

MASTERARBEIT / MASTER'S THESIS

The possibility of adapting LEADER regions towards regional transformation agencies in Austria based on the TRANSREAL project

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1 Abstract

The multiple crises with climate change and biodiversity loss at its centre are escalating faster than ever. A radical social-ecological transformation is a potential option to avoid the harshest consequences. As an approach to support the transformative processes on the regional level, the concept of regional transformation agencies was developed in a research project called TRANSREAL. The potential implementation of this approach in the Austrian funding system is the main field of investigation in this master thesis. Regional transformation agencies could be established by founding a new institution or by transforming an existing program. Due to its suitable governance approach, the potential of the LEADER program is investigated in this thesis. LEADER is a program financed by the EU to support the development of rural areas in the member states.

The main research question asks: How does LEADER need to change in order to support the social-ecological transformation in rural regions? To answer this question, retroduction, a methodical approach based on critical realism, is used. The transcendental argumentation of this approach allows to search for the necessary properties for LEADER to function as a regional transformation agency. The argumentation is informed by a literature review, four expert interviews, and learnings from the current LEADER approach.

The results provide concrete paths how LEADER could be transformed towards the concept of regional transformation agencies. The paths include the relevant actors and the specific necessary changes within the LEADER structure. As the best practically possible option, a change of LEADER on the national level was identified. The EU member states have enough autonomy to transform LEADER towards regional transformation agencies and could provide additional funding.

Besides the different paths, the results explain the necessary changes for LEADER to successfully support the social-ecological transformation. The thematic focus of LEADER is one of the main issues in this context. In contrast to the current situation, the regions need local development strategies with a focus on the themes with the highest transformative potential and the social-ecological transformation as the superordinated goal. The successful implementation of regional transformation agencies based on the LEADER program requires well-coordinated changes in different areas.

2 Introduction

The climate crisis and biodiversity loss are getting more evident day by day. New temperature records are broken all over the world and the extinction of different species is unstoppable. Meanwhile, politics seem to be unable to address these issues effectively (IPCC, 2022b). Many researchers show that neoliberal attempts such as the monetarisation of nature and technological innovation cannot be effective (Stoddard et al., 2021). An important example is the concept of strong and weak sustainability in which the concept of strong sustainability shows that the economy is embedded in the society and society is embedded in nature. This challenges the concept weak sustainability which is based on the pillars of nature capital, physical capital, and human capital. The three pillars model is weak due to its assumption that the different aspects are “exchangeable” on the same level. However, nature as the basis of every life on earth is something different compared to the economic values of some consumer goods or services (Novy et al., 2023).

The consequence of these multiple crises is that we need a radical social-ecological transformation which enables a good life for all within planetary boundaries. “Radical” meaning getting to the fundamental underlying cause (Spash, 2024 p.4) which is only possible by following the concept of strong sustainability. The alternative to a radical social-ecological transformation is very likely to be disastrous for human societies (IPCC, 2022a). Therefore, we need effective strategies to achieve the social-ecological transformation which avoid the most dangerous scenarios. According to Brand (2022):

“Strategies and strategic thinking have the goal of creating the conditions for the mid-term transformations about which we already have some ideas. But strategies also create the conditions for future transformations by changing power relations, blocking devastating economic practices, redesigning the state and public policies, and questioning the capitalist growth imperative” (Brand 2022, p. 43).

Before heading to strategic measures discussed in this master thesis, it is important to note that a radical social-ecological transformation can only be achieved by thinking beyond reform (Brand, 2022 p.41; Bärnthaler, 2024 p.93). This is also in line with the influential concepts which combine pragmatic compromising short-term agency with long-term revolutionary change such as the revolutionary realpolitik by Rosa Luxemburg (Novy et al. 2022, p.600). The steps which we can achieve at the moment need to be in line with our ideas about the world we want to achieve with the social-ecological transformation. A foundational economy approach is a potential idea about the future which societies could achieve. The foundational economy puts the provisioning of foundational goods and services for all at the centre of economic thinking (Novy 2020, p. 15).

The foundational economy needs to be based on structural changes which should strengthen bottom-up democratic processes. Such an approach is put in place by the project “TRANSREAL – Transformativer Realismus für effektive Klimamaßnahmen” which tries to develop new or adapted institutions/organisations on a regional level within Austria. The goal is to enhance initiatives for climate friendly living and to evaluate the potentials of transformative climate

actions. Part of the project were two LEADER-regions in which the potential goals and projects of such an organisation are discussed (Lexner et al., 2024; Novy & Kroismayer, 2023). In order to decide whether a project is desirable, effective and feasible, Novy and Barlow (2022, p.4-5) have developed six characteristics of transformative climate action:

Transformative climate actions (TCAs) aspire to ...

(1) ... broaden climate targets to social-ecological goals;

(2) ... shape framework conditions for climate-friendly living to transform forms of life;

(3) ... link pragmatic and radical actions;

(4) ... ensure basic provisioning and limit overconsumption;

(5) ... prioritise avoiding harm; and

(6) ... operate on multiple levels.

These characteristics should help to develop projects within the regions and are also the basis for evaluating different approaches in this master thesis. As consequence to the experiences in one of the pilot regions the concept of regional transformation agencies was developed. The TCAs are the guiding principle of that approach (Lexner & Novy, 2024).

History has shown that the institutional structure within societies can have a huge impact on potential transformative processes (Polanyi, 2001). The question is whether new institutions such as the regional transformation agencies can help to overcome regime resistance and, therefore, enable politicians and the civil society to take effective steps. Overall, the TRANSREAL project does not focus on technological innovations within the economic growth regime, instead it focuses on sufficiency which means rethinking routines in our daily lives and the potential of degrowth on a regional level (Novy & Kroismayer, 2023).

This master thesis focuses on the possibility of LEADER regions functioning as regional transformation agencies. It is clear that LEADER needs radical change to provide the grounds for the social-ecological transformation which the TRANSREAL project aims to achieve. Nevertheless, the existing structure of LEADER seems to be the most suitable basis to build up successful regional transformation agencies. The design and the establishment of regional transformation agencies is a process which needs experimentation and flexibility. There is no easy way to establish a new institution to support the social-ecological transformation on the regional level (Lexner & Novy, 2024). This master thesis aims to draw a potential path to get from LEADER-regions to regional transformative regional agencies as they were defined in the TRANSREAL project.

3 Research Question

RQ: How does LEADER need to change in order to support the social-ecological transformation in rural areas/regions?

Sub questions:

- How could a TRANSREAL strategy for the LEADER-region “Elsbeere Wienerwald” in the next period (2028-2032) look like?
- How does LEADER need to be changed to function as a regional transformation agency?

4 Literature review

The aim of this chapter is twofold. On the one hand, it should provide the theoretical basis for the thesis, and, on the other hand, it should give an overview over the current structure in which the regional transformation agencies could be embedded. Consequently, the part until *chapter 4.4* of the literature review deals with different scientific concepts necessary to understand the TRANSREAL project and the approach of regional transformation agencies. The rest of the literature review gives an overview over the existing structures for rural development in Austria. There are different programs and institutions supporting rural areas in the context of the climate crisis which are summarised. The review provides the ground for the investigation of this master thesis and explains the research gap which this master thesis tries to fill.

4.1 The scientific basis of regional transformation agencies

One of the main corner stones of this thesis is the concept of regional transformation agencies. The approach was developed in the TRANSREAL project and is based on many other scientific concepts dealing with transformative processes. In the following sub-chapters, this thesis will provide an overview over these concepts and show which purpose the approach of regional transformation agencies should fulfil. The section starts by explaining what is meant by the social-ecological transformation and ends with the approach of regional transformation agencies.

4.1.1 Social-ecological transformation

First of all, the question arises what the social-ecological transformation is: in the context of societal changes, transformation describes a fundamental change in forms of life and in the way our economy works (Novy et al., 2023). The term transformation is heavily influenced by the Austro-Hungarian economist Karl Polanyi. In his book “The Great Transformation”, he describes the path from preindustrial Europe until the second World War. The institutional structure of the financial system plays a central role in his explanations (Polanyi, 2001). Nowadays, the term is often used in connection with the climate crisis. Especially in German literature, the term “Great Transformation” is used to describe the systemic changes to a post-fossil economy within planetary boundaries (WBGU, 2011, p.81, Grabski-Kieron & Greinke, 2024). Nevertheless, the term is used in many different ways and there is no clear concept behind it (Brand, 2016).

Novy et al. point out that there are two ways for using the term transformation. They describe it in the following way: “There are two ways to employ the term transformation: first is analytical, which describes ongoing changes to society–nature relations, describing a process. Second is normative, exploring desired social-ecological transformations, referring to specific changes in society–nature relations based on deliberation and moral judgement” (Novy et al., 2022, p.598). Bernd Sommer writes in a similar direction by reviewing different theories of transformation. He differentiates between a transformation by design and a transformation by disaster. The transformation by design is also described as a social-ecological one. The transformation by disaster reviews theories of collapse which describe a loss of societal

complexity in a short period of time (Sommer, 2024). The aspects of a transformation by design have more relevance for this thesis.

To describe a desirable transformation by design, the term social-ecological transformation is used by different authors. The according research is centred around the question on how to secure an intact planet by actively changing processes within our society (Brand & Wissen 2017; Charli-Joseph et al., 2018; Bruckmeier, 2016; Bärnthaler et al., 2021). The term clarifies that the desired transformation is an eco-social one, which needs to change our way of living fundamentally. Brand and Wissen describe it in the following way: „Social-ecological transformation is an umbrella term which describes political, socioeconomic, and cultural shifts resulting from attempts to address the socioecological crisis (2017, p. 1)”. Consequently, it is more precise compared to the term “Great Transformation” (Grabski-Kieron et al., 2024).

This master thesis is dealing with approaches to actively transform the organisation of our society and is in line with research in this field. Consequently, the term social-ecological transformation is used.

4.1.2 Transformative Climate Actions

The umbrella term social-ecological transformation defines a starting point, but more guidelines on how to achieve the desired future are needed. The TRANSREAL project builds on the concept of transformative climate actions (TCAs). The approach of TCAs is a relatively new concept and was developed based on two other concepts: “successful actions” and “transformative innovation” (Novy & Barlow, 2022). Successful actions are defined in the IPCC in the context of adaptation as “*effective, feasible and just*” (IPCC, 2022b, p.124). For the TCA approach, the term just was replaced by the term desirable. The authors argue that in climate politics the term desirable is increasingly used to describe a future which enables a good life for all within planetary boundaries (Novy & Barlow, 2022). In that understanding, a desired future is also just. Consequently, the TCAs need to be *desirable, effective and feasible* (Novy et. al, 2024).

The second influential concept for TCAs is “transformative innovation”. One central input from the concept is that transformative innovations need to be feasible in the short run and effective in the long run (Novy & Barlow, 2022 p.3). The link of short-term agency with long-term change was also present in important concepts in the past such as the revolutionary Realpolitik, non-reformist reforms or the double transformation (Novy et al., 2022). This link means that every intended social-ecological transformation should have a clear picture of the intended future: the short-term, often pragmatic, steps need to support the defined long-term goal. In the process of transformation, it is also crucial to recognise dynamics and structures which hinder progress. For example, Görg et al. (2017) point out that there are conflicting transformation processes which need to be considered. By taking them into account the path to the desired transformation becomes more realistic. Understanding the ongoing transformation towards unsustainability will help for achieving the desired social-ecological transformation. The literature provides a wide range of examples for transformative innovations (Avelino, et al. 2017).

As already mentioned in the introduction, six specific characteristics were developed to help with the decision of whether an action is transformative or not: “The proposed six

characteristics aim to (1) broaden climate targets to social-ecological goals, (2) shape framework conditions for climate-friendly living to transform forms of life, (3) link pragmatic and radical actions, (4) ensure basic provisioning and limit excess consumption, (5) prioritize avoiding emissions and resource use, and (6) operate on multiple levels. For an action to be a TCA, it has to embody all three elements [*desirable, effective and feasible*], but not per se all six characteristics (Novy & Barlow, 2022, p.20)". The TCAs should lead to a long-term transformation which changes the society-nature relations by transforming social practices and provisioning systems (Bärnthaler et al., 2025). This is in line with the Polanyian understanding of transformation (Novy, 2020, p.6) and very different to the often-dominant eco-modernist approach which mainly focuses on technological innovation and market solutions (Novy & Barlow, 2022, p.6).

Furthermore, the concept of TCAs was developed further since the paper by Novy and Barlow was published. Bärnthaler et al. (2025) focus on the importance of sufficiency as a guiding principle for TCAs within a successful social-ecological transformation. They are arguing for a corridor with a maximum and a minimum consumption to successfully implement sufficiency. They explain it in the following way: "The concept of corridors represents the space between these boundaries, with the aim of progressively narrowing this space. This is achieved by raising the floor to meet everyone's basic needs (*'more'*) while simultaneously lowering the ceiling to curb wasteful or harmful overproduction and overconsumption (*'less'*)" (Bärnthaler et al., 2025, p.11)".

To achieve the corridor with TCAs Bärnthaler et. al created the following table. The table sums up the findings of their paper by defining six topics. For every topic, they found a key question, a key challenge, policy challenges, a characteristic and climate policy implications. The characteristics and the climate policy implications were developed by retroductive approach which has a methodology close to what will be done in this master thesis. It is important to note that the six topics and corresponding characteristics are different to the six characteristics defined by Novy and Barlow (2022). Nevertheless, they are not contradictory because one can find aspects of all the characteristics of Novy and Barlow in the table. For example, the first characteristic which is to broaden climate targets to social-ecological goals can be found in topic one (*pre-analytic vision*) under *key challenge*: "Recognizing the ecological crisis as inherent to the functioning of current socio-economic systems." Furthermore, it can be found in topic two which is about sufficiency. In the last column (*climate policy implications*), the following is written: "Refocusing from energy and material demand/ supply to the purpose of underlying services, requiring greater social science integration in climate policy." For this thesis, it is important to note that the two central approaches for TCAs are complementary and can be used together to analyse potential transformative actions.

Table 1. Questions, challenges and characteristics of TCAs.

Topic	TCA question and challenge (Results section)			TCA characteristic (Discussion section)	
	Key question	Key challenge	Policy challenges	Characteristic	Climate policy implications
1 Pre-analytic vision	What is the problem?	Recognizing ecological crises as inherent to the functioning of current socio-economic systems.	Adopting a ‘whole-of-government’ approach to break down policy silos and enable coordinated planning.	Intervening in forms of life and provisioning systems.	Strengthening state capacity for cross-sectoral interventions to address socio-economic systems.
2 Objectives	What is the intention?	Defining the direction of change toward sufficiency (‘enough’), recognizing that efficiency and substitution are means, not ends.	Expanding knowledge beyond techno-economic frameworks through transdisciplinarity, multiperspectivity, and qualitative approaches in climate policy.	Mobilizing efficiency and substitution (instrumental rationality) in the service of sufficiency (judgmental rationality).	Refocusing from energy and material demand/supply to the <i>purpose of underlying services</i> , requiring greater social science integration in climate policy.
3 Agency	How to exercise agency for transformation?	Shaping structures, rather than relying on voluntary individual action within these structures.	Redirecting climate policy from individual behaviour change to systemic leverage points, such as corporate power and social norms.	Empowering collective agency to reshape structures.	<i>See points 4, 5, and 6 below for further elaboration.</i>
4 Governance	How to govern transformative change?	Realizing the potential of multi-level <i>meta</i> -governance.	Shifting from market-based governance to democratic planning to redirect productive capacities from profit-driven to social-ecological priorities.	Combining top-linked and bottom-linked approaches at all levels.	Establishing frameworks to transition from current governance setups to multilevel social-ecological planning.
5 Instruments	Which tools support transformation?	Implementing eco-social instruments to overcome eco-reductionism.	Addressing ecological crises as distributional crises and shifting from a compensatory to a preventive welfare state.	Ensuring universal essential provisioning while curbing excess production and consumption.	Developing eco-social policy portfolios to establish sector-specific production and consumption corridors.
6 Alliances	Who are the collective actors enabling transformation?	Building broad alliances to strengthen collective power and challenge incumbent interests.	Curbing fossil industry influence while supporting workers, fostering cross-class alliances, and democratizing policymaking across all levels.	Forming power-sensitive alliances <i>based on everyday interests</i> .	Establishing multi-stakeholder platforms that empower people in their social everyday roles beyond just consumers.

Table 1: Questions, challenges and characteristics of TCAs (Bärnthaler 2025 p.13)

One important role of the TCAs is to avoid getting into what Brand (2016) calls the “new critical orthodoxy”. He makes it clear that a promising social-ecological transformation needs more than a radical problem diagnosis and the promise of far-reaching change: structural obstacles need to be considered at different levels. He mentions the following obstacles:

“At the macro-level, these include the ongoing expansion of the production and consumption of unsustainable commodities, a focus on economic growth at almost any cost, fierce world market competition, the development model of resource extractivism in Latin America and elsewhere, and “brown” industrialisation in China, as well as austerity politics in Europe. Moreover, the current critical orthodoxy does not question dominant rationales and institutions but relies on a liberal understanding of societies and a strong degree of trust in innovation and existing institutions to solve problems: “states” and “markets” are assumed as given, without problematising the bureaucratic logic of the state and the capitalist logic of the market (Brand, 2016, p.25).”

Pointing out these obstacles will also help to avoid the “the new critical orthodoxy” and at the same time it shows why the characteristics of the TCAs are important. If actions fulfil the characteristics of TCAs, the obstacles mentioned by Brand will be avoided. This becomes evident by looking at both the characteristics by Novy and Barlow (2022) and the table from Bärnthaler et al. (2025). The concept of TCAs provides the orientation for the regional transformation agencies which were developed as part of the TRANSREAL project.

4.2 TRANSREAL and regional transformation agencies

“Transformative Realism for Effective Climate Action” or short “TRANSREAL” is a transdisciplinary research project by Novy et al. funded by the “Klima und Energiefonds” in Austria with 284.884 €. The purpose is summarised in the following quote: “TRANSREAL aimed at understanding and shaping framework conditions - be it infrastructures, laws, institutions, or discourses - to enable climate-friendly living [...] (Novy et al., 2024, p.2).” Project partners of TRANSREAL were the WU Wien, the Environment Agency Austria and Degrowth Vienna. Every project partner wrote one research paper. Theoretically, it is based on what the authors define as *transformative realism*: “a strategy that links short-term objectives for secure and good living with long term concerns to stay within planetary boundaries (Novy et al., 2024).” A central outcome of the project is the approach of regional transformation agencies to support rural areas. The concept for regional transformation agencies includes the TCAs as guiding principles. The project included pilot projects in two LEADER regions. The participating LEADER regions “Regionalmanagement regio3” and “Zeitkultur Oststeirisches Kernland” were already known for their ambitious climate policies (Kroismayr & Novy, 2024). The transdisciplinary investigations were summarized in one Green Paper for each region (Novy & Kroismayer, 2023; Lexer et al., 2024).

The special report on “structures for climate friendly living” by the Austrian Panel on Climate Change (APCC) points out that the existing structures in Austria make it difficult to live a climate-friendly life. To achieve the goals of the Paris agreement, wide-ranging structural changes are needed (Aigner et al., 2023). Building on that recognition, the TRANSREAL project aims to understand and shape the framework conditions in Austria. The table below summarises the objectives and the research questions of the twofold approach.

Objectives	Research questions
Exploring the potential of transformative realism for effective climate action	How can climate actions be designed to effectively contribute to socio-ecological transformation?
Co-designing concrete TCAs for climate-friendly land use in rural areas	What are concrete TCAs of climate-friendly land use that contribute to satisfying environmental and existential needs in two rural case study regions in Austria?

Table 2: Objectives and research questions of TRANSREAL (Novy et al. 2024 p.7).

The corresponding outcome of the objective and research question in the first row is the additional research on TCAs. The main findings are presented in the paper by Bärnthaler et al. (2025) which was addressed in *chapter 4.1.2*. The research question of the second row led to the projects in the pilot regions. The two green papers and an additional publication

Kroismayer and Novy (2024) provide results and learnings for this part of the project. The final report gives an overview of the entire project (Novy et al., 2024).

After dealing with the content of the first row in *chapter 4.4.2*, this chapter will now proceed with the content of the second row. The experiences gained in the two pilot regions are very helpful for this thesis. In their reflection, Kroismayr and Novy (2024) mention that the research results and the proposed measures were adjusted to the mindset of the current political decision maker. Therefore, the focus was on pragmatic first steps instead of more radical actions. This reflection should be kept in mind if one wants to understand the approach in the pilot regions.

The first green paper is about the LEADER region “Oststeirisches Kernland” in which the focus was on the municipality of Pöllau. Together with regional stakeholders the topic “mobility and settlement structures” was identified to be the most pressing issue for regional transformation. Social and ecologic challenges are likened to this topic, and it is both a cause for greenhouse gas emissions and a problem for successful climate mitigation. The settlement structure is interlinked with a car-centric mobility approach. The car-centric approach also correlates with a lack of public transport and infrastructures for active forms of mobility. The mobility sector causes nearly 40 percent of the regional CO₂ emissions. To achieve substantial changes in this field they developed a proposal for a regional transformation management in the LEADER region. The core of this proposal is to develop the LEADER/CLLD-approach (Community-Led Local Development) towards an innovative regional governance model to transform the structure of the settlements and the mobility system (Lexer et al., 2024).

The other region which participated in the TRANSREAL project is the Tyrolian region “Regionalmanagement regio3”. Within the region there was a focus on the municipality St. Johann im Pongau. The most pressing issue identified in the participatory process is housing. Thus, the green paper developed recommendations to establish climate-friendly housing. The region is characterised by extreme pressure on land usage for buildings and very high prices for housing. Young people in the region cannot find affordable options while there are many touristic holiday apartments. Consequently, sufficiency plays an important role in this paper. Compared to the other Green Paper, there are less details on how to achieve substantial changes in the focus field. They planned workshops and conferences to further develop the approach (Novy & Kroismayer, 2023).

Out of the investigations and experiences in the two pilot-regions and the research on TCAs, the policy brief for regional transformation agencies was developed. The policy brief starts by providing an assessment of the current governance structure. The regions are understood as important actors in the multi-level governance system of Austria. They are needed to support rural municipalities because they do not have the competences and capacities to handle the complex local challenges of the climate crisis. The current Austrian governance system fails to achieve adequate results in climate mitigation and climate mitigation. There is a lack of well-coordinated projects, funding programs, and interventions aiming for a shared goal. Due to this analysis, the authors recommend regional transformation agencies as a new element in the multi-level governance structure of Austria (Lexer & Novy, 2024).

