

# Handbook for Multilevel Urban Governance in Europe



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Analysing Participatory Instruments for an  
Integrated Urban Development

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# Glossary

**Geographical scale:** Refers to the location of the referred area in the world, country, region, city, neighbourhood, etc.

**Integrated approach:** Incorporation of diverse sectoral policies (such as employment, education, environment, culture, spatial policy, social policy) at diverse organisational levels (local, regional, national and intergovernmental instances) to achieve a holistic territorial policy approach.

**Multilevel governance (MLG):** “Multilevel governance can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – private and public – at different levels of territorial aggregation in more-or-less continuous negotiation/deliberation/implementation, and that does not assign exclusively policy competence or assert a stable hierarchy of political authority to any levels.”

**Participatory instruments:** Legal policy means (like regulations, plans, strategic documents, legacies, projects) that are designed to initiate and motivate the participation of diverse public and private sector agencies, groups, communities, and citizens to the development and implementation of the policy.

**Spatial interventions:** Projects, policies or plans that change the physical (spatial) characteristics (or the setting of the built environment) of the area at stake.

**Strategic interventions:** Strategic projects that aim to integrate diverse (spatial, social, economic) actions in a multi-dimensional, multi-actor and multi-scalar setting.

**Urban development:** Urban development refers to the demographic, social and economic development of cities, which leads to spatial expansion and change.

**Urban Development Programmes (UDPs):** “A set of interrelated projects on a local level to be implemented within a certain period of time within a certain area. The projects may be focussed on physical measures, such as demolishing and rebuilding parts of the housing stock or on social and economic targets, such as decreasing unemployment. They may also be a combination of physical, environmental, social, economic, and cultural initiatives, and they usually are.”<sup>2</sup>

# Foreword

The future of our cities is everyone's responsibility. All levels of power – local, regional, national and European – can have an impact on urban development. The trick is to merge the efforts of different levels of power into a consistent and integrated urban policy. This multi-scale policy is a wonderful concept, but at the same time represents a complex challenge.

In order to develop and promote this “multilevel” practice, Belgian federal urban policy gave a prominent place to this topic as part of the Belgian Presidency of the EU. Belgium thus followed up the recommendations of the Leipzig Charter (2007), where, for the first time, ministers responsible for urban development in the 27 Member States highlighted the importance of a multilevel approach for urban policy, and the Toledo Declaration (2010), which recommends the development of instruments and methods useful for this multi-scale approach.

It was therefore decided to make multilevel urban policy the central theme of the European conference held on 2 December 2010 in Liège. Five thematic working groups presented and analysed three case studies on the multilevel approach applied in various European cities. The conference concluded with a joint declaration by the Spain – Belgium – Hungary Trio on the added value of Multilevel Urban Governance.

For a practical and sustainable follow-up to this conference, we have decided to offer those involved at all levels of urban policy a tool which could be used to develop a multilevel, integrated policy. This *Handbook for Multilevel Urban Governance* is the result. I would like to thank the authors, Prof. Tuna Taşan-Kok, and Em. Prof. Jan Vranken, for this outstanding work. I also thank the participants in the Think Tank, composed of representatives from various European urban networks, for their support for the development of this Handbook.

Together with this manual you will find a publication about inspiring practices in Multilevel Governance, edited by the European Urban Knowledge Network EUKN. This publication was produced in response to a general request for practical examples that could inspire organisations working on multilevel urban development policy.

I hope that you will enjoy reading this publication and that it can offer some help in the successful practice of multilevel urban policy.

Michel DAERDEN  
Minister of Urban Policy  
Belgian Federal Government

# Introduction

Urban governments face an increasing number and complexity of challenges. Economic, social and cultural globalisation has led to more economic competition and pressures on national and local institutional structures to capture international capital flows; to motivate the greater mobility of people and resulting ethnic diversity. Increasing environmental problems and climate change have not simplified the setting of policy priorities.

Confronted with those challenges, urban governments seem no longer to be able to manage cities by using the former approaches and models. Moreover, an increasingly heterogeneous conglomerate of actors and agencies, with various backgrounds and competences, defines and delivers services that cross the borders of the traditional local government structure.

