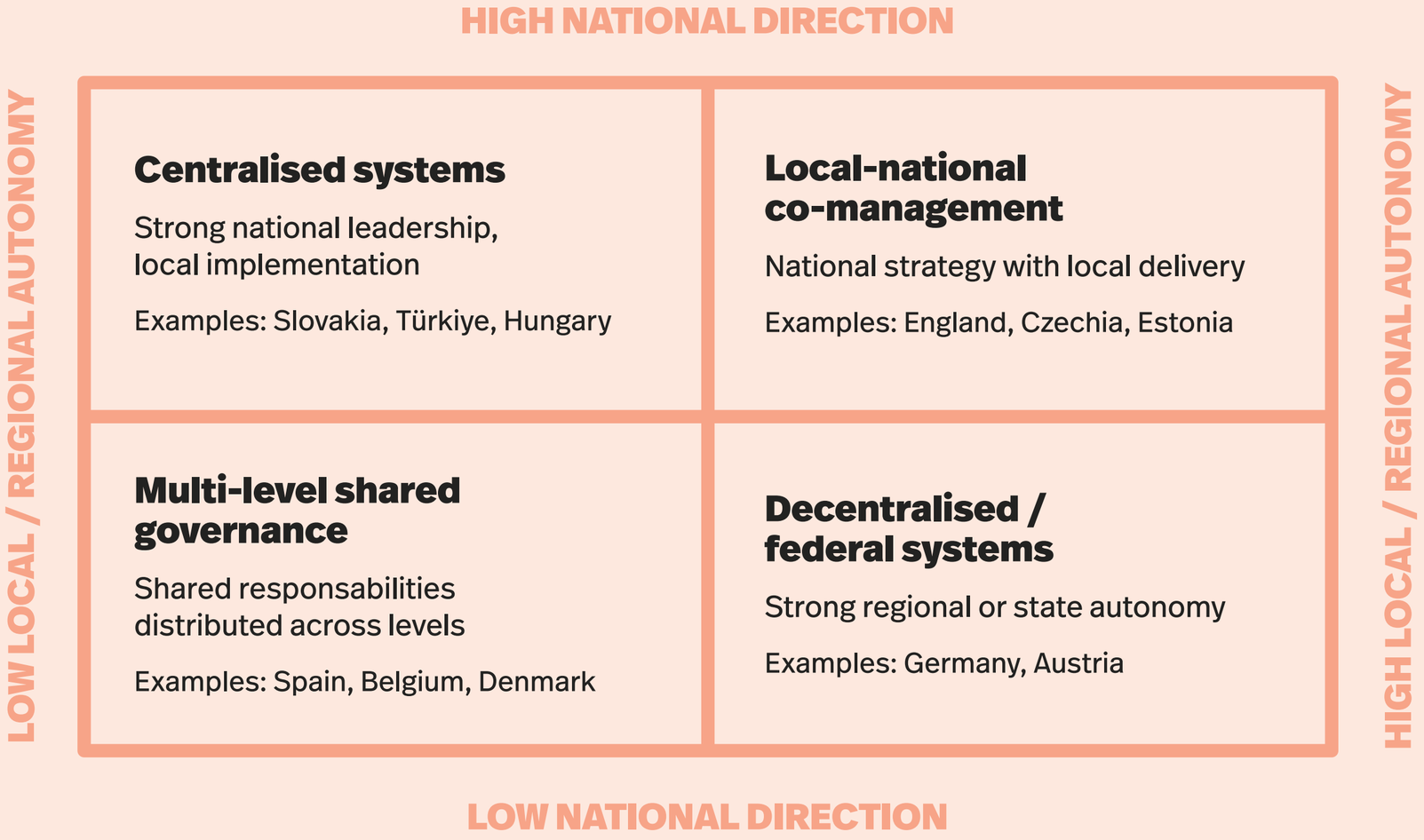
- Responsibilities and Resources
  - Growing responsibilities, constrained resources
- Fiscal Flexibility and Investment capacity
  - Rising investment needs, limited discretion
- Long-Term sustainability
  - Future demands require long-term planning

Effective governance depends on resources, flexibility and investment capacity

Housing: The governance test case

No single housing model guarantees success

Outcomes depend on capacity, resources and coordination



TERRI 2026 · CEMR · Figure 5.3, Housing Governance Models in Europe. Source: CEMR Survey 2026



TERRI 2026

Territorial Governance for a changing Europe

Thanks for your attention!