The processes within the regions should lead to more acceptance for radical measurements and to measurements which consider the specific regional characteristics. Bärnthaler et al. (2020) formulated this argument for regional strategies in the following way: “While transformative agency has to be courageous to institutionalize new modes of living, a focus on differentiation and context-sensitivity can mitigate feelings of displacement and the fear associated with abrupt change.” Furthermore, Bärnthaler argues that it is crucial to combine deliberative and representative spheres of democracy. “In terms of institutions, procedures, and strategies, the problematisation, politicisation, and transformation of common sense to overcome the status quo test upon a multi-level integral state project that strengthens the link between deliberative and representative democracy (Bärnthaler, 2024, p.108)”.

The regional transformation agencies are conceptualized as regional institutions which combine pragmatic first steps with radical long-term goals to support the social-ecological transformation. To activate the transformative potential of the regional transformation agencies, the approach uses the TCAs as guiding principles. For the agencies, this means (1) changing framework conditions by coordinating decisions, projects, and measurements towards a clear goal. It means (2) to broaden climate goals to eco-social ones. (3) It requires to coordinate the different actors on different political levels which are relevant for regional development – from grassroot initiatives up to the EU. (4) Sufficiency is the guiding principle in order to avoid unnecessary energy and resource consumption as well as to fulfil a minimum standard for all. (5) The agencies should build broad, diverse alliances of actors which spread the ideas of the transformation agency.

For successful implementation, the regional transformation agencies need to have a strong mandate. Their role needs to be accepted on all political levels and especially by the municipalities. Equipped with a strong mandate and a clear responsibility, the regional transformation agencies could, according to the final project report, fulfil the following roles (Novy et al., 2024 p.15-16):

- *Ownership of transformation processes: strategic leadership with focus on thematic transformation fields of regional urgency; cross-sectional topics cutting across established policy fields, funding priorities and actor groups ('silos') are particularly suitable.*
- *Regional climate advocacy: representing long-term, inter-generational public interests in climate-friendly development; mandate to review the compliance of (publicly funded) measures with the regional transformation agenda, which may include a requirement to consider objections in municipal councils.*
- *Regional transformation agenda: strengthening and formulating the regional will for climate change-related transformation; building regional political commitment, e.g. through partnerships based on regional transformation contracts; facilitating development of a regional transformation agenda, which gives ambitious directionality to all project interventions and funding decisions, through participatory or deliberative processes.*
- *Implementation design: collaborative compilation of transformative portfolios of projects, actions, and interventions; combining pragmatic and radical measures to integrated policy mixes along planned transformation pathways with ambitious horizons (instead of traditional focus on single projects); preference for sufficiency-oriented actions; adequate consideration of eco-social goals, basic existential needs, and social security.*

- *Implementation management: organizing, steering, and supporting the implementation process in proactive ways; vertical and horizontal coordination; combining bottom-linked and top-linked governance mechanisms to utilize scope for action at and across different levels.*
- *Building of regional transformation alliances: organizing broad, heterogeneous, and unconventional multi-actor alliances; mobilising actors across different socio-cultural milieus and from outside of established structures; linking climate actions to everyday existential needs and the foundational economy to achieve broad social acceptance.*
- *Monitoring and evaluation: tracking and evaluating progress, learning, and revision of transformation agenda and action portfolios ('reflexive governance').*

The quote shows that regional transformation agencies are considered to have a broad field of action but with a clear aim. With this clarification, the next question is how regional transformation agencies could be established. The first variant which is considered in the policy brief is a decision to establish regional transformation agencies by the national level meaning that a responsible ministry and a relevant funding institution set up a new program or transform an existing one. There are pros and cons whether to set up a new program from scratch or to transform an existing program: "Endowing an existing governance body with a more ambitious mandate and new roles, instead of creating a new institution outside of existing structures, means prioritizing functions over structures and favours a pragmatic over a more radical, but hardly feasible approach" (Novy et al., 2024, p. 13-14). The policy brief mentions different existing programs which could include or be transformed towards regional transformation agencies. These programs are summarised in the *chapter 4.5 Existing institutions and programs in Austria* of this literature review. In case of changes on the national level, the authors recommend a cooperation of different actors on different levels and in different programs. The other alternative which is considered is that regional management of LEADER, KEM, or KLAR! use their options within the programs to transform their approaches towards the approach of regional transformation agencies. This approach would not require a reform of the current funding system (Lexner & Novy, 2024).

The policy brief and the final report provide guesses on how the regional transformation agencies could be established, but they do not go into detail on any of the variants. The use of the LEADER structure is the approach which is described in most detail. Even if a structure like LEADER is used for the approach of regional transformation agencies, additional funding will be required (Lexner & Novy, 2024). The missing details on how to transform the existing structures is a main part of the research gap which this master thesis tries to fill.

4.3 Additional concepts for the social-ecological transformation

The previous chapters of the literature review provided information on how the approach of regional transformation agencies was developed. To answer the research question of this thesis, it is necessary to review some additional terms and concepts beforehand. The following sub-chapters will summarise the most crucial concepts for social-ecological transformation.

4.3.1 Institutions

Institutions play an important role in every transformational process. Nevertheless, the term institution is used in many ways and needs clarification (Kingston & Caballero, 2009). North

(1993) defines institutions as humanly devised constraints that structure human interaction. In his understanding the constraints can be formal and informal meaning that they are both rules, laws and constitutions on the one hand and norms of behaviour, conventions and self-imposed codes of conduct on the other hand.

This approach is slightly criticised by Hodgson (2006): he argues that this definition misleads other authors to categorize organizations not as institutions. He clarifies it in the following way: “Organizations are special institutions that involve (a) criteria to establish their boundaries and to distinguish their members from nonmembers, (b) principles of sovereignty concerning who is in charge, and (c) chains of command delineating responsibilities within the organization (Hodgson, 2006 p.8).”

The TRANSREAL project is in line with that quote (Novy et al., 2024; Lexer & Novy, 2024). Regional transformation agencies are conceptualised as institutions which can enhance institutional change. Meaning that they can change formal and informal constraints, e.g. rules or norms of behaviour.

4.3.2 Theories of institutional change

Theories of institutional change also differ within the field of institutional economics. Kingston and Caballo (2009) argue that the appropriate model for understanding institutional change is highly context sensitive. For changes of formal rules in a stable political context with relatively predictable effects, as it would be if TRANSREAL agencies are established, the authors recommend collective-choice approaches. These approaches still differ much in how they see certain players such as the state or individuals. Nevertheless, there is always a collective political entity which specifies the rules. The other strand are evolutionary theories of institutional change. These approaches do not have a central mechanism for a coordinated shift of rules. The changes in rules and behaviours emerge out of decentralized selection processes. They offer a way to explain changes in informal rules (Kingston & Caballo, 2019).

4.3.3 Strategy

From the literature, it is clear that the social-ecological transformation will not occur by itself (IPCC, 2023; Aigner et al., 2023). It needs active forces within society pushing for it. An important concept, thus, is strategy. In the book “degrowth and strategy”, the term strategy is described as follows: “We understand strategy as thought construct that details how one or several actors intend to bring about systematic change towards a desired end state” (Schulken et al. 2022 p.18). Consequently, change needs actors with an idea about the aspired future and potential steps to get there. This is in line with the above presented concept of TCAs. The vision for the desired future is presented in the next sub-chapter.

There are distinct political strategies over time. These strategies have different goals and follow different methods on how to achieve the desired end state. Bärnthaler et al. (2020) explores different development strategies from the past in Vienna and makes recommendations for an eco-social strategy. An extension of the decommodified sphere which includes social-ecological infrastructures is a central element. Within this thesis, the term strategy will be used often due to its relevance for systemic change but also due to the necessity of formulating a strategy within different Austrian funding programs.

4.3.4 A realist social-ecological future

A tremendous challenge for the social-ecological transformation is to imagine how a good life for all within the planetary boundaries could be achieved. From the previous sections on TCAs and strategy, it is clear that a shared understanding of the desired future is needed.

Görg et al. formulated this challenge in the following way: “[...] we argue in this paper that a better integration of analytical perspectives on ongoing transformations of societal relations to nature and of normative considerations of what may constitute a desirable goal of global transformations towards sustainability is needed to improve the political-strategical aspirations of transformation research (2017, p.2).” There are two valuable aspects in this quote. First, one needs to understand the unsustainable ongoing transformation to plan the social-ecological transformation successfully. This was already mentioned before. Second, they make clear that a strategic approach for the desired transformation needs a defined goal.

For the upcoming parts of this master thesis it is, therefore, necessary to make it clear how the desired future could look like. For this master thesis, the aim is to have a social-ecological transformation which should lead to a good life for all within planetary boundaries. The literature offers a more detailed description what this could mean.

Novy et al. (2023) describe a strategy towards a multi-layer transformation. In this strategy the desired future combines the positive aspects of liberal globalism and national capitalism. Liberal globalism describes the dominant approach after the failure of the Soviet Union. Strong global organisations such as the WTO ensure global trade based on market mechanisms. The cosmopolitan variant includes enforcing human rights and liberal democracies. National capitalism is gaining momentum since the financial crisis of 2008 and is the antithesis to liberal globalism. The options for national measurements are used to influence topics such as the economy or migration. The approach can be used to fulfil reactionary or welfare-oriented goals. In a multi-level transformation, change occurs on all levels, from global to local. The way the economy works will change fundamentally.

This is in line with a paper by Novy (2022) which develops a foundational economy approach based on planetary coexistence. The foundational economy is a concept that was initially developed by a group of British researchers based on the work of Fernand Braudel. At the heart of the concept is a fundamental shift in economic policies towards meeting everyday needs instead of focusing on competitive technological innovation (Bentham et al., 2013; Bärnthaler et al., 2021; Hansen, 2022). The original argument is that the part of the economy which provides basic provisioning is economically much more important than technological niches. To support this argument, the authors compare the numbers of employed people and the share of the GDP of the economic sectors. Their vision would mean that there are substantial changes in how firms work because they would need to care about the communities in which they are anchored. In the end, basic provisioning should be provided more locally and with less international trade. They argue that this can only be achieved by strong democratic structures on local and regional level which have the power and the skills to find solutions for problems like the EU procurement rules (Bentham et al., 2013).

For this master thesis, aspects of the foundational economy help to develop a more comprehensive understanding of how a social-ecological future could look like. To draw this

picture of a potential future it is useful to remember the following quote by Polanyi: “The only sustainable modes of living are those that can be universalized (Polanyi 2001).” The focus on basic needs is suited to fulfil this statement. Nevertheless, a shift in the prioritisation of economic policies is not a guarantee to end unsustainable modes of living, especially, if the structure of capitalism is not problematised (Bärnthaler, 2021). Consequently, the original concept of the foundational economy was developed further to handle the fundamental problems of capitalism. Changes in forms of living and working are necessary. Against these fundamental changes there will be resistance by different powerful actors. The focus needs to be on foundational goods and services. Sufficiency is the guiding principle in this process (Novy, 2020). Bärnthaler et al. (2021) also recognise that some areas such as luxury consumption and the rentier economy need to shrink in order to strengthen foundational provisioning and reduce CO₂-emissions. These processes could undermine capitalism from within in the long run.

4.4 Austria’s approach to climate mitigation


Besides the reduction of CO₂ emissions in the last three years, the state failed to significantly cut emissions in the last decades. In 1990, the Austrian emissions were 79,6 million tons of CO₂-equivalent compared to 78,1 million tons in 2021. Since then, they were reduced to 66,9 in 2024 (Anderl et al., 2025). The governance structure of Austria was not supportive of climate mitigation. The typical Austrian structures, the strong federal states and the social partnership were both hindering more effective approaches. Small steps forward mainly happened due to decisions on the EU-level (Steurer et al., 2023).

Nevertheless, the EU, the Austrian state, and the federal states all developed different institutions and programs for climate mitigation and adaptation. On the varying political levels, there are even more actors such as the ministries which developed and implemented different approaches. The consequence is a complex system of programs and institutions. The next chapter provides an overview of programs and institutions relevant for rural areas.

4.5 Existing institutions and programs

In the following, the literature review focuses on existing Austrian institutions and funding programs which support rural areas in Austria. There are institutions and programs on the national and on the federal level. The federal level will not be described for all nine federal states instead Lower Austria and Tyrol will be compared. Lower Austria was chosen because the region “Elsbeere Wienerwald” which is used for a case study is located there and Tyrol was chosen based on the expert interviews. The Tyrolian system was described as the role model within Austria (Interviews 2025). EU programs such as LEADER systematised as national programs because they are available in all nine federal states. Overall, the goal of this chapter is to understand the field in which regional transformation agencies could be established.

The following table summarises the institutions and funding programs relevant for rural areas in the context of the climate crises. The table is based on a figure by the “Klima- und Energiefonds” (2025a) and additional research.

Organisation/Program	Goal	Method/organisation
<p>1. LEADER</p> 	Supporting regional development within the four action fields of LEADER in Austria. Defined in the CAP-strategy.	Local action group working based on a five-year local development strategy with an independent budget for projects. Funded by the EU.
<p>2. KEM</p> 	Regional energy autonomy through renewables.	Local management acting based on a regionally developed concept for climate mitigation.
<p>3. KLAR!</p> 	Regional climate adaptation. The regions should get support to reduce damages and take chances in the context of climate change.	Local management acting based on a regionally developed concept for climate mitigation and adaptation.
<p>4. LIN - Ländliche Innovationsunterstützungsnetzwerke</p>	More innovation in rural areas by establishing a rural innovation network.	Defines region specific needs for innovation. After that a regional innovation network is established. Funded by the Ministry for Agriculture.
<p>5. Klima- und Energiefonds</p> 	Enhancing change towards a zero-emission society by supporting technological and social innovations.	Funding programs and initiatives. E.g. KEM and KLAR! are programs of the fund.
<p>6. Austrian Energy Agency</p> 	Supporting the energy transition.	Agency advising the state on a scientific basis. Realising projects, programs and campaigns.
<p>7. Klimaaktiv</p> 	Supporting the energy transition and sustainable mobility.	Is an initiative managed by the Austrian Energy Agency. Promoting sustainable solutions for energy and mobility.
<p>8. e5 energieeffiziente gemeinden</p> 	Raising energy efficiency in the municipalities is the goal.	Support and evaluation for municipalities, controlled and developed by the e5 association. It is part of the "Klimaaktiv" program.





<p>9. Pionierstädte</p> 	<p>Climate neutrality for cities in Austria. The program differentiates between “big” cities and “middle and small” cities.</p>	<p>Strategies for climate neutrality are the central element. Energy and mobility are the central topics. Program of the “Klima- und Energiefonds”.</p>
<p>10. Klimabündnis Österreich</p> 	<p>Reduction of greenhouse gas emissions and protection of the Amazon rainforest.</p>	<p>Federation of the nine associations in the federal states. Raising awareness for climate mitigation, adaptation and justice.</p>
<p>11. KPC</p> 	<p>Private firm with expertise in handling funding programs.</p>	<p>Longterm partner of Austrian ministries and other organisations.</p>
<p>12. FFG</p> 	<p>Purpose of the FFG is to organise the administration of scientific research projects.</p>	<p>Longterm partner of Austrian ministries and other organisations. The FFG is owned by the state</p>

Table 3: Overview of relevant institutions and funding programs for rural areas in the context of the climate crises

All programs from the table fulfil different roles in the Austrian funding system. The first four programs have in common that they provide the opportunity to set up a local management to reach the different goals. In all four programs, the management should work based on a strategy which needs to be renewed on a regular basis. Every strategy should fit to the individual characteristics of the regions. Due to their local management and regional strategies, they are the most important programs for this master thesis. The authors of the policy brief for regional transformation agencies name LEADER, KEM and KLAR! as potential basis for their approach (Lexer and Novy 2024 p.9). The new approach to set up “innovation regions” by the Ministry for Agriculture goes in the same direction and should, therefore, also be considered. These programs are explained in more detail in the following chapters. Besides these four programs the important aspects of the other programs will be summarised in this chapter.

The “Klima- und Energiefonds” and the “Austrian Energy Agency” are central organizations in the field of Austrian climate policies. They are both responsible for other programs within the table. The “Klima- und Energiefonds” is a coordinating institution installed to find innovative answers to the climate crisis, strengthen the economy, and support the quality of life and welfare. It is a fund by the Austrian government with a focus on innovative projects which supported over 60 programs with total funding sum of 3,7 billion euros between 2007 and 2024. The programs KEM, KLAR! and “Klimaneutrale Städte” were set up and are organised by this fund (Klima- und Energiefonds 2025b).

The Austrian Energy Agency is an association supporting different actors on a scientific basis. In contrast to the “Klima- und Energiefonds”, it does not provide funding for new programs or

projects. The focus is on advising the major actors in the field of energy (Austrian Energy Agency 2025). For the local level, the association is relevant because it also manages “Klimaaktiv” and “e5”. “Klimaaktiv” is an initiative which provides information and other support for firms, municipalities and private persons in the field of energy transition and sustainable mobility. Setting standards and promoting practicable solutions is the goal (Klimaaktiv 2025). Similarly, the program “e5” supports municipalities on their way to climate neutrality (e5 2025). Both programs have in common that the focus is on spreading information and advising partners. They do not provide additional funding for projects which is in line with the approach of the Austrian Energy Agency.

The “Klimabündnis” is an exception within the table because it is an organisation which is not connected to other programs. The Austrian federation consists of nine associations in the federal states. Municipalities, firms, schools and parishes are part of the network which was founded in 1990. The “Klimabündnis” runs awareness programs and uses membership fees for the protection of the Amazon rainforest (Klimabündnis, 2025).

The last two organisations in the table are responsible for administrative tasks: the “Österreichische Forschungsförderungsgesellschaft mit beschränkter Haftung (FFG)” and the “Kommunalkredit Public Consulting GmbH (KPC)” were chosen for the administration of various Austrian funding programs. For example, the programs of the “Klima- und Energiefonds” are operated by these two organisations (Klima- und Energiefondsgesetz, 2007). The KPC is a private consulting firm which is owned by the “Kommunalkredit Austria AG” with 90 percent and the “Raiffeisenlandesbank Oberösterreich AG” with 10 percent (Kommunalkredit Public Consulting GmbH 2025). The “Kommunalkredit Austria AG” itself is mainly owned by international finance firms (Kommunalkredit Austria AG 2025). The FFG is the second major player for the administration of funding in the field of climate mitigation in Austria. In contrast to the KPC, it is owned by the Austrian state (Österreichische Forschungsförderungsgesellschaft mbH 2025). While the KPC organises the funding for environmental and climate mitigation projects, the FFG is specifically focused on scientific research projects.

Besides these organisations and programs from the table above, there are many other relevant funding programs on the EU and on the national level. The table tries to give an overview over the programs which lead to relevant organisations for the regional level. Together, they form the structure of the current Austrian approach to deal with the climate crisis on a local basis.

4.5.1 LEADER

In Austria, there are 83 active LEADER regions with more than 5 million inhabitants. LEADER is a European programme, funded by the European Agricultural Fund, aiming to develop rural areas by forming local action groups (LAGs) and designing and implementing local development strategies (LDSs). The regional strategies need to be renewed every seven years and are the basis for funding projects within the different regions. Due to the Covid-crisis, this period has been shortened to five years in the current period. The process to build up the new strategy requires participation of civil society and local politicians. In the five-year period, it is possible for private and public actors to hand in projects. The decision which projects receive

funding is made by a smaller group out of the LAG, namely the PAG (“Projektauswahlgremium”) (ELARD 2025; Gassner & Silhengst 2023).

LEADER was first introduced as a bottom-up initiative in 1991 to develop disadvantaged rural areas (European Court of Auditors 2022). From the beginning, it was designed as an area-based and bottom-up approach with the goal to encourage local stakeholders to be the architects of the future in their own region. Since then, the approach developed over the years. In Austria, 5 percent or 130,2 million euros of the European Agricultural Fund for Rural Development (EAFRD) are used for the LEADER-approach. Additional funding from the Austrian state raises the public expenses for LEADER up to 210 million euros for the current period from 2023 to 2027 (BMLUK 2024a; BMLUK 2024b). The five percent are mandatory for all EU members which joined the EU before 2004. For all others, it is at least 2.5 percent (European Commission 2022). The following figure depicts how the LEADER approach works, and which outcomes are ideally expected by the EU:



Figure 1: The LEADER approach (European Commission 2022 p.22)

On the left side, the seven principles of LEADER are listed. They are the basis for the governance structure of LEADER and make the difference in contrast to other funds. All should be fulfilled in the regions independent of their thematic goals. Whether these principles fit to the approach of TRANSREAL is discussed in *chapter 6.1*. The legal basis are the articles 32 to 35 of the Regulation No 1303/2013 of the European Parliament and of the Council (EUR-Lex, 2025). The implementation process of LEADER-regions is also defined in these articles. The national and local actors responsible for the implementation can be found in the second column of the figure. The management authorities (MAS) decide in the Rural Development Program (RDP) where the thematic focus of the regions should be. In Austria, the Ministry for Agriculture is in charge of the Common Agricultural Policy’s (CAP) strategic plan. They have defined the following four action fields for the five-year period between 2023 and 2027 (BMLUK, 2024b, p.1194-1195):

1. Raising value added
2. Strengthening or sustainably developing the natural resources and the cultural heritage
3. Strengthening important structures and functions for the common good
4. Climate mitigation and adaptation

The action field four “climate mitigation and adaptation” was added in the last CAP plan. It is optional to include it into the local strategies; however, only two of the 83 regions in Austria did not include the action field four in their strategy which they submitted for the current period (BMLUK, 2025a). In the figure, this role is called “setting the regional/national objectives”. On the bottom of the second column are the local action groups (LAGs). They implement LEADER by processing the local development strategy. A LAG is founded by the municipalities which want to become a LEADER region. Besides the officials from the municipalities or other public institutions, more than 50 percent of the LAG members need to be from civil society. Every LAG has personnel and administrative costs which can make up to 25 percent of the regional LEADER budget (European Court of Auditors, 2022). A crucial role is the regional LEADER manager who has a lot of different tasks and can influence the region significantly.

Together the national management authorities and the local action groups form, based on the seven principles, what is called the LEADER approach. The approach is characterised by multiple inter-connections in a complex system which is visualised in the second column.

The next three columns describe which outcomes should be the output of the LEADER-approach. In the middle of the graphic there are the direct outputs of the approach. Projects and actions in the region are part of the outputs. The other positive outputs are directly bound to the approach. More knowledge and confidence on the local level are produced by the LAG and the local project partners. Innovation is stimulated and cross-sectional. All measures are tailored to the local conditions. In the end, the local conflicts should be minimised or even resolved. Out of these direct outputs, the authors developed column four with “better governance” as the central element. The last column describes in which areas the program should help to fulfil EU goals. It is a broad set of themes which is also represented in the four action fields of the Austrian CAP-strategy. It is not the goal of this master thesis to investigate whether all these positive aspects are really achieved. Nevertheless, some aspects will be discussed in more detail when the compatibility with the approach of TRANSREAL is looked at.

4.5.2 KEM and KLAR!

The programs KEM and KLAR! are two programs by the “Klima- und Energiefonds”. In 2024, there were 126 KEM-regions and 91 KLAR!- regions in Austria. Besides the different thematic focuses, they follow a similar approach. The following figure shows how the application process for regions is organised.