Cities thus need to break away from compartmentalised approaches and to integrate formerly fragmented policy actions by taking the spatial, economic and social dimensions of urban development<sup>3</sup> into account; an approach that will help them to integrate all these dynamics, activities and services. Multilevel urban governance has been advanced as the government model that meets most of the requirements imposed. It means the exercise of authority at various levels of government. “Multilevel governance can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – private and public – at different levels of territorial aggregation in more-or-less continuous negotiation/deliberation/implementation, and that does not assign exclusively policy competence or assert a stable hierarchy of political authority to any levels” (Schmitter 2004: p. 49). The Committee of the Regions’ White Paper on Multilevel Governance (CoR 2009), which largely inspired this study, also “considers multilevel governance to mean coordinated action by the European Union, the Member States and local and regional authorities, based on partnership and aimed at drawing up and implementing EU policies”.

Partnerships between several actors (state, civil society, profit-making enterprises) which are situated at different territorial levels occupy a relatively autonomous position but accept state actors as stage directors. In this system several levels of authority exist (including neighbourhood/district, city, city-region, region, nation state and the EU). Cooperation between multiple domains – such as employment, housing, education, health, culture, urban planning – is needed, which organisationally is expressed in interdepartmental programmes and projects. Other important characteristics of the urban governance approach are: a new political culture that allows a flexible and responsive administration, the structural participation of citizens/clients/users, and decentralised decision-making mechanisms, or, as mentioned in the White Paper on European Governance (COM 2001, 428), openness, participation, accountability, effectiveness and coherence.

By adopting a series of formal documents on urban development policies, the EU has emphasised the complex nature of urban issues and recognised the need for a truly integrated and holistic approach. The most important documents adopted during recent informal Ministerial meetings include:<sup>4</sup>

- The Urban Acquis<sup>5</sup> of 2004, recognizing “the importance of the contribution that cities can and do make to the economic, environmental and social success of Europe”;



- The 2005 Bristol Accord,<sup>6</sup> highlighting the importance of sustainable communities for Europe's further development and setting out the characteristics of a sustainable community;
- The Leipzig Charter on Sustainable European Cities<sup>7</sup> of 2007, highlighting the importance of "making greater use of integrated urban development policy approaches" and the need "to pay special attention to deprived neighbourhoods within the city as a whole";
- The 2007 Territorial Agenda, placing the issues faced by cities, towns and urban areas into the context of territorial cohesion;
- The 2008 Marseilles Statement,<sup>8</sup> asking for the implementation of the Leipzig Charter principles by developing a common European Reference Framework for Sustainable Cities;
- The 2010 Toledo Declaration,<sup>9</sup> acknowledging the role that European urban areas, cities and towns can play in achieving the aim of smart, sustainable and inclusive growth as pursued in the Europe 2020 Strategy; emphasizing the significance of integrated urban development as a tool for achieving the Europe 2020 Strategy objectives; and calling for a real partnership with European urban areas, cities and towns in its implementation, with the aim of empowering them to tackle future challenges and to unlock their potential, continuing to strengthen public support for sustainable urban policies across the EU.

A set of interconnected common, urban and thematic objectives are defined by those and also by other documents at the macro level, including Europe 2020 and Climate 20-20-20:

- To create integrated and sustainable urban development with a set of economic, environmental and social principles;
- To increase participation and cooperation at multiple levels of governance;
- To pay special attention to disadvantaged neighbourhoods.

The Europe 2020 Strategy<sup>10</sup> emphasises three mutually reinforcing priorities of the EU to become a smart, sustainable and inclusive economy. Seen from this perspective, urban development in the member states can be:

- *Smarter*: if a multi-dimensional policy approach (taking into account policy context, administrative capacity and integration) for multilevel governance is followed, and if this approach is less bureaucratic, locally defined, easy to understand, easy to process and focused on direct results;
- *More sustainable*: if policies are designed to create resilience and increase preparedness for coping with social, economic or ecologic threats;
- *More socially inclusive*: if cities are better prepared to highlight the positive aspects of a multicultural European society that supports strategic participatory approaches;

However, the proposed Europe 2020 strategy, like the Lisbon Strategy, does not take into account the role and contribution of regions and cities in reaching the planned objectives regarding social and economic development, education, climate change, research and innovation, social inclusion and fighting poverty and social exclusion,<sup>11</sup> as they are beyond the legal framework of the EU. Instead, EU Regions and cities can collaborate with the European associations representing those levels. That is why this Handbook has been written: to complement this gap by discussing how participatory local territorial actions and bottom-up initiatives could be designed as a means effectively to implement the targets defined at the European level of a multilevel governance framework. It provides guidance to diverse levels (EU, national, regional, and local) of European urban governance, and illustrates its arguments with practices we may learn from. It hopes to counter the weakening of multilevel gover-

nance practices by the failure to involve major cities and metropolitan areas in setting priorities and policy-making.<sup>12</sup>