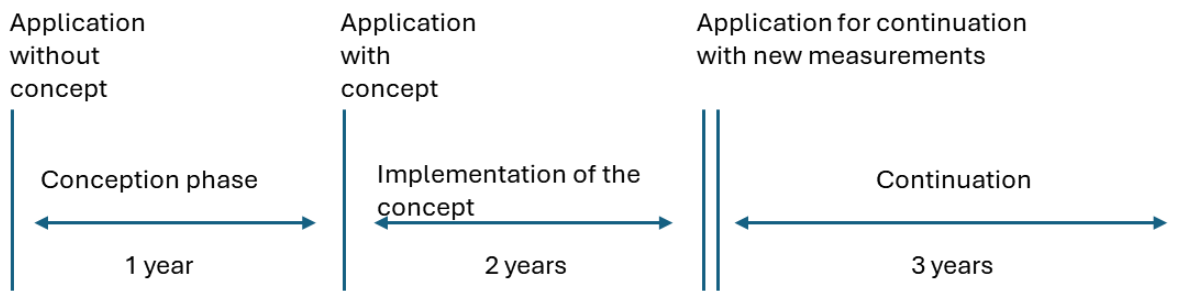


Figure 2: Phases of the KEM and KLAR! program. Own figure based on Klima- und Energiefonds 2024.

The first application is handed in with a rough concept for the region. The central element is the will of a group of municipalities to form a KEM or KLAR! region. After approval the first year starts in which a detailed concept for the region is developed and a manager needs to be employed. The produced concept needs to be approved after this first phase. After approval of the concept, the management starts to implement measurements of the concept. After two years in the implementation phase, the region can apply for a continuation of the program. For approval the region needs to renew the concept with new measurements for the next three years. Both programs do not have a limited amount of continuation phases (Klima- und Energiefonds, 2024a; Klima- und Energiefonds, 2024b).

The regional concepts for the application after the first year or for the continuation need to include certain elements.

For the KEM program, the regional concept needs to fulfil eight points. The region needs to be described (1), and an analysis of the strengths and weaknesses are necessary (2). Furthermore, the concepts need to include an analysis of energy flows and an analysis of the regional CO₂-emissions (3). A strategy with guidelines and goals for the regional energy transition needs to be formulated (4) as well as the organisational structure in the region and the management (5). Besides the strategic goals and guidelines there is also a necessity to plan ten concrete measurements within the concept (6). The participation of relevant stakeholders and a strategy for communication is also obligatory (7). The last point is about safeguarding the support of municipalities for the program. Municipal council resolutions are required (8) (Klima- und Energiefonds, 2024a, p.29-30).

The KLAR! program also has obligatory requirements for the regional concepts. The main difference is the focus on climate mitigation instead of energy transition. The concept needs to include a prediction for the climatic situation of the region in 2050 and its influence on different groups. Furthermore, potential chances and the different options for mitigation need to be identified (Klima- und Energiefonds, 2024b, p.27-28). There are also some other minor differences in the requirements for the concepts. They are not presented here due to their irrelevance for this thesis.

The two programs are also quite similar in terms of funding. In both programs, it is the number of inhabitants and the number of municipalities which determine the maximum for the financial support by the "Klima- und Energiefonds". The regions can have up to 60.000 inhabitants. The financial support for the regions is usually 75 percent of the costs, but the regions can get 85 percent if they do certain bonus measurements. The following two tables

summarise the maximum support by the “Klima- und Energiefonds” based on their size. Between the smallest and the biggest regions there are more categories which are not represented in the tables.

Funding KEM

Phase	Max funding smallest regions (85 %)	Max funding biggest regions (85 %)
Conception phase (1 year)	34.000 €	55.533 €
Implementation phase (2 y.)	148.467 €	196.067 €
Continuation phase (3 y.)	243.667 €	315.000 €

Table 4: Breakdown of the funding by KEM (Klima- und Energiefonds, 2024a)

Funding KLAR!

Phase	Max funding smallest regions (85 %)	Max funding biggest regions (85 %)
Conception phase (1 year)	37.400 €	58.933 €
Implementation phase (2 y.)	148.467 €	196.067 €
Continuation phase (3 y.)	243.667 €	315.000 €

Table 5: Breakdown of the funding by KLAR! (Klima- und Energiefonds 2024b)

Besides the financial support for the regions, the programs also provide the opportunity to apply for additional funding for projects. In 2024, KEM-Invest and KLAR!-Invest both provided between 10.000 € and 40.000 € per region depending on the number of municipalities in the region. KEM-Invest supported projects to reduce the fossil fuel driven vehicles owned by the municipalities and KLAR!-Invest supported measurements for heat protection and water management (Klima- und Energiefonds, 2024a, p.23; Klima- und Energiefonds, 2024b, p.19-20). Overall, the KEM program had a budget of 21 million euros and the KLAR! program had a budget of 9 million euros in 2024 (Klima- und Energiefonds, 2024c).

4.5.3 Rural Innovation networks (LIN)

For the CAP-strategy of 2023, the Ministry for Agriculture developed a new approach for innovation in rural areas which is based on the European Innovation Partnerships (EIPs). Purpose of the approach by the ministry is the foundation of rural innovation networks or rural innovation partnerships. Rural innovation networks have the goal to support innovation in rural regions by establishing a network of relevant actors while rural innovation partnerships support a specific project (CAP-strategy, 2025, p.1157—1166).

The LIN approach seems to be relevant for this master thesis and is, therefore, explained further. The central element of this approach is the local innovation management. The managements should establish regional innovation networks which aim to support regional, societal, and economic goals. Every region needs to define a purpose for the network in order to have stricter guidelines instead of broadly focusing on regional innovation. The network should consist of regional stakeholders but also of unusual members which have a different perspective. Consequently, joining the network should be possible without barriers (Stohl et al., 2023).

The program has also some similarities with the programs of KEM and KLAR!. There is also a funded starting phase in which ideas and a development plan for the network should be developed. It can include a project outline which is funded with up to 15.000€ and an action plan which is funded with 10.000€. In contrast to the other programs, this phase is not obligatory. For the implementation phase a new application is necessary. After approval, the implementation phase supported by the management can start. After three years with funding, there is the possibility to apply for two more years but the goal should be that the networks are financed differently once they show their potential. The program funds one full-time equivalent for the management and some additional costs (BMLUK, 2025b, p.10). The following figure sums up the different phases of the program.

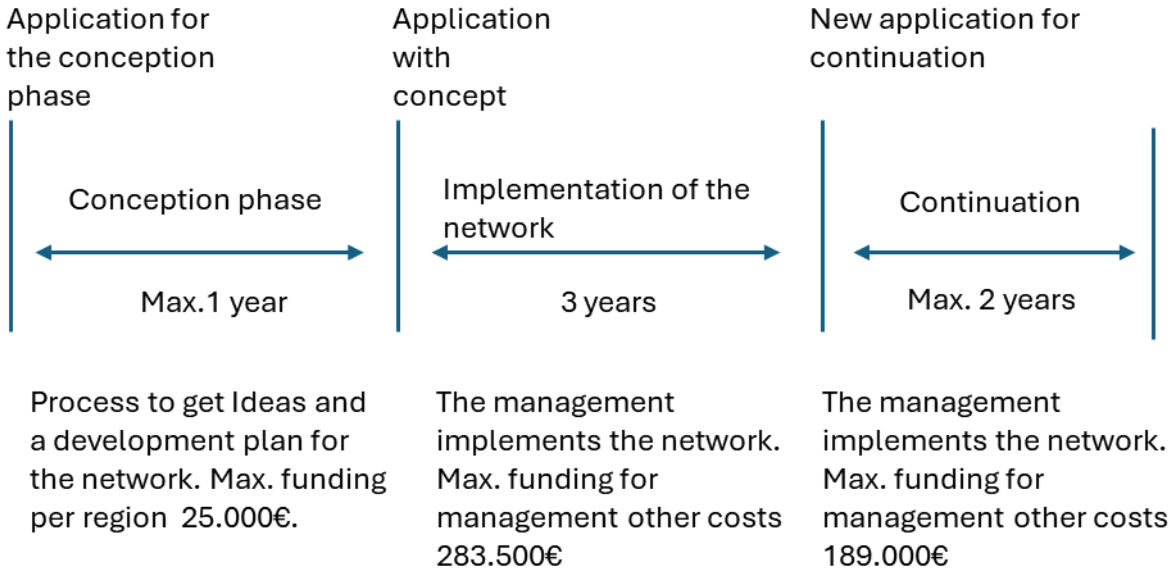


Figure 3: The LIN approach, figure based on BMLUK 2025b

Overall, the program provides another opportunity to build up capacities for local managements. The focus of the program is on supporting innovation by building a local network.

4.5.4 Federal level

All nine Austrian federal states have additional funding programs and generally different approaches for regional development. To get a better understanding, the approaches of Lower Austria and Tyrol are compared. The comparison shows that the approaches are different and that new attempts are needed to consider these differences.

The first thing which came up in the research is that Tyrol and Lower Austria have a very different view on the national programs. For Tyrol, one can find various information on how the federal programs should be integrated in the national and EU programs for regional development. They have a concept for the development of their approach which is called “Konzept Regionalmanagement 2021+” (Tiroler Landesregierung, 2020). The following figure provides an overview over the Tyrolian approach.



Figure 4: Regional development in Tyrol. Tiroler Landesregierung 2025

The figure shows that the Tyrolian approach pushes regional development based on different programs. The regional management uses the different programs to reach the goals of their local development strategies. LEADER and CLLD approaches fulfil a central role in this structure. The EU programs are complemented by other programs and tasks namely, the volunteer’s partnership, climate issues and the regional economic programs. Together they form the heart of the Tyrolian approach, but the management can also use the programs presented in the outer circle to reach their goals. KEM and KLAR! are part of these optional programs. Besides the coherent approach it is also noteworthy that Tyrol is the only federal province which follows the CLLD-multi fund approach meaning that the regions have additional funding by the EU and more potential fields of action (CAP-strategy, 2025, p.1201-1202; Silberberger & Steinbacher, 2023). The task such as the organisation of the volunteers program on regional level further shows that the Tyrolian government is actively using the structure of the regional management.

In stark contrast to the Tyrolian approach, the Lower Austrian government does not provide anything like that. One reason could be that municipalities in Lower Austria do not have to participate in any intercommunal or regional program. Nevertheless, there are 61 so called “Kleinregionen” which are intercommunal regions supported by a Lower Austrian Fund. The field of cooperation within these regions is very wide. The fund provides additional money for cooperative projects in spatial planning (Niederösterreichische Landesregierung, 2025). Compared to LEADER-regions, the “Kleinregionen” are smaller in most cases.

Additionally, to the “Kleinregionen” there are other programs which mainly focus on the direct support of municipalities. In the field of climate mitigation, the main Lower Austrian institution is “eNu” which is an agency for the topics of energy, nature, climate, environment, and sustainability. They support private and public projects to reach environmental and climate goals. There are also two subsidiary companies of this agency (NÖ Energie- und Umweltagentur, 2025). First, the “Dorf- und Stadterneuerung” which is advising the municipalities, and the program also provides funding for different kinds of projects. There is also an incentive to make a mission statement in cooperation with the advisers of the program (NÖ Dorf- und Stadterneuerung, 2025). Second, the “EZN – Energiezukunft Niederösterreich” which was solely founded to support the newly founded energy communities. In addition to the organisations led by “eNu”, there is “NÖ.Regional” which is an agency for the topics Europe and mobility. This agency is also mainly advisory with little extra funding for mobility projects. In the section on Europe on their website, there is some information on the EU programs Interreg and Euregio but no specific information on the LEADER program (NÖ.Regional, 2025). The agency which is responsible for the administration of LEADER on the federal level is “Ecoplus”. The agency is owned by Lower Austria, and its main focus is on economic development (Ecoplus, 2025).

This comparison is the basis for a later discussion on how to implement regional transformation agencies in the Austrian funding system.

4.6 Research gap

The concept of regional transformation agencies was developed to propose a path to a social-ecological transformation in rural areas. In the existing literature, there are suggestions on how they could be implemented. One of these suggestions is to transform LEADER. The existing literature does not provide detailed information on the considered existing programs which could be transformed and on the implementation process. This master thesis tries to fill this gap by analysing the structure of LEADER from the perspective of the TRANSREAL project and by discussing the potential steps for the transformation towards regional transformation agencies.

Besides the literature, which was presented in the literature review, there are different evaluation reports which do not directly deal with the topic of this thesis, but they will be used for analysing the current LEADER approach. Together with the legal texts, the official strategies and the interviews they provide the necessary information on LEADER. In combination with the information from the literature review, the field of investigation is defined. The combination of the Austrian LEADER approach with the concept of regional transformations agencies is unique.

5 Methodology

This chapter aims to explain the philosophical basis and the methodological structure of this master thesis. Consequently, it starts with the ontological question of what exists and ends with the used methods. The goal is to follow a coherent approach based on the insights of critical realism. Therefore, a quick summary of the ontological and epistemological basics in critical realism will be followed by a more detailed explanation why certain methods were chosen to investigate the topic of this thesis.

Critical realism is a school of thought in philosophy grounded in the work of Roy Bhaskar. It is an alternative to Humean positivism which is dominating science in many parts (Bhaskar, 2008, Danermark, 2019). Bhaskar criticises the Humean approach in the following way: *“The weakness of the Humean concept of laws is that it ties laws to closed systems, viz. systems where a constant conjunction of events occurs. This has the consequence that neither the experimental establishment nor the practical application of our knowledge in open systems can be sustained (Bhaskar, 2008, p. 3).”* The themes within this master thesis should not be conceptualised as closed systems. The concept of regional transformation agencies as well as the social-ecological transformation itself are too complex and cannot be separated from the “outside”. In other words, this master thesis is about changing social structures which are open systems (Spash, 2024, p. 136).

5.1 Ontology

The ontological understanding of reality within this work is based on critical realism. The approach requires to explain how reality is understood because every attempt to make sense of the world is based on our conceptualisation about it (Danermark, 2019, p.17). Therefore, the ontological question is “What exists?”.

A central answer to this question in critical realism is the recognition that there is a reality which is based on structures and mechanisms. These structures and mechanisms have the potential to generate actual phenomena (Mukumbang, 2023, p.95; Bhaskar, 2008) meaning that it is part of reality that there is the potential for future phenomena which were not activated yet. Consequently, the reality consists of more than just the actual. The difficulty for science is that these structures and mechanisms are hidden. Furthermore, one needs to distinguish the actual from the empirical. The actual is more than humans can experience. The table below by Bhaskar (2008, p.2) helps to understand the critical realist approach. In the table, actual phenomena are called events; and experiences are what humans can perceive of these events.

Table 0.1

	<i>Domain of Real</i>	<i>Domain of Actual</i>	<i>Domain of Empirical</i>
<i>Mechanisms</i>	✓		
<i>Events</i>	✓	✓	
<i>Experiences</i>	✓	✓	✓

Table 6: The structure of reality. Bhaskar 2008 p.2

The table makes clear that mechanism, events and experiences are all part of reality. The mechanisms are causing the events of the actual, but they are not part of it. Therefore, only the events and experiences are considered to be part of the actual. Furthermore, only experiences are in the domain of the empirical. It consists of what humans experience directly and indirectly (Danermark et al. 2019). This means that a solely empirical approach can only be useful to investigate experiences. How science can still be used to make valid claims about events, structures and mechanisms is explained in the next chapter.

5.2 Epistemology

The recognition that there is a reality independent of human thinking and the realisation that humans are very limited in finding the mechanisms and structures behind experienced phenomena is fundamental to critical realism. The question how we can form knowledge in such a reality is the next step. It starts by acknowledging that we cannot be sure whether our results represent truth. Clive Spash formulates it in the following way: *“Critical realism accepts that we can never demonstrate that we have discovered the truth even if we have (fallibilism), but does not reject the idea of there being an underlying objective reality (Spash, 2012, p.28).”*

The fallibilism of knowledge is a consequence of the insights from the last chapter. The structures and mechanisms are hidden and still scientists want to make valid claims about it. This is only possible by using theories about reality. These theories indirectly connect science to the reality, but they always stay fallible and can, therefore, only be the best approach for a moment (Danermark et al., 2019, p.26). The decision whether a theory is scientifically valuable needs to be made on the following basis: *“Theories are validated by their adequacy in providing descriptively realist explanation of the structure and mechanism causing and preventing events and practices (Spash, 2024, p.137).”*

To develop practically adequate theories, there is a need for transfactual concepts. This means it is not possible to build theories solely with mathematical formalisms and quantifications, which is a direct critique on the mechanistic epistemology of many mainstream economic models (Spash, 2024; Georgescu-Roegen, 1979). Danermark et al., (2019) point out that social science further needs double hermeneutic meaning that one needs to understand the meaning that people give to their own actions to understand the actions itself. This understanding is also based on concepts. Consequently, science always starts with certain conceptions and theories. With the use of transfactual reasoning, it is then possible to develop theories and produce new knowledge.

5.3 Methodology

After clarifying the ontology and epistemology of this master thesis, this chapter is about the principles based on which the investigative tools are chosen and used. In the next chapter on the methods, it is described how the chosen scientific tools were used in the particular case of this thesis.

This master thesis is an economic investigation based on the philosophy of critical realism. A coherent approach is the one of social-ecological economics. It is an interdisciplinary approach in which the methodology and the methods were chosen according to the object of study. This does not mean that the produced knowledge of different research projects is allowed to be

incommensurable. On the contrary, the unification of knowledge is a guiding principle. To produce knowledge which is connectable to other fields of research, the ontological and epistemological basis should be the same (Spash, 2024, p.137-138).

To develop this chapter further, the following differentiation between two aspects of the methodology is used: *“Methodology is used in two senses referring to (i) the principles and practices that underlie research in a discipline or subject area, and (ii) the appropriateness of the methods (Spash, 2012, p. 5).”*

First, more details of the principles and practices of social-ecological economics are given. Social-ecological economics understand economies as social provisioning systems. The system is there to “meet human needs within an ethical framework of care and justice for others, both human and non-human (Spash, 2024, p.127)”. These social provisioning systems can be organized in the form of cooperate or of state capitalism, but they do not have to (Spash, 2024). As it was explained in the ontological part, it is part of reality that things are possible and imaginable which are not in place yet. This is true for alternative economic systems as well as for new institutions supporting the social-ecological transformation.

For scientific investigation, transfactual concepts are necessary. This means that a qualitative understanding and argumentation needs to be included. The role of analytical models depends on the field of research and is not able to deal with the qualitative change of something new (Georgescu-Roegen, 1979, p. 321). The research question of this master thesis requires reasoning about novelties and, therefore, no quantitative approach was chosen. Transfactual reasoning is needed as the main part for any investigation on qualitative change.

Furthermore, this master thesis operates in the field of social sciences. It is important, especially for the conducted expert interviews that the object of research includes other people. They have their own theories and definitions which are part of the social world which is investigated. A double hermeneutical approach considers these theories to explain the actions set by the people (Danermark et al., 2019, p.19).

Second, based on critical realism there is a wide variety of methods which can be applied in the context of social-ecological economics. Both quantitative and qualitative approaches can play a role. Nevertheless, the role of quantitative methods is more restricted because many models do not fit to the ontological and epistemological basis of critical realism (Danermark, 2019). Social-ecological economics is an interdisciplinary approach and, therefore, all methods which are used in research based on critical realism can also be applied.

Due to the wide variety of potential methods which can be used in social-ecological economics, this chapter is not going into detail on different potential methods. Instead, the four central modes of inference in critical realism will be discussed and it will be explained why retrodution was chosen as the main mode of inference. The following figure summarises the most important aspects of the different modes.

	<i>Deduktion</i>	<i>Induktion</i>	<i>Abduktion</i>	<i>Retroduktion</i>
Fundamental structure of inference	To derive logically valid conclusions from given premises. To derive knowledge of individual phenomena from universal laws.	From a number of observations to draw universally valid conclusions about a population. To see similarities in a number of observations and draw the conclusions that these similarities also apply to non-studied cases. From observed co-variants to draw conclusions about law-like relations.	To interpret and recontextualize individual phenomena within a conceptual framework or a set of ideas. To understand something in a new way by observing and interpreting in a new conceptual framework.	From a description and analysis of concrete phenomena to reconstruct the basic conditions for these phenomena to be what they are. By way of abstraction, thought operations, and counterfactual thinking to argue towards transfactual conditions.
Formal logic	Yes	Yes	Yes and no	No
Strict logical inference	Yes	No	No	No
The central issue	What are the logical conclusions of the premises?	What is common for a number of observed entities and is it true also for a larger population?	What meaning is given to something interpreted within a particular conceptual framework?	What qualities must exist for something to be possible?
Strength	Provides rules and guidelines for logical derivations and investigations of the logical validity in argumentation.	Provide guidance in connection with empirical generalizations, and possibilities to calculate, in part, the precision of such generalizations.	Provide guidance for the interpretative processes by which we ascribe meaning to events in relation to a larger context.	Provides knowledge of transfactual conditions, structures, and mechanisms that cannot be directly observed in the domain of the empirical.
Limitations	Deduction does not say anything new about reality beyond what is already in the premises. It is strictly analytical.	The internal limitations of induction: Inductive inference can never be analytical or empirically certain. The external limitations of induction: Induction is restricted to conclusions at the empirical level.	There are no fixed criteria from which it is possible to assess in a definite way the validity of an abductive conclusion.	There are no fixed criteria from which it would be possible to assess in a definite way the validity of a retroductive inference.
Important quality on the part of the researcher	Logical reasoning ability.	Ability to master statistical analysis.	Creativity and imagination.	Ability to abstract.
Example	If A then B A Thus: B.	From an investigation of opinions in a representative sample drawing conclusions about opinions in a population.	Karl Marx reinterpretation/ redescription of the history of humankind from a historical materialist view.	For a ritual to be a ritual there must exist, inter alia, emotionally loaded symbols and common notions of sacred values.

Table 7: Four modes of inference. Danermark, 2019, p.102-103

The first two modes are used in many scientific projects outside of critical realism. In short, deduction can be used to get from general laws towards the particular. It is the only mode of inference which is strictly logical meaning if the premises are true, the deduced outcome for the particular also has to be true. The approach is used in mathematics, for hypothesis testing and to test the logical validity of scientific arguments. Induction is often understood as the opposite to deduction. This mode of inference draws from a number of observations to claims about the general. Contrary to deduction, there is no empirical or analytical certainty. The approach is purely empirical and provides guidance for the use of statistics for generalisations.

As indicated in the table above, abduction is the mode of inference in which individual phenomena are recontextualised within a different conceptual framework than before. The reinterpretation requires creativity and imagination from the researcher. In contrast to deduction and induction, there are fixed criteria for the validation of an abductive approach.

The fourth mode of inference presented by Danermark et al. is retrodution. This mode is not widely used in science because there is no formal logic which can be applied. Nevertheless, in critical realism it is seen as an option to investigate transfactual conditions, structures and mechanisms which are unobservable by empirical methods. Retrodution questions which qualities need to exist for something to be possible. Considering the research question of this thesis, it is clear that retrodution fits best out of the four modes of inference.

To understand the retroductive approach applied in this thesis, the basic question of retrodution is reformulated in the context of the research question. Danermark et al. define retrodution in the following way: “What properties must exist for X to exist and to be what X is (2019, p.118)?” The challenge is, therefore, to identify the necessary properties for LEADER to function as a regional transformation agency. This requires counterfactual thinking. For example: “What properties do LEADER-regions need to have to function as regional transformation agencies?”

An important paper for this master thesis by Bärnthaler et al. (2025) which follows a similar methodological approach. It describes retrodution in the following way: „Retrodution moves from observable symptoms to unobservable causes, exploring the prerequisites and conditions underlying social relationships, actions, reasoning, and knowledge (Bärnthaler et al., 2025, p. 3).”

After asking the “right” question, abstraction is needed to get to general conclusions about the necessary structural/qualitative changes of LEADER. The challenge is to combine the knowledge of the observable symptoms of LEADER with the theoretical concept of regional transformation agencies. To find the necessary properties for LEADER to function as regional transformation agencies one must abstract from both sources.

5.4 Methods

This master thesis is built on the following steps. First, a literature review was carried out to sum up the scientific genesis of regional transformation agencies. The crucial concepts such as TCAs were presented and the topic was positioned in the wider context of the desired social-ecological transformation. Second, expert interviews with two LEADER managers were conducted to get a better understanding of the strengths and weaknesses of the current LEADER-approach in Austria. Furthermore, the interviews were used to discuss first thoughts on the concept of regional transformation agencies. Third, a local development strategy of the LEADER-region Elsbeere Wienerwald was analysed based on the characteristics of TCAs. This step was taken parallel to the interviews. Based on the information gathered in this three-step process, retrodution with transfactual reasoning was used to find the necessary changes for LEADER to function as a regional transformation agency. These findings are an abstraction from the information of the TRANSREAL project, and the information gathered by the interviews and the case study. The preliminary findings were presented to and discussed with Wolfgang Lexer. As one of the co-authors of the policy brief on regional transformation agencies, he is the perfect expert to discuss the preliminary findings of this thesis. Some parts were edited after his feedback.

In short, the main method of this thesis is transfactual reasoning as the crucial part of the retroductive approach. Transfactual means to go beyond the empirical in this context

(Danermark et al., 2019). The transfactual reasoning is based on the information by the literature review and the conducted expert interviews. The interviews themselves are a specific method which needs further explanation; therefore, the chosen approach for the interviews is described in the next chapter.

The methods used for the case study also need further explanation. The idea is to analyse an existing local development strategy of a LEADER region in Lower Austria by using the concept of TCAs. The aim of this thesis to get to the concrete details of implementing regional transformation agencies and the following quote were the main reasons for this approach. „Due to the importance of contexts, case studies are a privileged method to analyse TCAs (Novy & Barlow, 2022, p. 23).“ The TCAs were used to analyse whether the current regional development strategy already contains transformative elements. Due to a lack of concrete action within the strategy, the analysis focused on the defined local development requirements. The reasons why this method was only partly successful and the important learnings from the case are presented in *chapter 7*.

5.4.1 The interviews

The decision which kind of qualitative interviews were set up and how they were analysed was taken based on the book “Das Qualitative Interview” by Froschauer & Lueger (2020). The expert interviews were analysed with the aim to get information on explicit knowledge of the interviewed experts. Therefore, the used approach is what Froschauer and Lueger call a summarising analysis of a manifest content. This approach is mainly about summarising and structuring of the content of the interview. It does not require a context-specific interpretation.

The first two interviews were conducted with managers of LEADER regions. Christina Gassner from the region “Elsbeere Wienerwald” in lower Austria and Melanie Steinbacher from the region “KUUSK” in Tyrol were interviewed. The questionnaires for these interviews were split into two sections. In the first section direct questions about their approach as LEADER managers were asked. The second section was about their thoughts on the concept of regional transformation agencies. The third interview was set up with Bernd Vogl the managing director of the “Klima und Energiefonds”. The goal for this interview was to gain knowledge of the Austrian funding system and how regional transformation agencies could be established. The last interview partner was Wolfgang Lexer who is working at the “Umweltbundesamt” and who is one of the co-authors of the policy brief for regional transformation agencies. In this interview the preliminary results of the master thesis were discussed in order to improve the transfactual reasoning.

To make the information from the interviews accessible, the interviews were transcribed in German, the original language of the interviews, with the AI tool by HappyScribe. In a second step, the interviews were manually proofread and corrected based on the original audio files. After that, a summary for every interview was written in English. These summaries are the basis for the further use of the interviews in this thesis. To get an understanding of the content, the main aspects are summarised in the following chapter.

5.4.2 Summary of the Interviews

Every interview was done with an individual questionnaire due to the different roles of the interview partners. Only the two LEADER managers Christina Gassner and Melanie Steinbacher have a similar position. Nevertheless, the two regions are different, and it was also useful to modify the questions after the experiences gained from the first interview. Bernd Vogl and Wolfgang Lexer had different points of view. The interview with Bernd Vogl was mostly about the relevant Austrian funding programs for climate mitigation and climate adaptation. In addition, he shared his first thoughts on regional transformation agencies. The interview with Wolfgang Lexer was the final interview and was scheduled later in the process of this thesis. Out of the interview partners he is the person with greatest expertise on the concept of regional transformation agencies. In his work in the TRANSREAL project he developed the approach for regional transformation agencies together with Andreas Novy. The opportunity was used to discuss aspects for the implementation of the agencies which go beyond the policy brief.

6 The potential of LEADER

LEADER is seen as a programme that can be transformed into a regional transformation agency because it fulfils certain characteristics. This is already pointed out in the final report of TRANSREAL (Novy et al., 2024; Lexer & Novy, 2024). Nevertheless, it is crucial to understand which aspects support the social-ecological transformation, and which aspects may hinder it. In this chapter, counterfactual argumentation, as described in chapter 5.3, will be used to discuss the necessities for successful regional transformation agencies. By answering questions such as: Which aspects of LEADER need to change in order to function as a regional transformation agency? These questions should allow an understanding of which aspects already fit to regional transformation agencies or only need minor changes as well as the aspects that require more fundamental changes. By the end of the chapter, the reader should have a detailed overview over LEADER and its compatibility with regional transformation agencies.

6.1 Governance structure

An effective social-ecological transformation needs a well-functioning governance structure which enables the different actors to fulfil their role within the process. To understand whether LEADER is a potential option to successfully establish regional transformation agencies, one needs to have a closer look at the current structure. The basics of the LEADER approach were presented in *chapter 4.5.1*. The summary of the program showed that the governance structure of LEADER is developed on different political levels. The following chapters will go into more details on the LEADER approach and will discuss its potential for the establishment of regional transformation agencies.

6.1.1 The seven features of LEADER

The governance approach of LEADER is best explained by the seven principles. The seven are predefined by the EU. They determine the methodology which makes LEADER different to other funding programs (EU CAP Network, 2025a). In the following quote the features are best summarised (Dwyer et al., 2022, p.5):

- i. Bottom-up approach, meaning that local actors design the local development strategy and choose the measures to be supported within it;*
- ii. Area-based approach - the territory forms the basis for the development of the local partnership and strategy, and programme funding targets the priorities of the area as a whole, not specific projects or groups of projects;*
- iii. Public-private partnership - Local Action Groups (LAGs) are balanced groups involving public, private-sector and third sector actors, so as to mobilise all available skills and resources;*
- iv. Integrated, multi-sectoral action - combining economic, social, cultural and environmental resources to achieve synergies between them, as distinct from taking a sectoral approach in which only one type of goal is considered;*
- v. Networking - bringing those involved together in disseminating and sharing knowledge, their experience, innovations, ideas and information, developing peer support, overcoming isolation and building capacity;*
- vi. Innovation - seeking out and fostering new and innovative solutions to local problems or to take advantage of local opportunities;*

- vii. *Cooperation allows rural areas to address and take advantage of their diversity, introducing new perspectives and insights from other areas, importing and exporting successful approaches and good practices. Co-operation goes further than networking by involving local people and Local Action Groups in working with others to undertake a joint project.*

The overview over the principles already shows that there are aspects which fit to the approach of regional transformation agencies. The first feature is that it is a bottom-up approach. To include such an approach is a central element of regional transformation agencies, but it is more than that. As already mentioned, transformative governance structures need to combine top-linked and bottom-linked approaches (Bärnthaler, 2025) and this is only partly fulfilled. The approach of LEADER is presented as a bottom-up approach in which local people are seen as the best experts for their own territory (EU CAP Network, 2025). This becomes most present in the phase when the strategies are developed by a participatory process. Throughout the period, it is the PAG where the members are from both the municipalities and from the local civil society. Independent of their background they have the same voting power in the committee. Nevertheless, the European Court of Auditors points out that the decision-making is often dominated by public authorities and that there are potential conflicts of interest which are not covered by rules (European Court of Auditors, 2022, p.14). This shows that there is also room for improvement on the bottom-linked part. The question whether LEADER is also top-linked should also be discussed. It is clear that an EU program has top-down elements, but is there also a flow of information from the regions towards higher levels? To develop the LEADER approach further and to organise different trans-regional, processes the Austrian LEADER regions founded the “LEADER forum Österreich”. One of the tasks of the association is to engage in national and international processes for practicable solutions on the regional level (LEADER-forum Österreich, 2025). This shows that the LEADER-approach can be conceptualised as top-linked. In the two interviews with the LEADER managers, there was still a wish for more respect and consultation of the managements (Interviews, 2025). In the end, the first feature of LEADER should be improved for regional transformation agencies, but it already fulfils many aspects. In an evaluation report by the EU commission, it is formulated in the following way: „LEADER has established a multi-level governance system ensuring local participation and improving relationships between the various administrative levels (EU Commission, 2024). “

The second feature defines that LEADER is area-based. The goal is to find local solutions to local development questions. Always considering the development of the entire region instead of specific projects. This is also in line with the approach of regional transformation agencies. The policy brief clarifies that the consideration of regional specifics, and local processes are important elements of a successful transformation (Lexer & Novy, 2023). Therefore, the focus on regions is central to both approaches.

The third feature defines that the LAGs include public and private actors. All regional skills and resources which help to develop the regions positively should be activated. This also defines which actors are important for the LEADER-approach. The next chapter will have a closer look at this. For now, it is enough to acknowledge that the third feature is also not contradictory for regional transformation agencies.

The fourth feature states that LEADER strives for multi-sectorial action. In the context of LEADER this means that economic, social, cultural and environmental goals are considered. TCAs consider at least social and environmental goals which makes them a multi-sectorial action as well. The multi-sectorial approach fits to regional transformation agencies, but this does not mean that the thematic focus of the LEADER program fits too. The thematic focus of the program is discussed later.

The features five and six are networking and innovation. Networking is a crucial aspect of every program which establishes capacities for a management on the regional level. This is true for LEADER and for regional transformation agencies. Innovation is also a widely used term for regional managements. The question is what kind of innovation should be supported. In contrast to other programs, the focus of LEADER is not solely on technological innovations. This once again fits the approach of regional transformation agencies.

Feature seven points out the importance of cooperation between different regions. This allows them to successfully address their individual strengths and weaknesses. The cooperation between regional transformation agencies is not discussed in the literature. Nevertheless, one can assume that it would also be on their agenda, if they are established.

Overall, this discussion of the seven main features of LEADER does not contradict the approach of regional transformation agencies meaning that they are a potential basis for a transformative approach. Nevertheless, it should be considered that this chapter did not cover aspects which might be missing for the successful implementation of regional transformation agencies.

6.1.2 LEADER actors

The following figure gives an overview of the actors of LEADER. As a consequence of the top-linked and bottom-linked approach of LEADER, there are actors on different political levels which were relevant for the implementation and for ongoing processes. The following figure summarises the responsibilities of the four main actors. It is important to note that in Austria the federal states are responsible for certain tasks which are summed up under the collum “member states”. This means that both institutions of the national state and institutions of the federal provinces are involved in the LEADER processes.



Source: ECA based on information from Commission documents

Figure 5: Actors of LEADER. European Court of Auditors 2022 p.11

The figure presents the European Commission as the foundation of the LEADER-approach. By retaining the overall responsibility for spending, the commission also needs to approve the national LEADER approaches. The national approaches are handed in via the national CAP-strategies. For this thesis, the question arises whether the European Commission would accept a CAP-strategy which wants to transform LEADER towards regional transformation agencies. To answer this question, one needs to read the relevant EU regulations on LEADER/CLLD approaches. The EU CAP-network provides an overview over the relevant EU regulations (EU CAP-Network, 2025b). The regulation (EU) 2021/1060 contains the requirements based on the seven principles of LEADER and, therefore, defines the governance approach of LEADER. It does not regulate the thematic focus in detail. The regulations do not indicate that a national CAP-strategy transforming LEADER into regional transformation agencies would be rejected.

The member states need to implement the LEADER-approach in their territory. The Austrian Ministry for Agriculture is the central actor on the national level due to its responsibility for the CAP-strategy. The role of the ministry was already described in the literature review. To consider the options of the ministry to change the approach. The ministry can change the thematic focus as long as the strategy is still approved by the EU. Based on the conclusion of the last paragraph, the ministry has the freedom to implement the focus on the social-ecological transformation. The four action fields would need to be adjusted accordingly. This directly influences which LAGs get approval which is one of the points in the figure above. Besides this decisive role, the member states also have to fulfil the minor roles which are also

summarised in the figure above. The coordination between LEADER regions and a support for regions for their strategies is part of the national responsibilities as well as the payments for the regions and the monitoring. Some of these things are done on the national level and others on the federal level.

The unique actors of the LEADER-approach are the LAGs. Their tasks are summarised in the light green column in the middle of the figure. The LAGs are the central element to establish the regional bottom-up approaches in rural areas. To fulfil this task more than 50 percent of LAG members need to be from civil society, which means they should not be local politicians. With the help of management, the LAGs need to develop the local development strategies which are the basis for the five-year period. Based on the strategy, the LAG also decides which projects are approved. A point of critique is that the LAGs are often still dominated by local authorities (European Court of Auditors, 2022, p.14). Especially, if one political party is very dominant in a region, this might have an imprint on the composition of the LAG (Interview Lexer, 2025). Besides the reasons for critique, in principle the LAGs could fit the approach of regional transformation agencies.

The last actors presented in the figure are the project owners. They propose projects by arguing how their project fulfils the criteria of the local development strategy. Depending on the kind of project the project owners need to finance part of their project by themselves. The project owners can be private persons, legal entities, public institutions, associations or the LAGs themselves (CAP-strategy, 2024, p.1193). The case study will provide detailed information on the different funding categories depending on the project owner and the kind of project. After approval, the project owner should carry out the project.

In short, all actors in the figure are relevant for the implementation of a concrete project funded by LEADER. The commission provides the funding and the seven features of LEADER, and the member states formulate their own requirements on top of that. In Austria, the four action fields are the main additional requirements, alongside administrative details. The LAGs hand in their local development strategies based on this foundation. These strategies later define which projects can be approved in the regions. The project owners, consequently, need to argue why their project fits to the strategy. All actors could also fulfil these roles in a regional transformation agency. Whether external project partners stay as important within a transformative approach needs further discussion.

6.2 Individual strategies and their criteria

The local development strategies are the basis for the measurements of the LAG throughout the period. The strategy secures that the LAG considers the regional specificities and provides the basis for all projects. The strategies are orientated towards the four action fields and the defined criteria of the CAP-strategy. The local development strategy needs to be the result of an intensive regional bottom-up discussion process which considers the relevant local actors and development partners (BMLUK, 2024b, p.1185). The interviewed LEADER managers also described the process as an important tool to activate regional actors (Interviews, 2025). If LEADER is transformed towards regional transformation agencies, this process would need to develop the regional transformation agenda as it is defined in the policy brief (Lexer and Novy, 2024).

The strategies also include the budgetary planning for the period. Nevertheless, the LAGs have the opportunity to shift resources between the action fields. The strategies are open to changes over the period (Lukesch et al., 2019). A change of the strategy needs approval from the responsible administrative organisation. This step is only necessary if the strategy itself is restrictive. The interviews showed that the managing authorities try to handle new phenomena within the strategies (Interview Steinbacher, 2025).

In Austria, the CAP-strategy defines criteria for all LEADER-regions. The CAP-strategy contains a definition for the four action fields as well as clear criteria for the individual five-year strategies of the local action groups. Only if the local development strategies fulfil the criteria they get approved for the period by the Ministry for Agriculture. Consequently, the five-year strategies are oriented on the catalogue of criteria within the CAP-strategy. This chapter takes a closer look at these criteria. For a positive approval of the strategy every region needs to score at least 70 out of 100 points. In the following paragraphs the most important requirements are summed up.

The first 30 points are given for the coherence of the strategy meaning that the strategic decisions need to be based on an analysis of the current situation. Out of a SWOT-analysis, region-specific requirements need to be developed. These requirements then need to be represented in the four action fields. All the argumentations of all these factors need to be evidence-based. Furthermore, reflections about the past development strategies need to be considered.

The next 15 points are given for strategic coherence with external strategies from the EU, the member states, and the regional level. For example, it is asked how the local development strategy considers the European Green Deal. Under this section there are also points for topics such as gender equality.

For the thematic focus and innovation up to 20 points can be achieved. There should be a clear focus which fits to the profile of the region. The ministry asks further for a focus on the chances and strengths to achieve specification in the region. Besides the thematic focus, it is required to acknowledge how innovation will be supported. In a best-case scenario, external innovative ideas are supported, there is innovation in the internal processes, and there is cooperation with other programmes and partners.

Further 20 points can be given for the coordination with other regional actors (e.g. KEM and KLAR), the financial plan, and the action plan to fulfil the local development strategy. The financial plan should explain how the goals of the strategy can realistically be financed. The action plan should contain activities, measurements and projects which fit the strategy.

The last 15 points can be achieved if the local action group is grounded in the region, if the structure of the LAG is suited to achieve the strategic goals and if the LAG acts in certain ways. The LAG should be a moderator and companion in transformation processes, it should strengthen the regional level and its governance structure, it should provide a platform for the relevant actors on a regional level, and it should connect with others.

Mostly, the criteria for the application of LEADER-regions could also apply for regional transformation agencies. However, two criteria are especially noteworthy in terms of the

potential of LEADER. The first is the requirement to achieve regional specification. It seems that the goal to achieve a competitive advantage stands behind this requirement. Regional transformation agencies need another focus. Social-ecological goals are in the centre of the regional transformation agenda. A focus on competition and economic growth is potentially conflicting. The second interesting point is positive from the perspective of TRANSREAL. The criteria position the LAGs as a moderator and companion in transformative processes. This circumstance could be used to argue that LEADER already strives for transformation.

6.3 Thematic focus

Until now the differences between the current LEADER approach and the thought construct of regional transformation agencies are only minor. This changes once one looks at the thematic focus and the political goals of LEADER. The regional transformation agencies should be established with a clear mission. This is not the case for LEADER at the moment. As already explained, the requirements by the EU commission focus on the governance structure instead of thematic details. The relevant information for this chapter is written in the CAP-strategy. The four action fields are part of it, and they define the areas which LEADER-regions in Austria should focus on (BMLUK, 2024b, p.1194-1195):

1. Raising value added
2. Strengthening or sustainably developing the natural resources and the cultural heritage
3. Strengthening important structures and functions for the common good
4. Climate mitigation and adaptation

The four action fields allow a wide range of strategies and projects. This is also confirmed by the focus areas and best practice examples of the Austrian LEADER regions (BMLUK 2023). Based on the criteria for the local development strategies the regions develop requirements and goals for the different action fields (Silberberger & Steinbacher, 2023; Niedermoser, 2023). The requirements in the different action fields do not need to support the same goals. In some cases, they can even be conflicting (Interview Lexer 2025). This has a direct consequence for the regional projects because they can be approved by the LAGs if they fulfil requirements of one action field. In the end a project can for example raise the value added while the project is harming the environment at the same time. In the CAP-strategy, the broad thematic options for the regions are described as the basis for their autonomy (BMLUK, 2024b, p.1199). It is true that the broad thematic regional options allow local development strategies which really consider the specific strengths and weaknesses. Nonetheless, the different aim of regional transformation agencies compared to LEADER makes it necessary to rethink this argument. For regional transformation agencies to be what was developed in TRANSREAL, there must be a much clearer focus on TCAs. First of all, this means that the LAGs must understand themselves as supporters of the social-ecological transformation. Consequently, all measurements of the LAG should support the social-ecological transformation as effectively as possible. This means that the CAP-strategy needs to provide stricter guidelines for the LAGs to focus on transformative issues. Nevertheless, the local development strategies still need to consider the regional specificities and develop individual approaches.

Evaluation processes on the EU-level also support the argument that project selection criteria are quite general in most regions. A report by the European Court of Auditors further stated

that the funding was even used for basic rural services such as village roads, street lightning, maintenance and kindergartens (European Court of Auditors, 2022, p.31). This is not the purpose of LEADER and, consequently, the EU is looking for solutions to make LEADER more effective. The following quote is out of the evaluation report by the EU commission:

„Case study findings suggest that where LEADER features were fully implemented and LAGs received guidance in thematic priorities and needs, LDSs were more effective in improving economic and social capital and in socio-economic cohesion. However, in some regions, strong a priori thematic foci were detrimental to LAGs’ ability to respond to local needs (Czechia, Spanish regions) (Dwyer et al., 2022, p. 200). “

The quote shows that the discussion of the last paragraph is also relevant on the EU-level. Guidelines are needed to ensure that the LAGs focus on the topics which are expected and at the same time the guidelines do not hinder the specific regional processes. The implementation of regional transformation agencies needs to consider this and aim at striking a balance.

Despite the recognition that the thematic focus of LEADER is not guiding enough towards a social-ecological transformation, this master thesis also takes a closer look at the specific fields of action, as they are defined in the CAP-strategy (BMLUK, 2024b, p.1194-1195) and discusses whether they could fit regional transformation agencies. Evidently, some fundamental topics of regional transformation agencies such as sufficiency are not included. Nevertheless, the question of which current themes of LEADER fit with regional transformation agencies needs to be answered. This analysis is solely based on retroductive reasoning.

The first action field focusses on “raising the value added”. This means that this action field should support the regional economic development. For a successful social-ecological transformation, the sole focus on economic development in one action field cannot be supported. Potential strategies and projects in this action field are not sustainable and supporting economic growth is not transformative. This does not mean that TCAs cannot lead to economic growth in certain sectors.