What is an integrated urban development approach about? An integrated urban development approach is based on bottom-up social policy innovations. It emerged as an alternative urban policy approach in the sense that it is participatory: it puts the basic needs of society first. It develops social policy innovations through participatory, grassroots-based, bottom-up actions of governance institutions and spaces.<sup>13</sup> These include socially innovative planning projects with the direct participation of individuals; third sector initiated interventions; neighbourhood-led social and spatial projects, and area-based urban restructuring partnerships. It implies a holistic policy framework in which top-down policy actions at diverse levels of governance (EU, national, regional and local) and at diverse geographical scales (country, region, city, and neighbourhood) are to be integrated with bottom-up participation.<sup>14</sup>

The challenge is to promote and to balance economic competitiveness, social inclusion and participation, whilst improving both the built and the natural environment to increase the quality of life.<sup>15</sup> According to the common approach of the EU Member States (see the Bristol accord) sustainable communities should provide places<sup>16</sup> (regional, local and neighbourhood level) “where people want to live and work, now and in the future”.<sup>17</sup> These places should “meet the needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life”.<sup>18</sup>

#### Revitalisation programme for Magdolna Quarter Budapest, 8th district (Józsefváros)

There have been two programmes for the revitalisation of the Magdolna Quarter. The first was completed in 2009 and the second is in progress. They form one integrated programme but the two phases differ substantially with respect to activities, financing and actors involved.

The higher levels (European, transnational, or national) were not involved in Phase 1. The programme was **initiated by the Metropolitan Government of Budapest** (decision making and provision of financing), the immediate beneficiary was the **Local Government** of Józsefváros (8th district). At this district level of Józsefváros four Relevant Committees of the Local Government and the local Administration of Józsefváros – Rehabilitation Office (replaced by the Strategic Office from 2010 on) were engaged.

Also taking part was a **semi-public company**, NGOs, and private profit-making organisations, the citizens of the action area in Magdolna Quarter, and myriad very specific initiatives in different sub-programmes, such as Erdély Street Elementary School, the Central Hungarian Employment Agency; the Hungarian Academy of Sciences; the Geographical Research Institute (Greenkeys partner); Corvinus University – Dept. of Landscape Architecture and Regional Development (Greenkeys partner); Interreg III B (Greenkeys Project) 15 partners; the BRFK Crime prevention Department

**The most important lesson was the lack of trust between actors.**

The **participation of citizens** increased during the implementation of the programme. The involvement of local institutions (e.g. schools) was a good idea as they brought citizens, and diverse groups such as students and unemployed people into the programmes. It was more difficult to bring people in from the street and “make them participate”.

The **citizens were most active when they could see direct benefits to themselves** as the result: in this respect the block rehabilitation and public space rehabilitation sub-programmes were the most successful.

*(case provided by Dr. Zsuzsa Foldi, RKK, Hungarian Academy of Sciences)*

Integration has different dimensions: spatial, functional, organisational and institutional. Moreover, integration of national and local government policies in diverse policy fields (such as climate change, employment, poverty, spatial policy, neighbourhood development) should be enabled by strong interconnectedness, dialogue and mutual learning between diverse actors and organisations, from the public sector as well as from civil society.

An integrated approach aims at horizontal and vertical cooperation. This not only means the incorporation of diverse sectoral policies (such as employment, education, environment, culture, spatial policy, social policy) at different organisational levels (local, regional, national and intergovernmental) to achieve a holistic territorial policy approach. It implies more than just “taking account of” – the different levels of government, local and regional as well as national and EU-level, need to work together to ensure consistency between policies.<sup>19</sup> Coordination between sectoral (economic, social and spatial) policies, strong horizontal partnerships, increased local responsibilities and the concentration of funding on selected target areas is needed to achieve sustainable communities, in particular in deprived neighbourhoods, as indicated in the Leipzig Charter.<sup>20</sup> This coordination can occur at different geographical scales, and is supported by local authorities and other local actors (EC 2010). The integrated urban development model suggests an interactive framework in which diverse actors at diverse scales of governance are actively involved in the policy making and implementation using diverse instruments for funding and organisation. Local governments in particular should be seen as partners, not just as beneficiaries of funding, as it will be impossible to ensure an integrated approach without their active involvement (EUROCITIES 2011).