The second action field “Strengthening or sustainably developing the natural resources and the cultural heritage” includes two aspects. The first is the theme of natural resources. This theme is further divided into the topics of nature and ecosystems, bioeconomy, and circular economy. Regional transformation agencies could potentially deal with all these sub-topics. However, this is not the same for the second theme of the action field, which is cultural heritage. There, the term “culture” is defined as sub-topic. This could be used for projects which do not support transformative processes. If one considers the necessity to guide the LAGs, it seems necessary that the term culture as a disconnected topic should not be included. Potentially, there is a role for cultural art projects supporting the transformation, but this does not justify including culture as one of the main themes.

The third action field “Strengthening important structures and functions for the common good” is reminiscent of concepts from the literature review. This is particularly apparent when

looking at the sub-topics of the action field which are basic services, regional learning and participation, and social innovation. The objective of the action field is close to the topics of the foundational economy. In context of the regional transformation agencies, it is the area which is certainly touched if climate actions are broadened to a social-ecological transformation. For a transformative agency, the focus would be more on a change of unfavourable framework conditions in contrast to just strengthening structures and functions which already exist; however, overall, the themes of this action field would also apply to regional transformation agencies.

This is obviously also true for the fourth and new action field of LEADER “climate mitigation and adaptation”. As explained above, this action field was added in the current CAP-strategy. The sub-topics of this action field are energy consumption and renewable energy, emissions reduction, sustainable mobility, agriculture, living, and services. For regional transformation agencies it would be necessary that this action field is not just optional for the LEADER approach.

From a TRANSREAL perspective, the action fields as they are today can be understood as silos which need to be broken down. There is a need for more cross-sectional action which supports the social-ecological transformation (Bärnthaler et al., 2025). The case study will show that LEADER projects are often fulfilling requirements of more than one action field. Nevertheless, the structuration alongside the action fields may not be useful for regional transformation agencies.

In addition to the four action fields, the CAP-strategy also requires including the requirements of target groups such as women, men, young people, disabled persons and migrants in the regional transformation agencies (BMLUK, 2024b, p.1177). The support of these target groups would also fit to regional transformation agencies.

To conclude, the thematic focus of LEADER fits only partly with the approach of a regional transformation agency. For LEADER to be what the concept of regional transformation agencies defines, this chapter showed that the thematic orientation needs to change in some areas. First, clear guidelines are needed for a mission-oriented approach towards the social-ecological transformation. Second, the action fields need to be reconsidered. The themes “raising value added” and “culture” cannot play the same role as they currently do. Also, the focus of some other themes would need to change. The divide into separate action fields itself is questionable. Third, the additional requirements defined in the CAP-strategy are also useful for regional transformation agencies.

6.4 Funding

This chapter looks at the funding of LEADER itself as well as the funding rules for projects within the regions. Both is explained within the CAP-strategy.

Over the period of 2023 to 2027, the Ministry for Agriculture plans public expenses of 210 million euros. The share of EU funding is 62 percent or 130,2 million euros (BMLUK, 2024b, p.1306). The 130,2 million euros are the mandatory five percent share of the EAFRD funding provided by the EU. Germany, Spain and Estonia were using more than 9 percent of this fund in the last period and some others were in between (EU commission 2024). Consequently,

there is the theoretical possibility to use more EU funding for LEADER. This is relevant if one thinks about the additional funding for LEADER. The same report of the EU Commission also provides an argument for additional funding. It identified that LAGs with more financial resources were able to use a higher share of it to animate and support different activities. This means that the share of time spent on administrative tasks is smaller in regions with a higher budget (EU Commission, 2024, p.54).

The regions should use this funding to build and fulfil their local development strategies. The CAP-strategy defines three main reasons for funding. The first reason is the development of a local development strategy which is funded with up to 20.000 euros and 70 percent of the costs. The second reason is funding for projects in the regions. Funding is provided if the project fits to the local development strategy and if there is approval by the LAG. The CAP-strategy defines maxima and minima for funding of different projects but within the corridor the local development strategies define how much funding is granted. The maximum percentage of LEADER funding depends on the kind of project. Productive investments can only reach up to 65 percent while other projects can get up to 80 percent. A project can only be approved if it has costs of at least 5000 euros. The third and last reason for funding is the costs for the LAG management. Every region should establish a management with personnel which fulfils at least 1,5 full time equivalents. The maximum funding is 70 percent and 25 percent of the public expenses for the entire LAG (BMLUK, 2024b, p.1193-1198).

How the funding functions in detail is best explained in the case study. For now, one can state that the current funding regulations could be a basis for regional transformation agencies. The funding for the development of the local development strategies and the management is positive; however, the funding of projects needs more discussion based on the case study.

6.5 Bureaucracy

The bureaucracy of LEADER is identified by different actors as one of the central problems of LEADER (European Court of Auditors, 2022; European Commission, 2022; European Commission, 2024; Interviews, 2025). This is further supported by various talks with different project applicants throughout the research process. The application processes needed up to two years and there are different hurdles to take for project applicants. Overall, the process for LEADER projects is more complicated for applicants compared to other “mainstream” top-down programs (European Court of Auditors, 2022).

The EU Commission identified the member states as the main reason for the bureaucratic burden for the regions and project owners. The authors of the report also recognise that the bureaucracy is most problematic for the applicants with fewer resources (EU Commission, 2024, p.53). The interviewees also identified actors other than the EU as the main reason for the bureaucratic burden (Interviews Vogl & Steinbacher, 2025) which means that the national and the federal level would have the power to reduce the burden.

Besides the time resources and the expertise needed for the bureaucratic processes, there are other dimensions. One of them is the fact that the project partners only receive the funding after the project is completed. Once again this is especially difficult for small private initiatives which do not have the financial background to finance the projects in advance. This

is already a big problem for the LEADER approach and would be even more problematic for transformation agencies.

The relevant question for this chapter is: Could a regional transformation agency be established with the current bureaucratic structure of LEADER?

The answer cannot be a clear yes or no. Nevertheless, the current structure is very problematic and would be suboptimal for regional transformation agencies. The efforts required of the applicants but also from the LAG management are needed for the transformative processes. Every interview partner had suggestions how the bureaucratic burden could be reduced. The suggestions were for example to establish one single administrative organisation such as the KPC for all LEADER projects or to give the regions more responsibility, especially regarding small projects. To find partners for transformative projects it would also be important to reduce the difficulties for initiatives without great financial resources. The interviews showed that there are potential paths for a reduction of the bureaucratic burden, but the risk of excessive bureaucracy for the successful establishment of regional transformation agencies should not be underestimated.

6.6 Effectiveness of LEADER

The bottom-up approach which LEADER is based on causes extra cost and risks according to the European Court of Auditors. Consequently, the question arises whether the costs and risks are justified by the benefits of the approach. A report from 2022 found no demonstrable benefits (European Court of Auditors, 2022, p.5). This is partly explained by the difficulty to successfully evaluate things like a better governance structure.

The extra costs and risks are mainly caused by the LAGs. They cause more costs than other administrative structures for “mainstream” funding programs and the potential project owners may have close relations to LAG members. The evaluations done by the EU Commission come to a more positive conclusion than the European Court of Auditors (Dwyer et al., 2022; EU Commission, 2025).

For the regional transformation agencies something like a LAG is necessary. These structures need additional financial resources. A top-down funding program could not fulfil the requirements for transformative processes on the regional level. Therefore, the extra cost and risks of an approach with local managements and action groups need to be accepted.

6.7 Monitoring and evaluation

The monitoring and the evaluation of LEADER is a long-lasting point of discussion. On the EU-level, there are the already mentioned evaluations by the EU Commission itself and by the European Court of Auditors (Dwyer et al., 2022; EU Commission, 2024; European Court of Auditors, 2022). On the national level, there are also evaluations of different LEADER aspects (Lukesch et al., 2019; Bergmann et al., 2019; Stoppacher et al., 2019). The discussion around the evaluations is about the possibility to successfully evaluate aspects such as an improvement in the regional governance structure. Even if the evaluation by the European Court of Auditors points out the limitations of the current approach (European Court of Auditors, 2022), the existing monitoring and the evaluations of LEADER could be a valid starting point for controlling the approach of regional transformation agencies.

6.8 The potential of LEADER summarised

This chapter analysed the potential of LEADER by discussing the current elements of the approach in detail. The investigation confirms that LEADER and most of its elements are very suitable for the development of regional transformation agencies. Problems are identified in the current thematic focus which is mainly defined on the national level. Furthermore, the bureaucratic burdens are a risk for the successful establishment of regional transformation agencies based on LEADER. Without fundamental changes in both of these areas the approach of regional transformation agencies is likely to fail.

In order to understand the identified potential of LEADER for regional transformation agencies in more detail, this master thesis proceeds with the analysis of one LEADER-region in Lower Austria as a case study.

7 Case Study “Elsbeere Wienerwald”

The case study region “Elsbeere Wienerwald” is located between the Austrian capital city, Vienna, and the biggest city of lower Austria, St. Pölten. The region has 13 municipalities and is characterised by a high diversity. The alpine municipalities of the south are in many aspects very different to the northern municipalities. Especially the municipalities along the “old” western railway are highly influenced by Vienna and St. Pölten. Many people commute for their work in one of the two cities and especially for Viennese residents the region is interesting if they want to change their residence to the countryside. This is one of the main reasons for the overproportioned population growth of the last 40 years. In 2021, 38.643 people were living within the region. The LAG was founded in 2007 and is organized as an association. The LEADER region Elsbeere Wienerwald is also closely cooperating with the KEM region Elsbeere Wienerwald. The office is for both LAG and KEM located in Neulengbach (Gassner & Silhengst, 2023). The following figure provides an overview of the region and its municipalities.

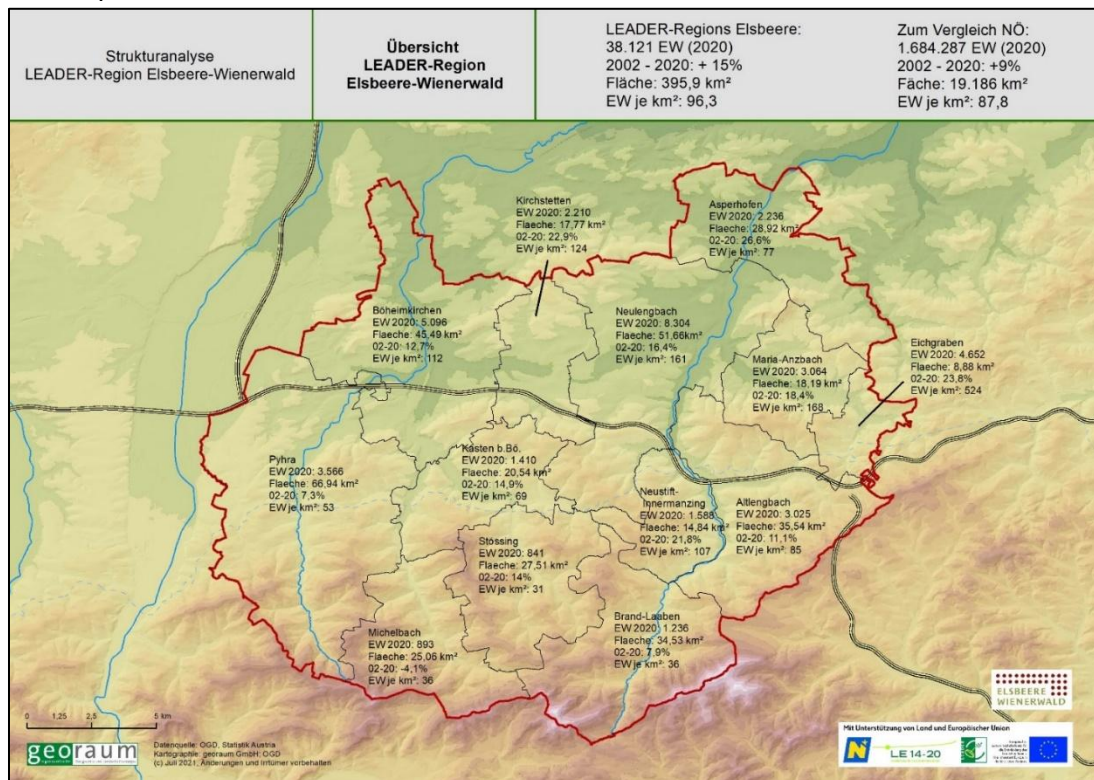


Figure 6: Map of the region Elsbeere Wienerwald. Gassner und Silhengst 2023 p.4

7.1 Analysis of the current strategy

The current strategy was developed in 2022 and is in place until 2027. It defines the direction of the region by stating what should happen in the four different action fields. As shown above, every LEADER region can be active in the four action fields defined by the national CAP-strategy of Austria. The LAG Elsbeere Wienerwald is active in each of the four action fields. The CAP-strategy is not only defining the four action fields, but it also defines the criteria on which every local development strategy needs to be approved before the five-year period

starts (CAP-strategy, 2022, p.1185-1191). The structure of the local development strategy is, consequently, structured alongside the criteria presented in *chapter 6.2*. The current strategy will be analysed by focussing on the most pressing points: the points which contradict the characteristics of TCAs as well as the properties most supportive of TCAs. Transfactual reasoning will be used for this analysis.

To develop an understanding of the strategy, the following steps were taken. First, the strategy was read twice, and different aspects were marked and commented. The goal of this step was to get an overview of the aspects which would fit to a regional transformation agency, and which could hinder a successful implementation. The second step was the interview with the LEADER manager Christina Gassner of the region. She was one of the co-authors of the strategy. The process of elaborating the strategy and the aspects themselves were part of the interview. The third step was an analysis of the requirements, goals, and measures which are defined in the local development strategy. The requirements best represent the thematic focus of the region. Based on the reports from TRANSREAL it was discussed whether the requirement would fit to regional transformation agencies and how they could be adopted to better fit to the approach.

Besides the thematic focus, the strategy also provides information on the structure of the LAG, processes for the implementation of the strategy, the regional monitoring, and the financial plan for the period. In combination with the interview with Christina Gassner and the information on approved projects by the region, the case study is developed on a rich variation of sources. The following chapters will use these sources to develop a case study which provides a better understanding of what LEADER really means in the regions.

7.1.1 Thematic focus

The thematic focus of the strategy is best represented in the requirements which are defined for the region. The requirements are defined within the four action fields of LEADER in Austria. They are the basis for the goals and measurements included in the strategy. Therefore, they can be seen as the thematic basis of the strategy. The wide thematic spectrum becomes clear by the requirements, and one can ask whether these requirements would also fit to a regional transformation agency.

In the following the different requirements are translated and shortened (Gassner & Silhengst, 2023, p.24-53).

Action field 1 (Raising value added):

1. Diversification for more value added in times of different crises (climate change and biodiversity loss). The focus is on agriculture.
2. The distribution of local products needs improvement. There is a need for more cooperation between producers; and the consumers need more information about regional offers.
3. The region needs skilled workers for the future.
4. There is a need for innovative approaches to support doing business and work in the region. The innovative approaches need to be based on the human capital of the region and the megatrend of digitalisation.
5. Businesses, farmers, municipalities and tourism need support to stay competitive under the process of the digitalisation.

6. The region needs new solutions to manage land use.
7. The touristic attractions need better communication.
8. The options for local recreation need sustainable extension and modernisation.
9. There is a need for attractive touristic attractions by improving the cooperation between different actors.
10. There is a lack of private accommodations and at the same time there are many vacancies. For example, on farms or in the villages. These two aspects should get connected.

Action field 2 (Strengthening or sustainably developing the natural resources and the cultural heritage):

1. New solutions for land use and the preservation of biodiversity are needed.

Action field 3 (Strengthening important structures und functions for the common good):

1. New concepts are needed to secure the supply of basic goods and to take steps against the loss of gastronomy.
2. The existing options for local recreation need sustainable extension and modernisation
3. The town centres need stimulation, existing buildings need usage and development should be inward.
4. New options for social engagement and intergenerational exchange are needed.
5. Young people in the region need more support. New meeting points and continuous support through contact persons are needed.
6. Formats for the active inclusion of new inhabitants are required.
7. The digitalisation process requires a regionally coordinated approach.

Action field 4 (Climate mitigation and adaptation):

1. Patterns of behaviour need to change to handle resource use and biodiversity against the background of climate change. More options to get active are also required.
2. Heat and water management need to be considered due to climate change.
3. Self-sufficiency in energy production should be raised. Additionally, innovative approaches for social and societal aspects are needed.
4. Innovative solutions are required to sustain competitiveness of agriculture in times of climate change and biodiversity loss.
5. There is a need for intermodal transportation models in the region and more knowledge about it.
6. Climate friendly construction of buildings needs knowledge and flagship projects in the region.

The requirements show that the LAG tries to be active in all four action fields. The strategy also defines requirements for nearly every subsection defined in the CAP-strategy (BMLUK, 2024b, p.1194-1195). Only in action field two, the CAP-strategy provides more themes compared to the requirements of the strategy. The topics culture and circular economy are only explicitly included in combination with other requirements (Gassner & Silhengst, 2023, p. 37). Due to this decision, there is just one requirement in action field two. The decision also influences the planned budget for the period. Only 11.4 percent of the funding for projects is planned to be used in action field two.

The case of the Elsbeere Wienerwald region showed that the broad thematic options in the CAP-strategy can lead to a broad local development strategy. To handle and communicate the different requirements, the LAG management decided to prioritise different topics for a

limited amount of time within the five-year period. For example, there was a focus on requirement five in action field three in the first phase of the new period meaning that there were specific funding calls for youth projects (Interview Gassner, p.9). Besides these specific calls, there are regular open calls for all kinds of projects. But even with the specific calls the LAG management has problems to find or develop projects in specific areas.

Apart from the question whether the requirements really lead to appropriate projects, this master thesis wants to clarify how the requirements fit to the approach of regional transformation agencies. Considering the different sources from the TRANSREAL project (Novy & Barlow, 2023; Bärthaler et al., 2025; Lexer & Novy, 2024), it is clear that this local development strategy already contains themes which would also play a major role in regional transformation agencies. The local production of food, the local option for recreation, the preservation of biodiversity, the local supply of basic goods, strengthening town centres, heat and water management, regional energy supply and mobility are some of the topics within the requirements which could lead to TCAs. There are also other topics such as the support for different actors to handle the digitalisation where it is harder to connect them with the concept of TCAs.

The problem seems to be that the different requirements do not serve one specific goal. In their reflection of the last period the authors of the strategy describe that the last strategy did not provide a clear mandate to act. They explain that a clearly defined goal was missing (Gassner & Silhengst, 2023, p.9). For this period, they tried to get a clearer mandate to act by defining focus areas and three superordinate goals. In the focus areas the LAG management wants to actively initiate projects. In the following the superordinated goals are translated from the strategy (Gassner & Silhengst, 2023, p.23).

- A region in which one can be economically successful by using the geographic benefits and by cooperating with regional partners, without additional burden for the climate and the environment.
- A region in which we are aware of our diversity and learn from each other and we recognise different needs. Solidarity and active engagement should be generated.
- A region in which nature and the environment is used, protected and secured and the challenges of climate change are proactively approached.

The superordinated goals show that climate change and other environmental issues are important within the strategy. At the same time, the goals are formulated in a way that there is room for all kinds of projects under the four action fields. The superordinated goals are also not part of the questionnaire for the approval of projects which is an additional reason for a lack of impact.

The analysis of this master thesis and arguments of the LEADER management lead to the question why the strategy still includes topics which are not focus areas of the management. Christina Gassner explains it by reasoning that it is important to have projects which do not need many resources from management (Interview Gassner, 2025). Meaning that it is a question of time resources of the management. Another reason could also be that the LAG members would not support a strategy which cuts options for the municipalities to hand in projects. The next chapter will show that there are strong arguments for the importance of

municipal projects from the perspective of the LAG members. Independent of the reason, it is clear that such a thematic broadness leads to a lack of guidance, and this would not fit to the approach of regional transformation agencies.

7.1.2 Organisational structure of the LAG

The organisational structure of the LAG is also partly individual for the regions. There are the requirements which are defined in the CAP-strategy and were presented above. In case of this region, the organigram shows that there are additional bodies. The regional mayor conference “Bürgermeisterkonferenz” is not part of the “normal” LEADER structure. Furthermore, the regional board “Regionsvorstand” has different members compared to the PAG. In other regions these two bodies have the same members (Silberberger & Steinbacher, 2023). Both decisions mean that the role of local politicians from the governing party within the region is strengthened. This is typical for the region. The other bodies are required for the different tasks which need to be fulfilled in LEADER regions.

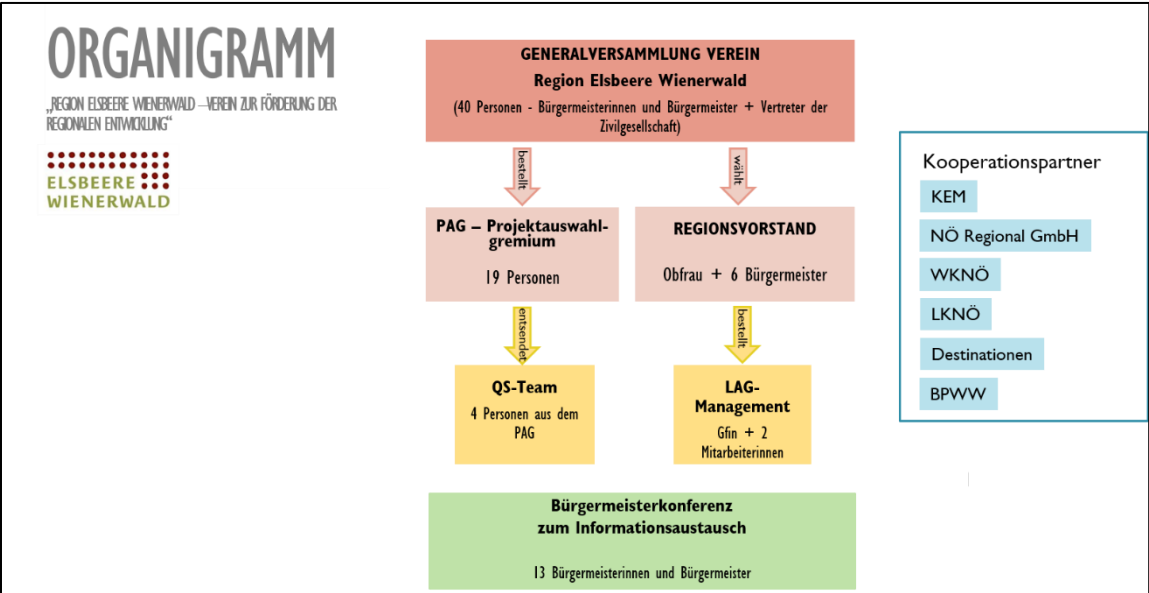


Figure 7: Organisational structure of LEADER Elsbeere Wienerwald

Next, this chapter provides information on the members of the different bodies. The LAG is an association and has 40 members, 28 of these members have the right to vote in the yearly general assembly. The region seems to be an example for a LEADER structure which is dominated by politicians from one party which also governs at the regional level. The strategy only fulfils the requirement of the CAP-strategy because members of the municipal council are not necessarily categorised as members of the public sector (BMLUK, 2024b). The following table summarises the political roles of the LAG members.

Political role	Party	number
Mayor	ÖVP	11
Mayor	SPÖ	1
Mayor	INKA (independent)	1

Former and current members of municipal councils.	ÖVP	8
Former and current members of municipal councils.	GRÜNE	1
Candidate local election 2025	ÖVP	4
Candidate local election 2025	INKA	1
Candidate local election 2025	NEOS	1
No clear political connection	-	9
KEM manager	-	1
Economic chamber (WKO NÖ)	-	1
Honorary member	ÖVP	1
		40

Table 8 Political connections of the LAG members. Own research

The table shows that the LAG that there is a clear majority of members which are involved in local politics. The research process for this investigation was done by looking up whether the members are current or former members of the municipal councils. If not, it was also researched whether the members were candidates in the last local election in January 2025. The following diagram sums up the political connection of the LAG members. Connections were found to four of the five major Austrian parties which are also part of the Austrian parliament. Additionally, there is a local independent party called INKA which is strong in one of the municipalities. The ÖVP dominates the LAG with 24 connected members or 60 percent. The other parties have a maximum of two connected members. Besides the KEM manager and the representative of the economic chamber of lower Austria, there are only 9 members or 22,5 percent which could not be identified as connected to one specific political party.

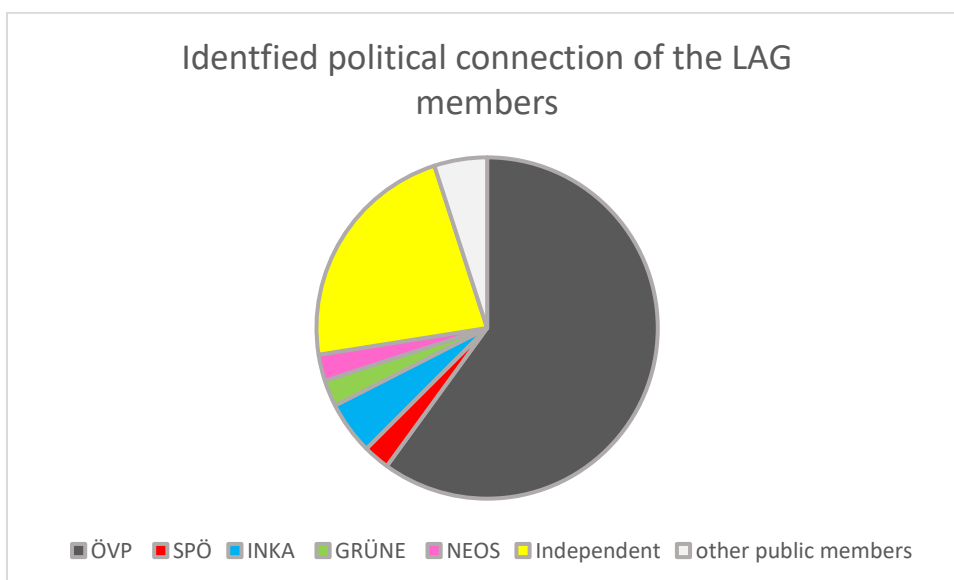


Figure 8 Identified political connections of LAG members. Own research and figure

For the approach of regional transformation agencies, that aims at representing the plurality of regional actors, such a concentration of power goes against its principles. Even for LEADER's principles this seems unsuitable; after all, the CAP-strategy clearly states that public institutions as well as one group of interest should not have more than 49 percent of the votes.

In the PAG, where the approval of projects is decided, there are 7 direct political members which are all mayors or vice mayors of the same political party – the Austrian People’s Party (ÖVP). Four of the additional 11 PAG members also have a definitive connection to the ÖVP. As a result, there is a majority of one political group in both the LAG and the PAG.

The question whether these members connected to the same party should be conceptualised as one interest group needs further discussion. A strong argument in this context is that it is unlikely that members which publicly campaigned for their mayor in the last election would, for example, vote against that mayor’s projects in the PAG. Members of different municipalities might have different interests despite their identical political affiliation; nevertheless, one should not conceptualise an organisation as bottom-up if a majority of its members has such strong political ties with each other.

In addition to the dominance of the ÖVP, it is also questionable whether it is useful to use resources of the LAG management for the coordination of mayors in a region. Christina Gassner argued that the constant flow of information and the good connection to the mayors is worth investing resources (Interview Gassner, 2025). Even if the mayors should not have the power to dominate LEADER as they do in this case, they are still crucial in transformative processes. It can, therefore, be very valuable to have a constant flow of information and to establish the LAG management as a good partner of the municipalities.

Nonetheless, for the establishment of regional transformation agencies, this chapter illustrates that stricter rules for the composition of the LAG and PAG are required. A potential step could be to widen the definition of public authorities toward members of the municipal council or even candidates of the last election. This might hinder a group of people who are active for and care about their region to be part of the LAG; however, it is also reasonable to assume that there are still enough other people which have the will and the skills to be a supportive member of the LAG in a region of nearly 40.000 people.

7.1.3 Projects

By the 25th of August of 2025, there were 16 projects approved by the PAG in the current period. The table lists the projects according to their name, the received funding and the action field in which the projects are approved. The projects are presented on the homepage of the LEADER region (Region Elsbeere Wienerwald, 2025). The sum of approved funding is 1.161.991,18 euro.

Title of the project	Funding	AF 1	AF2	AF3	AF4
Digitalisation offensive Elsbeere Wienerwald	€199.982,90 (70%)			X	
Direct marketing store St. Christophen	€23.517,95 (40%)	X	X		
Movie “rooted in the Elsbeer region”	€42.000 (70%)	X	X	X	
Women-power in the Wienerwald	€7.024 (80%)	X			
Leisure for ALL	€40.000 (80%)			X	

Activation of the inner city Neulengbach	€193.188,1 (70%)	X			
JEP SMILE	€174.651,9 (70%)			X	
Youth project Brand-Laaben	€59.223,97 (60%)			X	
Youth project Kirchstetten	€58.800,82 (60%)			X	
Youth room Böheimkirchen	€31.148,55 (70%)			X	
LEADER Lower Austria cooperation project	€5.784,51 for the region	X			
Multi sports court Neulengbach	€75.366 (60%)			X	
Padel Court Totzenbach	€54.288 (40%)			X	
Resting place with panoramic view	€14.881,75 (60%)		X	X	
Hiking offensive Elsbeere Wienerwald	€132.132,73 (70%)	X		X	
Centre Sonnenkogel	€50.000 (40%)	X		X	

Table 9 Projects Elsbeere Wienerwald

The table indicates a few relevant aspects. First, until now there is no project in the newly established action field four. Therefore, there were no projects which focused on climate mitigation and adaptation. This is not in line with the focus of the local development strategy. The next chapter will show that 31 percent of the budget for projects is planned to be invested in action field four. Second, action field three was the most used one with twelve projects. This was also the case in the last period. In their reflexions about the last period the authors of the strategy identified the action field three as the most attractive for “infrastructure” projects of the municipalities. Sport facilities are emblematic examples in the current period. Third, the percentage of funding differs between 40 and 80 percent. This shows that there were different kinds of projects.

The projects also show that the thematic focus on youth projects had an effect. Of the 16 projects seven projects were approved as youth projects in the specific calls. It cannot be expected that every focus area with a specific call would lead to such a number of projects. The next two specific calls are about biodiversity and climate mitigation, and resting areas alongside hiking and biking routes. The calls end by the 17th of November 2025 which means that the projects and decisions to the call cannot be analysed within this thesis. One could expect that the first topic is more complicated while the second topic is something where the municipalities and other partners have experience. Even without the additional information from these calls, the topics of temporal focus areas are relevant for regional transformation agencies.

7.1.4 Financial situation

To understand the role of LEADER on the local level, the financial situation of regions needs to be reviewed. The following table is part of the local development strategy and presents the financial plan for the period between 2023 and 2027.

Gesamtfinanzplan Periode 2023 bis 2027

Bezeichnung der LAG:

Elsbeere Wienerwald

Positionen	Kosten	öffentliche Mittel LEADER-Programm	Eigenmittel LAG	Eigenmittel Projekträger	davon Gemeindemittel
LAG Management inklusive Sensibilisierung	814.218,57	569.953,00	244.265,57		
Umsetzung der Strategie	2.840.000,00	1.711.000,00	220.000,00	909.000,00	390.000,00
Aktionsfeld 1	900.000,00	450.000,00	60.000,00	390.000,00	30.000,00
Aktionsfeld 2	300.000,00	195.000,00	20.000,00	85.000,00	60.000,00
Aktionsfeld 3	820.000,00	533.000,00	80.000,00	207.000,00	150.000,00
Aktionsfeld 4	820.000,00	533.000,00	60.000,00	227.000,00	150.000,00
davon Kooperationen*	80.000,00	56.000,00			
ETZ					
IBW					
Summe	3.654.218,57	2.280.953,00	464.265,57	909.000,00	390.000,00
Anteil LAG Management an der LES		24,99			

Table 10: Financial plan of the LEADER region Elsbeere Wienerwald 2023-2027. Gassner & Silhensgst, 2023, p.92

The first column contains the different positions to which the funding is allocated. The second column lists the overall costs which are expected for every position. The entire costs for the activities of the LAG are expected to be 3.654.218,57 €. This sum is divided between costs for the LAG management with 814.218,57 € and the costs for the implementation of the strategy with 2.840.000 €. The expected costs for the action fields show that action field two does not have the same priority as the others. The third column shows how the LEADER funding of 2.280.953,00 € by the EU is used. Compared to the overall costs the action fields three and four get a higher proportion compared to action field one. The differences in these two columns are due to different average funding quotes in the action fields. The third column also shows that the LAG management is using the maximum share of EU funding for the costs of the LAG management. Additionally, the next column indicates that the LAG management also needs a high share of its own financial resources for the management. Their own financial resources are expected to be 464.265,47 € and are paid by the municipalities. At the moment, the municipalities pay 2,7 euros per inhabitant and year (Stadtgemeinde Neulengbach, 2024). The last two columns are about the financial resources of the project owners. The municipalities are expected to pay 390.000 € of the 909.000 € costs as project owners. The municipalities are least expected to initiate projects in action field one.

As already stated, LEADER has different funding categories. This means that there are different funding quotes for different categories of projects. The first category are projects which cause

a direct income for the project owner. These projects can get 40 percent funding. The second category is for projects which indirectly cause income. For these projects the normal quote is 60 percent but there is the chance for a bonus which brings the project up to 70 percent. The category for investments in things like sport facilities is the same. Other projects which do not include building something can get up to 80 percent. The category for small projects between 5.000 and 10.000 € always provides 80 percent funding for the projects if they are approved. Cooperation projects and the LAG management are funded with 70 percent by the EU.

The funding structure of the region and LEADER as a whole provides a concrete basis to think about a funding scheme for regional transformation agencies. The general question is whether a region with nearly 40.000 inhabitants and a budget of 3,65 million euros for five years can successfully initiate transformative processes. Even if the strategy is very focussed and there is an additional temporal focus on specific areas, this funding sum does not seem to be enough. This view is supported by the interviews (Interviews, 2025). In terms of the funding for the management the answer is not so easy. The case of the region Elsbeere Wienerwald shows that the 25 percent of the LEADER funding can be hard to reach. Christina Gassner explicitly stated that the funding for personnel is a limiting factor for areas which need more involvement of the management (Interview Gassner, 2025). Contrary, Melanie Steinbacher said that she has sufficient resources for the current approach in her region. Furthermore, Bernd Vogl also stated that the financial resources for the LEADER management seem to be solid. In the end, the overall funding scheme is a question of political priorities on the national and EU level. Based on the findings of this thesis, it does not seem useful to establish regional transformation agencies with less funding than LEADER. The question whether there is a maximum after which the regions would be overwhelmed, and efficiency would drop cannot be answered. Due to the current political discourse and the budgetary problems on all political levels, the question does not seem to be very pressing.

Besides these general budgetary issues, the funding categories of LEADER are also relevant. For regional transformation agencies the first question would be whether the projects which cause a direct income for the project owners are a necessary category. A shift away from economic growth as one of the goals could reduce the number of projects in this category. An argument for this category would be that firms acting within the market economy need transformation. In the end, it is a question of the thematic focus. If this category stays the differentiation of the funding quotes makes sense. For all categories there is the question whether it is useful that the project owners need to finance part of their projects by themselves. The main argument against it would be that some project partners could have a problem to finance it. For partners like the municipalities or the LEADER regions themselves, the percentage should not be problem. If they do not have the commitment to finance a part, it could be a sign for a general lack of interest in the project. The importance of the commitment is a strong argument for the scheme like LEADER has it.

7.1.5 LEADER in combination with KEM

The region Elsbeere-Wienerwald is one of 14 regions in Austria in which there is a KEM region with the exact same borders. Out of these regions eleven regions have a shared homepage. The same borders and a shared communication indicate cooperation between LEADER and KEM. The following table lists the regions and in which federal province they are located.

Federal province	Name of the region	Shared homepage
Tyrol	RegioL Regionalmanagement Landeck	Yes
Salzburg	Biosphärenpark Lungau	Yes
Upper Austria	Mostlandl Hausruck	Yes
	Traunviertler Alpenvorland	Yes
	Donau-Böhmerwald	No
	Urfahr West	Yes
	Sterngartl-Gusental	Yes
	Mühlviertler Kernland	No
Lower Austria	Mühlviertler Alm	Yes
	Elsbeere Wienerwald	Yes
Styria	Marchfeld	Yes
	Holzwelt Murau	Yes
	Innovationsregion Murtal	No
Carinthia	Region Hermagor	Yes

Table 11: Shared homepages between KEM and LEADER in the different regions

The combination of LEADER and KEM is seen as a huge benefit by Christina Gassner (Interview Gassner, 2025). They are more efficient because they coordinate their bodies together. The regional board and the chairman are the same persons for both regions. The LEADER management and the KEM management have the benefit that they know the plans and goals in both programs. This means that project ideas within the region can be established in the program which is most suitable. Furthermore, the region has also established a renewable energy cooperative and a local innovation network (LIN). The board of the renewable energy cooperative is a little bit different, but it is still possible to combine it in a useful way. The local innovation network is new and there are too few experiences for conclusion on how it works. What can be said is that the region was able to hand in a concept which was approved by the Ministry for Agriculture.

Not all LEADER regions can have this kind of combination with the KEM and/or KLAR! program. As explained in the chapter on the KEM and KLAR! program, the maximum size of the regions in both programs is 60.000 inhabitants. LEADER regions can have between 15.000 and 170.000 inhabitants (BMLUK, 2024b, p.1179). According to Bernd Vogl it is a goal of the climate and energy fund to better coordinate the different programs (Interview Vogl, 2025). LEADER regions with more than 60.000 inhabitants can only combine more than one KEM or KLAR! region in their region.

For regional transformation agencies it also seems crucial to use the possibilities to cooperate with other programs. LEADER provides examples how it could work. KEM, KLAR! and LIN are current programs which could be combined to have additional resources. The question how the different programs could be best combined also raises the question which size for regional transformation agencies would be optimal. It is hard to imagine that a LAG in a region with more than 100.000 inhabitants could successfully organise bottom-linked transformative processes.

7.2 Learnings from the case

The case study allows a deeper understanding of the LEADER approach. There are weaknesses and strengths of LEADER which became clearer by looking at a concrete example. The analysis of the local development strategy of the Elsbeere region supports most of the findings until this chapter and opens up new questions such as the political dominance within LAGs. The seven main learnings of the case study are summarised and presented in the following.

1. The thematically broad CAP-strategy leads to a broad local development strategy in the case region.

There are different reasons why there is pressure for LAGs to use all thematic options of the CAP-strategy. In this case, this leads to a local development strategy with a lack of guidance. The pressures are likely to be the same for other regions. Consequently, the CAP-strategy needs more guidance, or the regions need better approaches to deal with the broad options.

2. The LAG management has different approaches to handle the thematic broadness.

The LAG management developed different approaches to deal with the thematic broadness because they also recognised that it can be problematic. One approach was to establish overriding goals. As discussed, these goals were broad by themselves but did not have a lot of impact. The other approach was to define temporal focus areas with specific calls. This step seems to be more effective and could be useful for regional transformation agencies.

3. Many themes of the LEADER region could also be used for regional transformation agencies. A clear prioritisation is necessary.

The research process showed that many requirements could be potentially reformulated in a transformative way. Nevertheless, it seems that this would not lead to a successful transformative agenda. The strategy would again not provide enough guidance. Instead, the region needs to make a strategic decision for the agenda which areas prioritised due to their potential to support the desired transformation. The prioritisation of certain areas such as mobility were also a recommendation in the interview with Wolfgang Lexer (2025).

4. Dominance of political representatives in the LAG

The case showed that there is the potential to politically dominate the LAG under the current rules. This is especially true for regions with one dominant political party.

5. Action field four does not instantly lead to climate mitigation or adaptation

Wolfgang Lexer questions whether the addition of action field four is actually effective in promoting climate mitigation or if it is only regarded as an add-on (Interview Lexer, 2025). A look at the current projects of the region supports this point of view.

6. The budgetary resources for the LAG management and the projects are limited.

The concrete regional budget showed that it can be challenging to finance the LAG management under the current rules. Overall, there were different arguments that the provided funding would be a bare minimum for regional transformation agencies.

7. The combination of programs has potential

The region combines LEADER, KEM and LIN successfully. The shared structures allow good coordination and more support for the region.

8. The regional requirements need more guidance.

The regional development strategy contains the requirements defined for the future development of the region. Current broadness of these requirements causes a lack of guidance for the entire strategy. The current superordinated goals of the region do not provide the needed guidance.

8 Results: How to advance from LEADER to regional transformation agencies?

This chapter combines the relevant information of this thesis to answer the research question. It provides paths on how to transform LEADER to become regional transformation agencies as well as the concrete aspects of LEADER which need to be changed. The recommended changes are discussed by retroductive reasoning.

As a reminder, supporting social-ecological planning within the multilevel governance system is the goal for regional transformation agencies. By addressing the lack of will and ability for collective transformative action in rural areas, change should be supported. A long-term reduction of emissions and resource use in the regions would be the consequence (Lexer & Novy, 2024, p.2).

The policy brief by Lexer and Novy also defines central elements for the implementation of regional transformation agencies (Lexer & Novy 2024, p.2).

1. Development of structural-organisational models and its institutional embeddedness
2. Participatory elaboration of the regional transformation agenda (“mission”) including first steps
3. Building regional transformative alliances
4. Accompanying research

These elements and the recommendations of the policy brief were reviewed from the perspective of the EU program LEADER. The first element requires to answer whether LEADER has a matching structure, and which aspects of this structure need to change. As explained in *chapter 6*, the structure seems suitable. The recommended changes are explained in *chapter 8.2*. For the second element that questioned which guidelines are necessary for the regions to successfully develop bottom-up transformative strategies. The thesis frames it as the thematic focus. The findings for this area are part of *chapter 8.3*. The findings for the third element defined in the policy brief cannot be presented in one singular chapter. Within LEADER the LAGs would be the heart of the alliance. The recommendations for the LAGs are part of *chapter 8.2* as well as the chapters about potential funding for the LAGs. The last element about the accompanying research is not a central part of this thesis.

Before focusing on the elements of the policy brief, the next chapter will provide an overview of different scenarios to transform LEADER towards regional transformation agencies. Depending on the scenario, the options for changing the LEADER program towards regional transformation agencies are different.

8.1 Scenarios for the transformation of LEADER

There are different scenarios for changing the structure of LEADER. The question of this chapter is who can change the structure, and which implications a structural change would have. The complex structure of LEADER with strategic decisions taken on different political levels offers different options for change. Depending on the actor, the potential for transformation differs and some scenarios can be more radical than others. The following figure illustrates five scenarios which will be explained in more detail.

Different scenarios for the transformation of LEADER:

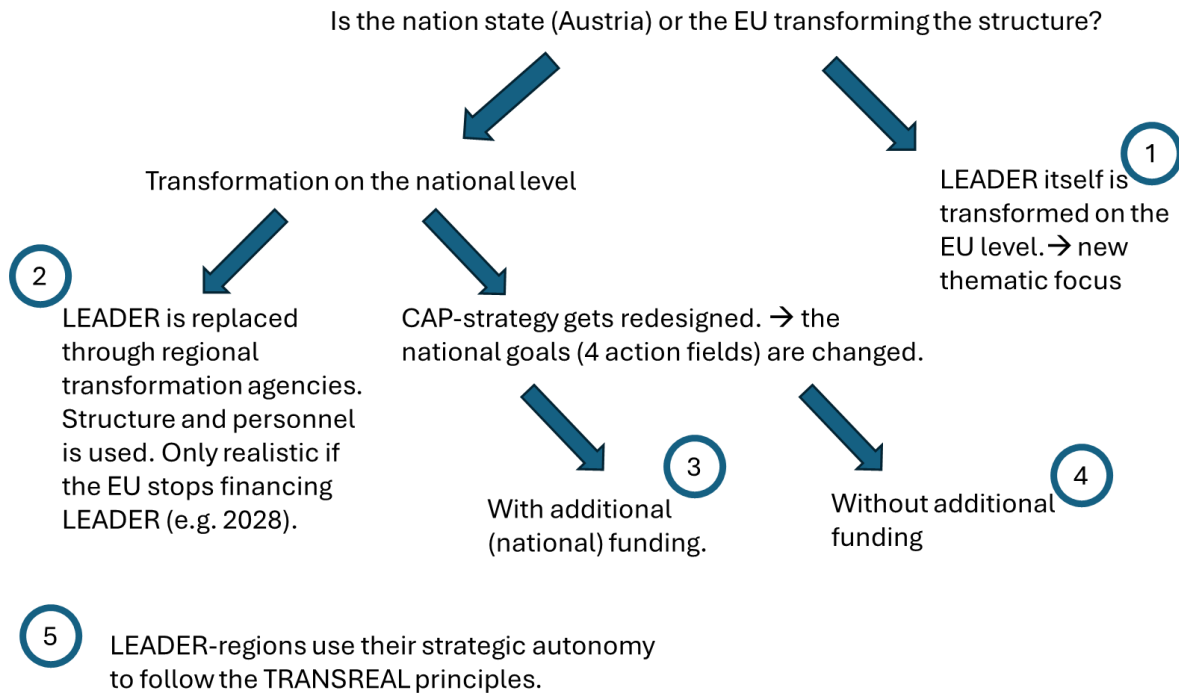


Figure 9: Different scenarios for the transformation of LEADER

The first option is that the EU changes the purpose of LEADER and establishes an approach which puts the principles and the thematic focus of TRANSREAL at the heart meaning that the purpose of LEADER would be to support the social-ecological transformation in all LEADER regions EU wide. The national and regional strategies would then need to follow the new approach in order to get funding by the EU. The basis for this scenario would be that the EU Commission and the European Parliament would be willing to change the broadly defined goal of LEADER to support the development of rural areas towards a clear focus on climate mitigation. Furthermore, the EU would need to acknowledge that guiding principles of TRANSREAL such as the focus on sufficiency are the way to go forward. This could, however, lead to a conflict with the central element of the Green New Deal which is green growth.

Overall, the first scenario is not very likely. The EU is a big apparatus with many different interests and transforming LEADER into regional transformation agencies would be a radical step. A change in thematic focus might be achieved if LEADER were not financed out of the agricultural budget. However, another reason why the concept of regional transformation agencies is unlikely to be established on the EU level is because the EU was simply not the target as of yet. After all, the TRANSREAL project focused specifically on Austria.

The second option indicated in the figure is that the EU stops financing LEADER and the nation states use the chance to step in. The states could utilize the situation to transform the structure as they want it. Potentially transforming LEADER-regions into regional transformation agencies. Regional transformation agencies could be established without conflicting with the LEADER regions and there would be well-equipped personnel which is already known in the regions.

Crucial for this option is that no actor can go this path alone. It could only be a reaction by the EU member states if the EU itself is not willing to fund LEADER anymore. The current period until 2027 is secured and despite some criticism by the European Court of Auditors and discussion about the share of which LEADER gets out of the agricultural fund, there is not much indication that the LEADER approach will be stopped (European Court of Auditors 2022; Interviews). Nevertheless, it is useful to have this option in mind because if the EU would stop funding, it would be an opportunity to establish a new approach based on the structure of LEADER. Pressure on higher political levels from the municipalities and other regional stakeholders to secure the established structure is likely to be high. In a compromise to secure funding, the goals and principles of regional transformation agencies could be established.

Theoretically, one could think that the nation states could quit the LEADER program to establish regional transformation agencies on their own. This option is not possible because it is mandatory for the EU member states to include the LEADER approach in their rural development plans (Dwyer et al., 2022, p.6).

The third and fourth option are describing different opportunities for the states to use the national rural development plans to transform LEADER in the direction of regional transformation agencies. At the moment, the Austrian rural development strategy for example defines the four action fields which provide the basis for the regional LEADER strategies (BMLUK, 2024b, p. 1194; Gassner & Silhengst, 2023; Silberberger & Steinbacher, 2023). Consequently, the action fields define the thematic focus of LEADER in Austria. The next CAP-strategy could, for example, focus on the social-ecological transformation and have renewed action fields which support this overarching goal. The change of focus in the CAP-strategy is the basis for scenario three and four. The difference is in the funding options.

Option three is based on LEADER funding by the EU but with additional support from the national state. This scenario is based on the assumption that the EU commission would accept a change of the thematic focus, and the Austrian state would be willing to provide additional funding for a social-ecological transformation. To be successful, the additional support would really need to focus on the desired social-ecological transformation. By offering additional funding, there would also be an opportunity to give the regions an additional mandate, such as controlling the climate compatibility of projects in the municipalities. The implications and the potential of this approach will be discussed in more detail in the following chapters.

In terms of achievability and potential to succeed, this seems to be the best option for transforming LEADER towards regional transformation agencies in Austria. The paper about regional transformation agencies is already being discussed in the responsible ministry (Novy et al., 2024, p.5) and there were other important Austrian stakeholders involved in the TRANSREAL project. Also, the interviews were going in this direction (interview Lexer and Vogl, 2025).

Option four could be achieved even easier because the Austrian state would just need to change the CAP-strategy. The problem is that the structure and the financial power of LEADER may not be sufficient to really establish transformative processes.

Option five in the figure represents the opportunities which LEADER regions themselves have to act as regional transformation agencies. Regions could decide to come up with a local development strategy for the next LEADER period which follows the approach of TRANSREAL. Such regions would be restricted by the given action fields and the funding opportunities. Besides these restrictions, it is still useful to go into details on this approach because it is a realistic case that regions want to focus climate related issues in the next period and potentially, they think that TRANSREAL is a valuable approach.

All scenarios have in common that there would be the option to establish pilot projects. The problem is that pilot projects in the next five-year period (starting 2028) would mean that a roll out of regional transformation agencies would only be possible in 2033. By then, Austria should already have a clear transformation path for rural areas if the goal of climate neutrality in 2040 still holds.

8.2 The governance structure

The main elements of LEADER fit well to the concept of regional transformation agencies. *Chapter 4.2* included the potential roles and requirements for regional transformation agencies as presented in the policy brief and the final report of the TRANSREAL project. In short, these roles and functional requirements were as follows: Ownership of transformative processes (1); regional climate advocacy (2); regional transformation agenda (3); implementation design (4); implementation management (5); building of regional transformation alliances (6); monitoring and evaluation (7).

The LEADER regions were identified to have the potential to have the ownership of transformative processes. They are already connected to regional stakeholders and have management capacities to organise the necessary steps. The managements are already bringing topics into regions. The second role is the one which is, based on the learnings from this thesis, difficult to achieve. It will be discussed after this paragraph. The third point, to have a transformative agenda is achievable by changing the thematic focus of the local development strategies. The fourth point, the implementation design is also connected to the thematic focus. The thematic focus will be discussed in the next chapter. For now, it is noteworthy that this master thesis identified weaknesses in the collaborative compilation of the local development strategies and the projects. Nevertheless, LEADER was developed as a bottom-up approach, and the seven features of LEADER were identified to fit to the approach of regional transformation agencies. The fifth point, the implementation management can be fulfilled by the current LAG management. Depending on the timeline of the transformative processes, the regions may need additional management capacities. Point six should also be fulfillable in the structure of LEADER. Building alliances for certain topics is already a role of the LAGs and its management. It is once again a question of the thematic focus and whether the LAG members would support a transformative agenda. The last point, monitoring and evaluation should also be achievable in the structure of LEADER. There is a long-term discussion how LEADER should be evaluated (European Court of Auditors, 2022; Dwyer et al., 2022) and the learnings seem also relevant for a transformative approach.

Overall, the comparison of the roles and requirements defined for regional transformation agencies and the analysis of the LEADER structure within this thesis show that the governance

structure of LEADER should be suitable for regional transformation agencies. This does not mean that there are recommendations for changes. The following changes for the governance approach of LEADER should support LEADER to be what regional transformation agencies are expected to be.

First, the role as regional climate advocacy is not easy to achieve. The interviews showed that it would be difficult for the LAG to be a close partner to the municipalities and a controlling institution at the same time (Interviews, 2025). A possibility could be to establish an additional structure besides the LAG and its management. Wolfgang Lexer brought up the idea of something like the Austrian climate citizen council on the regional level (2025). The central question is which power these regional climate advocacies would have. This question goes beyond this thesis. What can be said is that it would be useful to have a control element responsible for the same geographic area as the regional transformation agencies.

Second, the collaborative bottom-linked elements of LEADER need improvement. The case study identified a significant potential political dominance in the LAGs under the current Austrian rules. The straightforward step would be to change how politicians are defined in the CAP-strategy. The definition could be extended to all members of municipal councils or even to all candidates in the last local election. After that step the mayors may still have the influence to bring in loyal LAG members, but the roles of the LAG members would be at least a little bit more disentangled. A more radical option would be to bring in randomly chosen people into the LAG. The problem might be that these people might not be as connected or involved in the region and supportive to transformative processes. The interviews revealed that the management tries to set up a LAG with people which have a certain expertise (Interviews, 2025). This seems useful if the LAG should also fulfil its role as the heart of the transformative alliance. To strengthen the bottom-linked processes the LAGs should consider formats to stay connected with wider parts of the regional population after the local development strategy is developed.

The two points describe crucial questions for the governance structure of LEADER if it is transformed towards regional transformation agencies. Other minor changes were discussed throughout *chapter 6* and *7*.

8.3 New thematic focus

For LEADER to be what is defined as a regional transformation agency, a new thematic focus is necessary. This was a clear result of different chapters within this thesis. The thematic focus is crucial to guide the regional development strategies and concrete measures in a transformative direction. This chapter discusses how the new thematic focus of LEADER should be to function as regional transformation agency.

The first step towards a new thematic focus is to establish a superordinated goal. For LEADER to become what the concept for regional transformation agencies defines, the superordinate goal must be the social-ecological transformation. The following figure conceptualises LEADER as a building with the governance structure as its foundation. The action fields of LEADER in Austria are the pillars, and the social-ecological transformation is the roof. This conceptualisation also indicates that there is a crucial part missing in the current LEADER approach. LEADER is a “building without a roof”. The lack of guidance is one reason for a lack

of impact. In the interview with Wolfgang Lexner, it became clear that the establishment of the social-ecological transformation as the superordinated goal is not enough (Interview Lexner, 2025). At the same time, the literature review showed that a superordinated long-term goal is the basis for transformation.

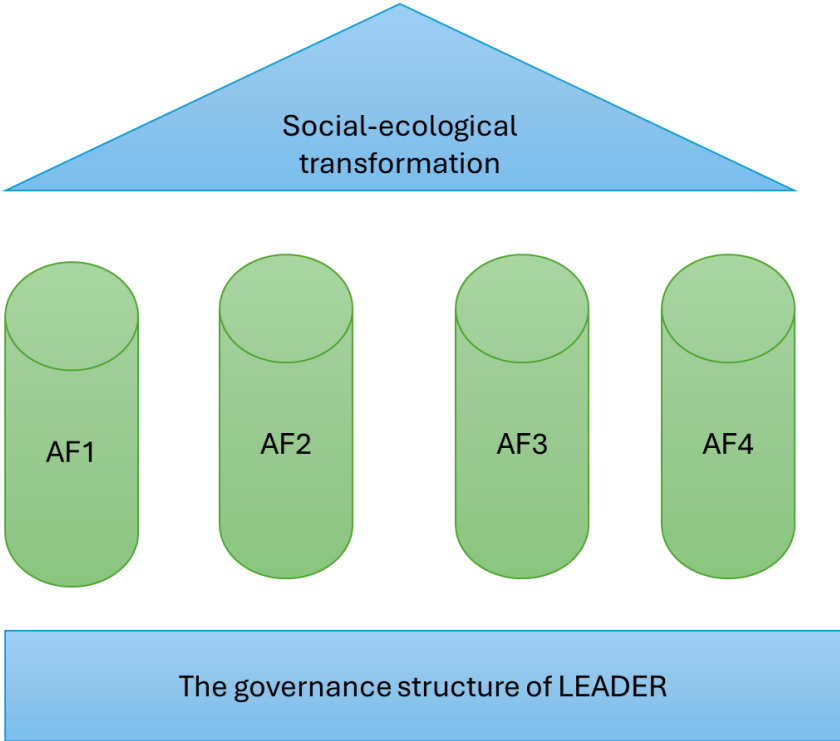


Figure 10 The "house of LEADER" with the social-ecological transformation as the superordinated goal. Own figure

To go beyond establishing a superordinated goal, the next step is to question whether the four action fields are suitable for regional transformation agencies. As discussed in *chapters 6 and 7*, the current action fields manifest the thematic broadness of the LEADER approach. Furthermore, the current content of the action fields was partly identified to be problematic for transformative processes. Two options to deal with the problems of the current action fields were considered. The first option is to reformulate the action fields in a way that they all support the social-ecological transformation. The second option is to stop using the framework of action fields.

The first option would mean that each field of action is reformulated individually to avoid negative consequences for the desired transformation. Based on the findings of *chapter 6.3* and *chapter 7.1.1*, the following reformulations could be done. The first action field "raising value added" could be reformulated into "transforming businesses and other profit-oriented activities". The second action field "Strengthening or sustainably developing the natural resources and the cultural heritage" would need to lose the focus on culture. The new formulation could be "Strengthening or sustainably developing natural resources." The headlines for the two other action fields could stay as they are. This option would also mean to reconsider the sub-topics defined in the CAP-strategy for the different action fields.

The second option, to stop using the framework of action fields, is recommended. The action fields divide the LEADER approach in different silos which are not necessary. Instead, the TCAs

should be established as the guiding principle. This does not mean that CAP-strategy should not define areas in which the LAGs should be active. Potential themes can provide additional guidance for regions as well as the Ministry for Agriculture which needs to approve the local development strategies. The recommendation is to break down the silos. For the managements this would mean that they have to adjust their current way of working. For example, the budgets would not be organised in the categories of the action fields. The crucial positive effect of breaking down the action fields should be that LAGs search for the most transformative themes and projects instead of trying to be active in many different areas. To transform an area such as the mobility in one region needs the full focus of the management and the LAG members for a certain time. If there is significant change in the focus area, the region can focus on additional themes. Once again questioning where the region has the highest transformative potential. The following figure develops the “house of LEADER” in the described direction.

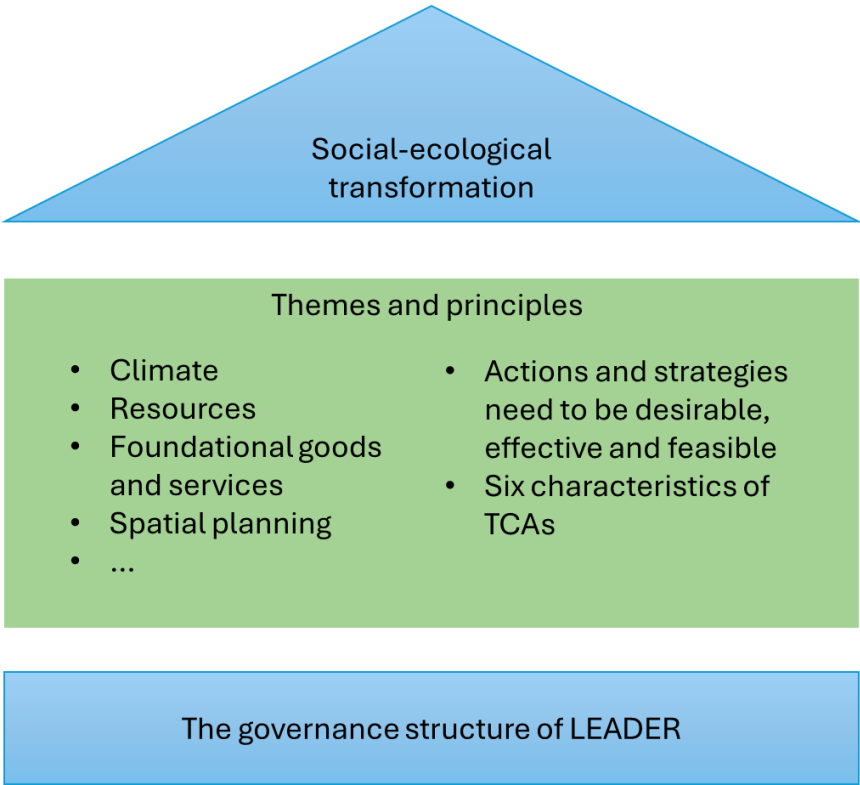


Figure 11 The "house of LEADER" with the social-ecological transformation as the superordinated goal and without action fields. Own figure

The superordinated goal of the new LEADER approach stays the same. Instead of the four action fields the figure presents different themes and principles which should guide the regions towards transformative strategies and actions. The foundation is the governance structure of LEADER. As explained the governance structure of LEADER is the part which only needs some minor changes.

The new LEADER approach summarised in the figure should help to transform LEADER towards the approach of regional transformation agencies. The regions decide on their individual situation in which areas they see the highest potential for transformation in their region. The pilot regions showed that the focus areas could be settlement structures and mobility or

housing for example. Due to the different regional situations, one could expect that there will be a wide variety of foci throughout Austria. The learnings from the different regions could then be used for the next steps in other regions; therefore, fulfilling one of the ideas of programs such as *KEM* and *KLAR!*. Overall, the figure only highlights some areas on which the thematic focus of the different regions could be. This master thesis does not recommend restricting potential topics for regional transformation agencies knowing that this could be a challenge for the Ministry of Agriculture. The criteria for the approval of the local development strategies would need to change accordingly.

As new guiding principles, the characteristics of TCAs would be put in place. For developing the local development strategies which should function as local transformation agendas, what Novy and Barlow (2022, p.2-4) call the elements of TCAs would be crucial. This means the LAG would build a strategy which is desirable, effective and feasible. For concrete actions planned in the strategy as well as for project application throughout the period, the six characteristics of TCAs should be the main point of orientation for the LAG. In practice, the regions could include the six characteristics in their form which they use to decide whether a project is approved or not. At the moment, every member of the project selection committee needs to rate the projects with this form (Gassner & Silhengst, 2023, p.90-91). The average points given by the members decide whether the project is approved. The six characteristics of TCAs would need have decisive role in form.

In all regions, the challenge will be that the transformative processes could need the support of higher political levels. An example for that was the story by Melanie Steinbacher in which she described that they would have known how to change the modal split, but they would have needed the support from other political levels (Interviews, 2025). If the national or federal level wants more transformative changes in a certain area, they could set up additional funding for these areas. This approach will be explained in more detail in the next chapter.

8.4 Funding

Funding is one of the most important steps to implement transformative climate agencies. This thesis can only provide some suggestions and concrete suggestions on how much funding is needed for a social-ecological transformation goes far beyond the scope of this master thesis.

What was already done within this thesis is to show how much funding the current regional programs have, which are relevant for climate mitigation and adaptation. The thesis also provided good reasons to argue that the current funding of these programs will not be enough for the desired transformation.

As noted for the different scenarios to transform LEADER, there are different funding options for a future approach. Theoretically, there could be funding from every political level involved in LEADER. For Austria, this would mean that funding could come from the EU, national level, the federal level or from the municipalities. For LEADER to be what regional transformation agencies should be all these options would be possible. For an implementation on the national level, the EU or the national government need to be active.

If the EU wants to change LEADER, they will have a wide variety of options for a new thematic focus and for new funding models. In the current system the funding would be changed if the agricultural budget is raised or if the EU urges the member states to raise the percentage of the CAP funding which needs to be used for LEADER. As explained in *chapter 6.4*, the current minimum percentage is five percent, and other countries already use additional CAP funding for LEADER.

On the national level the government also has some additional funding options in case the EU does not change the LEADER approach. The simplest variant would be to give every region direct additional funding for the LAG and its activities. According to Bernd Vogl, additional funding by the national level for an EU program should be possible (Interview Vogl, 2025). The other option would be to establish additional funding pools for specific areas. The regions could then apply for this funding if they are active in these areas. This kind of approach would hold the possibility for the national level to incentivize activities in certain areas. For example, if the national level wants to reduce land use it could implement an according funding pool. Typically, such funding pools would provide additional funding for projects but not for management capacities. As explained the management capacities could be a limiting factor and should, therefore, be considered.

The federal level could do what is already the case in Tyrol. As presented in *chapter 4.6.4*, Tyrol is the only federal province which follows the CLLD multi-level approach. The other federal states could also change to this approach in the next period which would mean additional EU funding for their LEADER regions. Now they use the EFRE funding for other initiatives. Besides this option, the federal governments would also have a variety of other options, but they do not seem likely.

The municipalities already fund parts of the LEADER approach. In the case study, they pay 2,7 euros per inhabitant and year. Additionally, they are often project owners which requires additional financial resources. These contributions were identified to be important to secure the commitment of the municipalities. Nevertheless, it is unlikely that the municipalities finance a much higher proportion of the funding. If the central assumption of regional transformation agencies holds that there is a lack of will and ability in rural areas, then one cannot expect to establish the approach of regional transformation agencies by themselves. Over time, regional transformation agencies could change this situation, and municipalities could potentially finance a higher share of the approach in the future.

9 Conclusion

This master thesis was set up to investigate a realistic opportunity to establish the approach of regional transformation agencies in Austria which was developed in the TRANSREAL project. The regional transformation agencies are seen as a valuable option to support the desired social-ecological transformation. The literature review provided the basis for the research with its information on the concept of regional transformation agencies and existing Austrian programs to support rural areas in the context of the climate crisis. Out of the different programs LEADER was identified to be the one with the highest potential to be transformed towards the approach of regional transformation agencies. The main reasons are that LEADER already has a governance approach which is close to the concept of regional transformation agencies and that LEADER is the biggest program in Austria which provides local management capacities. Nearly all rural areas in Austria are covered by LEADER regions.

The methodology was chosen based on the object of investigation. To investigate how an existing structure can be turned into something else, there is a need for reasoning. In this particular case, the question was how the existing structure of LEADER needs to change to function as the theoretical concept of regional transformation agencies. It was clear that this question could not be answered by the most common scientific inferences, namely, deduction and induction. The inference of retroduction was chosen. It is a mode of inference which is based on the philosophy of critical realism. The central question of this mode of inferences is to ask which qualities need to exist for something to be possible. So, this thesis asked which qualities of LEADER need to change to be a regional transformation agency? As explained in *chapter 5.3*, this mode has its limitations but offers the possibility to investigate the necessities for a structure to fulfil a certain purpose.

Some investigation with the help of retroductive reasoning did not work as expected. This was especially the situation for the case study. The idea was to use the six characteristics of transformative climate actions (TCAs), which are defined as a crucial part of regional transformation agencies, to develop a transformative agenda out of the existing local development strategy. In the process, good arguments came up why a reformulation of the different regional requirements do not lead to an effective transformative agenda. The problem is that a transformative agenda needs to be focussed on the themes with the highest transformative potential. A reformulation of the current regional requirements would lead to an agenda without the necessary focus. Consequently, one of the sub-research questions could not be answered successfully. There is no draft version of a regional transformative agenda.

Despite missing this particular outcome, the thesis offers rich results for the implementation of regional transformation agencies based on the LEADER program. There are various possible paths and funding options for the transformation of LEADER outlined. Nevertheless, it is important to note that the effectiveness depends on the commitment of all political levels. Especially the higher political levels also need to support the social-ecological transformation in combination to the actions taken by the transformation agencies on the regional level. In case radical steps for the transformation are taken on the different political levels, the LEADER program could with the recommended changes fulfil a crucial role in this process.

The findings are also relevant if other programs were to be adapted into regional transformation agencies. While further research could investigate the possibility of adapting other programs, this master thesis demonstrated the fit of the LEADER approach for the concept of regional transformation agencies. Therefore, it is recommended to focus further research on LEADER in even greater detail. Implementation processes in pilot regions or broader processes for establishment would be the most valuable opportunities for further research. Nevertheless, these investigations are only possible if regional or national politics support the implementation of regional transformation agencies.

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11 Appendix a

Summary Interview Christina Gassner (02.06.2025):

- Confirmation
- Description of her role as LEADER-manager:
 - Contact person for people who want to do something
 - Helper for getting projects done. Helping form the Idea to the finished project.
 - Networking between different stakeholders in the region. Connecting the proper people for a project or theme.
 - Based on LEADER but they give also support for projects outside LEADER
- Regional partners:
 - The mayors of the municipalities are the first partners mentioned.
 - KEM and EEG: They share one bureau and have nearly similar committees (huge benefit).
 - Chamber for agriculture
- Besides the regular partners the region has also partners for specific topics. For a limited amount of time the region sets specific thematic topics. For example, youth projects or hiking infrastructure.
- The benefits of the same geographic expansion with KEM and EEG is mentioned again.
- Besides the obligatory LEADER committees (LAG, PAG, ...) the region has a regular meeting of the mayors "Bürgermeisterkonferenz". A good flow of information is the goal.
- PAG and LAG have more than 50 percent of the members from civil society. Every civil member has the role of speaker for a specific topic. According to Christina Gassner this role strengthens their position in the PAG.
- The region uses a call system for the first time in this period. There are open and topic specific calls with a limited amount of funding. This system also strengthens the PAG, especially if there are more projects than money.
- There are intensive discussions in the PAG. Every member votes anonymously and there is no option to overthrow a decision taken. To get funding, a project needs to get certain points on average.
- The PAG has 19 members.
- The strategy needs a broad range of topics in order to find project partners and to get projects from different areas in the region.
- At the beginning of the process to build the strategy, the goal was to get a more focused strategy.
- The process strengthens the region and brings the involvement of new people.
- The long application process is a problem because people motivated in the process get lost during that phase.
- The management wants to have a stronger influence on the topics discussed in the next process. More time for details is required.
- Land use and biodiversity loss were topics which strongly came from the public within the process.
- For the topics brought in by the public it is sometimes hard to find project partners.

- It is a goal to build up or find project partners in these areas, but that process is time consuming.
- It was surprising for the management that land use and biodiversity loss are so widely noticed by the public.
- It was not possible to combine the action fields two and four. They wanted to do it but it was not accepted.
- In action field two the strategy only focuses on biodiversity. Culture was intentionally not included.
- The thematic calls are used to deal with the broad range of topics. They are also used to communicate focus areas within the strategy.
- The broad range of potential topics is hard to communicate.
- They plan to make a biodiversity call in autumn.
- It is a goal to develop projects in all areas of the strategy.
- The new action field four did not change much because the topic was already present through the KEM.
- The influence of the strategy on the work throughout the period: The projects are chosen based on the strategy. Once a year there is an evaluation meeting.
- A more focused strategy was one goal before the new strategic process.
- Focus areas were defined but they need active enforcement which is limited by the personnel.
- Other regions have stronger partners for implementing projects.
- Projects should have an effect in more than one municipality.
- The region needs projects which do not need much initiative by the management.
- They would need more personnel.
- The cooperation with KEM is seen as positive also in terms of efficiency. They share a bureau. The cooperation of the managers is important.
- The strength of LEADER is the participative approach.
- Another strength is that the regional development strategies are region specific. Every region has different requirements and opportunities.
- The biggest weakness is the overarching bureaucracy.
- More trust and competences for the regions could help to reduce bureaucracy.
- In lower Austria exists a lack of trust in the LEADER approach.
- The LEADER approach should bring new input in a region. It should not be a passive funding agency.

On TRANSREAL

- Transformation needs focus.
- Legitimation and regional commitment are required for a regional transformation agency.
- The person responsible for transformation should not have other agendas.
- There is no need for a separate institution. There could be a new position within the region which is responsible for the transformation.
- The specific focus on climate issues would be a change to the current situation.
- There needs to be a responsible person for the topic.

- Trust in the regions is needed to give them the freedom to develop innovative and transformative projects.
- Innovation in LEADER does not mean that something needs to be completely new. It can also be just innovative for the region.
- Innovative projects outside of the regular funding strands need personnel if they should be initiated by the region.
- The governance structure and the region would be to establish a regional transformation agency.
- The current lack of financial resources in the municipalities require secure funding of new approaches.
- The EEG was a good example for quick success which helped to develop the project further.
- The project “innovation management” could be a good example.
- In this region the innovation management position focuses on technology. Carbon management and energy.
- For a change of focus on social-ecological questions there would be the need for a clear commitment in the region. A resolution within the LAG.
- A caretaker who brings the agenda forward needs to be financed.
- If the region decides to focus on social-ecological issues it would still need the support of higher political levels.
- Sufficiency is not a present topic within the region. Only the requirements for land use are clearly connected.
- It was not possible to establish projects or other successful measurements in the field of land use.
- The municipalities do not see the competence of LEADER in this field. There is also conflicting situation with institutions on the federal level.
- Land use is a sensible topic.
- For structural changes legitimation is needed on a regional level and cooperation with higher structures is also necessary. There is a need for legislative change.
- Involvement in the legislative processes on higher levels would help.
- There is reason for critique if one looks at the projects compared to the strategic requirements but it is getting better, the region needs time to develop.
- A problem is the dominance of projects by single municipalities.
- Own projects in the region are important to meet the strategic goals, but they need a lot of personnel.
- Tyrol is the role model for cooperation between the federal level and the LEADER regions. They get extra competences.

Summary interview Melanie Steinbacher (24.07.2025)

- Consent for the recording

About LEADER:

- Role of the LEADER management: Identification of problems within the region and finding solutions for these problems.
- The classic LEADER approach is to be focused on projects. Melanie Steinbacher has a different approach.
- Strong tie to science.
- LEADER is an institution for trying new things.
- The communication and corresponding sensibilisation happening besides a project are central.
- The region has a different take on projects. Only 50 percent are classic LEADER-projects where external partners hand in projects according to the strategy.
- They have fewer projects than other regions.
- Processual projects were mainly done by the region. E.g. the mobility project.
- There is a strong presence of the social, climate and environmental topics.
- The focus is on regional development and not on single projects.
- Strong connections to different partners. E.g. "Sozial- und Gesundheitssprengel", hospitals, educational institutions, firms, the innovation lab, the regional environmental association.
- The coordination of volunteers is part of LEADER in Tyrol.
- LEADER and regional management are congruent in Tyrol.
- Only in Tyrol, the regions get additional funding out of EFRE. The EFRE approach is fully integrated in the region.
- In other regions of Austria this money is used for overlapping institutions.
- Tyrol has also tried to implement an agency for regional economic policy together with the regions. This does not work well according to Steinbacher. "They treat us from above."
- The upper levels should acknowledge the innovative power of regions.
- The LEADER-region represents the municipalities.
- The region is also the development agency of the municipalities.
- They also support them in application processes for funding outside LEADER. The support is need in the big as well as in the small municipalities of the region.
- Nevertheless, they have only few projects of the municipalities. They are no single projects by the municipalities.
- PAG: Only two of nine members are politicians.
- Other partners, such as the touristic associations also have financial resources.
- The region also established a KEM, but they decided that the topics can also be met in the structure without KEM.
- The PAG is also a forum for discussion. The members have different backgrounds. The discussions are not politically loaded (huge benefit).
- The non-political members of the PAG were included based on their activity in the strategy process.
- The strategy process was very heterogeneous. Depending in the field the approach was very different.
- The process mobilises different people which can be more easily contacted afterwards.
- The events are the important part of the strategy process. The writing is a formality.
- The pressing points in a region can change fast. The strategy needs to have the flexibility to deal with that.

- The work as manager of region is strongly phenomenon based. The experience of changes is direct and often before higher levels recognise the changing challenges.
- Every topic which should be pushed needs personnel.
- A topic can be pushed by LEADER for some time, but it is important that the initiatives are self-sustaining after some time.
- LEADER brings topics in the regions.
- They are consultancy and service centre for different topics.
- They established climate mainstreaming for the region. Meaning that all measurements in the region need to be assessed from the perspective climate mitigation.
- The region had a controlling role in audits for the “Umwelt-Destination-Abzeichen”. It was done by an external person.
- Commitment was required for the certification process.
- The management shows different options for development.
- The municipalities often see the necessity of certain projects if the topic was brought into the region by the LAG management.
- The political independence of LEADER is a big strength.
- The personal closeness can be a problem in a PAG.
- On a regional level the role of public opinion is very direct. People know the members of the PAG and will ask critical questions. This functions as corrective for the processes in the PAG.
- The bureaucracy is a huge problem.
- There would be solutions to reduce bureaucracy.
- There is no trust in the administration.
- The different levels of LEADER add up different bureaucratic requirements. The lower levels are afraid of controls from the upper levels.
- Big differences in the administrative requirements for a project. It depends very much on the responsible person in the administration.
- There are too many responsible layers in the process. An institution like KPC could help to simplify the processes.
- Another approach would be to combine the administrative processes of different LEADER-regions.

On TRANSREAL:

- Steinbacher wants to clarify the term “transformation”.
- Transformation is seen as a change of system.
- LEADER does not have the potential to transform important systems on their own.
- Even their big and well-known mobility initiative did not really change behaviours.
- A real change could come if higher levels would change things like the “Pendlerpauschale” or subventions for fossil fuels.
- The responsibility should not be drawn down to lower levels.
- “We should make the transformation, but we are not allowed to have influence on higher levels.”
- There is a need to be top-linked.

- The region would know how to change mobility behaviour but there is a lack of support.
- The car is financially attractive for many persons.
- Regional specific attempts to transform certain fields could help. KEM is partly following this approach (Modellregionen).
- Building competences in the LEADER teams is an often-discussed issue.
- Lobbying and communication into legislative processes would be important.
- The communication by the LAG-management with other levels was not appreciated by the ministry.
- Tyrol is working on an overarching goal for regional development.
- The future of LEADER is not secured. The 5 percent of the agricultural budget could be changed.
- It could be beneficial to get away from agriculture.
- Spatial planning: They try to motivate the municipalities to organise commercial areas together. Furthermore, best practice examples are communicated in region.
- Besides these two points they do not have much influence on spatial planning. It is a difficult topic (heißes Eisen).
- Discussion about sufficiency. First association were a car free day and the project “a good day has 100 points”.
- Steinbacher is thinking about sufficiency, but she does not have concrete ideas yet.
- Finances: Steinbacher is happy with the number of financial resources in the region.
- More money could lead to weaker projects. The need for cooperation with other partners makes the projects more resilient.
- Furthermore, the existing resources are used better if money is scarce.
- Also the current economic situation can be interpreted positively. The economy is going back to a “normal” situation.

Summary Interview Bernd Vogl (05.08.2025)

The interview was set up to discuss the approach of regional transformation agencies with an expert who knows the structures in Austria. Bernd Vogl managing director of the “Klima- und Energiefonds” in Austria.

- Confirmation for the recording and use in the master thesis.
- Vogl knows LEADER because they try to coordinate the program of LEADER with the programs of KEM and KLAR. KEM and KLAR are organised by the “Klima und Energiefonds”.
- The coordination of the programs should get better.
- The fonds thinking about transformation.
- They understand themselves as transformation agency on the national level.
- Topics which should be brought forward need personnel which is responsible for it.
- Responsible personnel cause a kind of lobbyism within a structure.
- KEM and KLAR have a high standing in the fonds and for the politicians.
- How to act in the ongoing Megatrends/Transformations. Where can the region profit or change something.
- Transformation by design needs success.

- It is not possible to change the megatrends on a regional level.
- Strengthening regional strengths is a good way to go.
- One needs to look for things which are practical, cheap or which strengthen the community.
- The EEGs are an example for a community project.
- Whether something is perceived as beneficial highly depends on the feelings people have toward something.
- Politics can also help a technology to reach a certain share of the population after which the technology gets widely accepted.
- Looking for business opportunities in the transformation.
- A single region cannot disconnect itself from the system.
- The economy is following certain rules.
- How to get acceptance for a different take on the economy?
- The possibilities of regional transformation agencies are limited. The megatrends are dominant.
- Changing existing institutions is better than setting up new ones.
- Changing existing institutions is in the beginning a cumbersome task.
- At participative processes it is mostly about topics which people experience directly. In the climate context mobility and adaptation.
- Participation can be a key for acceptance.
- In comparison with other measurements, the use of participative processes can be a cheap option.
- On higher levels participations is more difficult to organise.
- Adaptation is an attractive topic for the people. CO₂ is too abstract.
- The political neutrality of participants in a bottom-up process is beneficial. They do not have to represent the interests of a certain group.
- Which topics are motivating participants and where can changes happen.
- Food, drinking and energy (basic needs). Autarky in these areas are a good basis for an independent life.
- Interlinking regions for energy exchange and other things.
- Regions which fall behind are often an interesting example for new approaches. They get creative.
- The regional transformation agencies need have a clear benefit for certain political goals.
- Open question: Is the current situation worse enough for real change?
- KEM Elsbeere Wienerwald is successful but not transformative.
- Discussion about the characteristics of TCAs. Thought experiment would it be possible for the ambitious municipality of Tulln to find measurements for all characteristics.
 - For the first three points potential projects were found. What a radical measurement is, was not discussed in detail.
 - Securing basic provisioning is also seen as doable but cutting overconsumption is seen as a very challenging task.
 - Overconsumption could be reduced by positive incentives. E.g. if the options for local recreation are good, people may reduce their traveling.
 - Limiting overconsumption is hard to explain for politicians.
- The coordination of different funding programs is important.

- Tyrol does a good job on the federal level.
- Recommendations for the master thesis:
 - Which programs does Austria have and how are they coordinated?
 - There are realistic or visionary scenarios.
 - Do not try do go deep into the topic of bureaucracy.
- The Klima und Energiefonds has the goal to make KEM and LEADER congruent in the future.
- It would be possible to combine national and EU funding for the regional transformation agencies.
- Budgets:
 - KEM and LEADER are capacity programs for personnel. LEADER has also money for regional projects. KEM only very limited.
 - LEADER and KEM have sufficient personnel resources.
 - The self-organised budgets of LEADER are considered to be an important element of regional development.
 - The search for regional solutions is enhanced by this form of funding.
 - Guidelines are important to have impact.
 - The involvement and commitment of regional politics is key.
 - The guidelines should not be undermined. The self-organised budgets are a good thing.
- Bringing the right actors together is very beneficial for transformative processes.
- Structural measures are more important than subsidies for single technologies.
- Supporting investments is easier than subsidising ongoing operations. Focus should stay on investments.
- Providing the infrastructures for transformation.
- Bureaucracy is a big challenge. For the EU-programs the problem is on the national level and not at the EU level.
- Overall, it is not easy to discuss the topics of this master thesis.

Summary interview Wolfgang Lexner (23.08.2025):

Wolfgang Lexner works at the “Umweltbundesamt” and is one of the Co-Authors of the policy brief on regional transformation agencies. The interview was to set up to understand different thoughts presented in the policy brief in more detail and to discuss first findings of the research process for the master thesis. The guidelines for the interview included some preliminary results and was sent to Wolfgang Lexner on the day before the interview.

- He agreed to the recording of the interview.

Introduction:

- Lexner explained that the “Umweltbundesamt” was one of three project partners. He and his organisation focused on the participatory processes in the two pilot-regions. He was especially engaged in the processes in Pöllau and in the writing of the policy brief.
- In Pöllau the most important contact person was the LEADER-manager Wolfgang Berger. Lexner recommends an interview with him. He is one of the main reasons for the development of the

approach of regional transformation agencies. He pushed different topics which influenced the concept of regional transformation agencies.

- The LEADER-managers of the two regions are very progressive.
- The policy brief was built on the Greenpaper for Pöllau. The process was easier and more creative compared to St. Johann.
- He believes that he first read the term transformation agency in a paper by the Bertelsmann Stiftung.
- Different other factors such as processes reduce land use played were reasons for the development of their approach.

Thematic focus:

- The topics mobility and settlement structures were developed as central themes in Pöllau. In St. Johann the thematic focus was also settlement structures but with more focus on affordability.
- It got clear that small municipalities do not have the possibilities force transformation in these areas.
- The thematic trend on the EU-level is towards competitiveness and military security.
- It will not be enough to reframe LEADER with the broad headline “social-ecological transformation”. The goal of the agency needs to be more specific.
- The focus on transformation could be established top-down but the regions need to commit and fill it with life.
- Until now LEADER does often have incoherent strategies with conflicting goals in the different action fields.
- Action field for is often only a add-on.
- Instead, all projects and strategic goals would need to support the desired transformation.
- Regional transformation agencies will not be able to work on all relevant fields at the same time.
- A broad agenda can be overwhelming for the management.
- The topic “settlement structure and mobility” was a bottom-up product. The region is dominated by individual motorised transportation.
- The topic is optimal for regional transformation because it combines it combines emission reduction with daily needs. Furthermore, also risk management plays a role.
- The single measurements discussed in the workshops were not transformative.

Austrian structures:

- Theoretically, could the approach be implemented through different existing structures such as KEM, KLAR!, LA21, and LEADER.
- LEADER is the most obvious institution.
- There was positive responsiveness from the relevant ministry, namely the Ministry for Agriculture.
- LEADER is covering nearly the entire rural areas of Austria.
- There is some criticism on the KEM approach for not getting behind single projects and a lack innovation.
- Lexer things that local management capacities are a good thing.

- LEADER has more funding and also a budget for individual projects.
- The size of the LEADER-regions is also a potential benefit because some KEM and KLAR! regions could be too small.
- Cooperation between KEMs, KLARs and LEADER has potential.
- Nevertheless, also other or new programs besides LEADER could potentially implement regional transformation agencies.
- CLLD fits to the approach.
- The learnings of LEADER should be used.
- There are rumours that the LEADER program runs out after this period.
- The graphic of the Austrian programs shows that there are many it may be not useful to add even more. Some of the are already conflicting.
- The close contact to regional politicians is a benefit of the LEADER-approach.
- Regional transformation agencies should even more be a communicator in the multi-level governance-system.

Potential pathways for regional transformation agencies.

- The first option discussed was for the particular case that LEADER is stopped after the current period. Lexer confirms that this could be a window of opportunity to transform LEADER into a national approach with new goals.
- Lexer thinks that the planning process for the next period could already have started. The idea of regional transformation agencies needs to spread fast, if it should be considered. If there is a window of opportunity, it is probably now.
- Maybe I could find an answer if I ask someone of the ministry or out of the regional development community.
- The graphic on potential paths is a form of top-down.
- Lexer sees also opportunities in the autonomy of LEADER-regions. From his perspective they have different options to develop in the direction of regional transformation agencies.
- The regional agendas should be built up with regional stakeholders and the goal must be a broad consensus.
- The agenda is the basis for project decisions.
- The commitment should be more achievable if the focus is on social-ecological topics. Breaking down the silo of single climate actions.
- Important employees of the Ministry of Agriculture were interested in the approach. The problem could be the bureau of the minister. It is hard to imagine a social-ecological project put in place by conservative politicians.
- Lexer thinks that Austria would have the autonomy to shift the thematic focus of LEADER in the direction of regional transformations agencies. Normally the states have a lot of freedom by establishing EU regulations.
- LEADER needs to be reoriented towards transformation. Just an add-on, for example, a new person for transformative projects would likely miss its effect.
- It would be helpful for regional transformation agendas if there would be clear emission reduction goals from a climate law or something like that. The mandate to act would get much clearer for all regional programs and they could break down the goals to the regional level.

- The building of transformative alliances with actors from different backgrounds is key for a successful transformation agency. It can be a difficult task (e.g. young people).
- There will be not one size fits all model. The approach should also consider differences on the federal level.
- Wolfgang Berger thinks that there is a possibility to implement regional transformation agencies in his region.

Sufficiency:

- They also had problems to communicate sufficiency as an important topic for regional transformation. For example, in St. Johann the management did not support the topic in the beginning.
- With concrete problems it was possible to include topics of sufficiency without going into details on the general concept.
- The topic is often discussed controversial.
- They avoided using the term sufficiency.
- Sufficiency leads also to questions of distribution.
- The topic should be part of the transformation agenda in the regions. The first step is broad communication.

Funding:

- The program will need additional funding if new responsibilities are added.

Other topics:

- Wolfgang Berger feels a lack of support for his mobility initiatives.
- Managers of regional transformation agencies will have to deal with many challenges, and their job will likely be even more political than today.
- The cooperation with the local politicians is key and potentially difficult.
- Especially if one political party is dominant in a region, the LAGs can still be dominated by the political members.
- Radicality is also often misunderstood.
- The LIN project could potentially took ideas from the project.
- The idea behind the regional "Anwaltschaft" was to give the regional transformation agencies some kind of "watchdog" role. This role should not be done by the management because it would bring them into a very difficult position. It could be something like a regional "Klimarat" with more competences than the national one.
- The implementation of the EU "missions" is a negative example. It could be interesting to review it.
- Bureaucracy is often a problem in such programs.

12 Appendix b

LAG members in the regions "Elsbeere Wienerwald".

Mitglieder LAG	Bürgermeister?	Kandidat:in bei GR-Wahl 2025?	
Winter Karin	BGM	Ja	ÖVP
Göschelbauer Micheat jun.	BGM	Ja	ÖVP
Wallner Julia		Ja	ÖVP Platz 17
Gugret Kerstin		Ja	ÖVP Gemeinderätin
Posch Ingrid		Ja	Grüne Gemeinderätin
Katzensteiner Hermann	BGM	Ja	ÖVP
Ockermüller Georg	BGM	Ja	ÖVP
Maron Margarete		Ja	ÖVP Gemeinderätin
Schabschneider Gerhard		Ja	ÖVP ehemaliger Stadtrat
Popelka Edeltraud		nein	Ehemann bei der ÖVP
Sieder Josef		nein	unabhängig
Pieringer-Fischer Martina		nein	unabhängig
Haunold Franz	BGM	Ja	SPÖ
Lechner Harald	BGM	Ja	ÖVP
Schibich Irmgard	BGM	Ja	ÖVP
Rummel Jürgen	BGM	Ja	ÖVP
Walzl Christian	BGM	Ja	ÖVP
Fandler-Stadler Barbara, DI		ja	ÖVP Platz 17 und Gemeindebedienstete
Riegler Maria		ja	ehemalige Stadträtin
Kurzbauer Johann	BGM a. d Ehrenobmann	nein	ÖVP
Schneider-Schwab Elfriede		Ja	Gemeinderätin ÖVP
Weitzl Ricarda		nein	unabhängig
Zawichowski Matthias, DI			KEM Manager
Binder Gernot		nein	Wirtschaftskammer Niederösterreich
Buhl-Aigner Andrea		nein	unabhängig
Schindl Leopold		ja	ÖVP Gemeinderat
Ziegler Anja		nein	unabhängig
Prammer Friedrich		ja	Gemeindebauernobmann, ÖVP Platz 35
Gfatter Monika		ja	ÖVP Platz 45
Helm Anton	BGM	Ja	INKA
Heiss Annabell		nein	unabhängig
Koch Hanna		nein	unabhängig
Berger Gerhard	BGM	Ja	ÖVP
Fischer Monika	BGM	Ja	ÖVP
Brodtrager Andreas		ja	Gemeindevorstand ÖVP
Kistler Magdalena		ja	Neos Platz 2, nicht im Gemeinderat
Schindl Matthias		nein	
Naderer Jasmin		ja	Bürgerliste INKA; nicht im Gemeinderat
Höllerschmid Michael		ja	ÖVP Gemeinderat
Johannes Hölzl	BGM	Ja	ÖVP