This document does not define the process of governance, but sets out its general principles; it elaborates a number of policy instruments that can be used for the integrated urban development approach with illustrative cases and it suggests actions at diverse levels of governance. However, it also emphasises that, due to the rich multi-cultural, multi-institutional and multi-social setting of the EU member states, it is impossible to use the same policy instruments in each policy context or to achieve similar results if that is the case. Instead, tailor-made participatory instruments<sup>21</sup> that are suited to the local culture of governance should be developed and implemented by the Member States.

In brief, this Handbook sets out the general framework of such an approach and offers a model of multilevel governance with a number of instruments that may be adopted by different member states or inspire them to develop new ones.

It aims to answer the following questions:

- How can an integrated approach be facilitated?
- How can participation be increased?
- What are the principles of partnership?
- What are the possible obstacles?

In order to answer these questions the following principles are observed:

- Principles of multilevel governance are defined by a theoretical framework that sets the general principles and defines diverse responsibilities such as integrated participatory urban development, social innovation, participatory policy instruments under a uniting conceptual umbrella;
- The use, aims and principles of the Handbook for each key player are defined by tasks, actions and action plans;
- A participatory decision-making model is suggested based on collaboration between diverse public, private, semi-public and third sector actors;
- Conditions of collaboration are established by open communication between diverse levels of governance to develop common action plans;
- Illustrations are given to make a robust analysis based on practical examples of good and bad practices – because we can also learn from the latter; they help us to suggest a variety of options for diverse local and regional government systems.

As mentioned earlier, in a White Paper on European Governance (COM 2001, 428), the European Commission defined five key principles concerning good governance: openness, participation, accountability, effectiveness and coherence. These principles can be connected through crosscutting policy instruments. The effectiveness of top-down designed instruments is doubtful in a multicultural and multinational setting such as the European Union, if they do not interact on an equal footing with bottom-up instruments. A general analysis of the current multilevel governance system shows that:

- Existing instruments of diverse actors at diverse policy scales and from diverse sectoral areas are not used effectively (due to either bureaucratic complexity or a lack of clarity of the current approaches) to create and maintain the integration of diverse policy fields and actions of diverse actors;
- Policy actions that belong to diverse actors at diverse policy scales and from diverse sectoral frameworks are not well coordinated due to the lack of integration of actions at diverse scales;
- The effective participation of diverse actors and organisations in the policy processes at diverse scales is limited, and top-down approaches do not help in creating active bottom-up participation;
- There are gaps between the levels of government in terms of cooperation in diverse policy fields;
- Integration of diverse sectoral policies at diverse scales and actions of actors is complex and often not possible.

In the next chapter, the use, aims and principles of the Handbook are introduced. Following that, a conceptual framework of participatory multilevel governance and integrated urban development is elaborated. Next comes a more pragmatic section in which principles, conditions and the process of multilevel governance for integrated participatory urban development are tackled. Providing the conceptual framework and pragmatic principles, the document offers instruments and corresponding illustrative case studies, followed by concluding remarks.

## The Use and Aims of the Handbook

This Handbook aims to highlight the operative principles of MLG in the context of an integrated policy approach. It illustrates participatory instruments that can be developed at diverse levels of governance and implemented on diverse geographical scales (national, regional, urban and neighbourhood) to create and maintain integrated urban development. It also proposes a set of principles for developing instruments for multilevel governance, which is based on the desire of the actors to prevent complex bureaucracy and administration. This means that:

- Especially at the local tiers of governance, the availability of resources should be taken into account in making use of the instruments suggested in this document;
- The implementation of the Handbook should not impose any financial burden on the volunteering local or regional governments;
- Agreement-based participation should be encouraged in order to create a well functioning voluntary model of participation with the contribution of private sector actors.

## What Does a Handbook Mean within the Context of Multilevel European Urban Governance?

A Handbook is a “concise reference book providing specific information about a subject or location”. However, when it comes to multilevel urban governance it cannot be simplified into a manual, neither does it suffice to develop a checklist of things to do or not do. This Handbook, therefore, provides guidance to local, regional and national administrations in setting tailor-made and innovative principles for multilevel governance models, methods and procedures for integrated urban development strategies. This Handbook is a pragmatic and practical document with a robust theoretical framework. It aims to put into operation the principles of MLG in the context of an integrated policy approach.

## Who Can Use This Handbook?

Diverse levels of organisations (national, regional, and local government agencies, and neighbourhood organisations/communities) can profit from the Handbook, as it provides sample instruments, actions and key principles for each level of governance to achieve common targets for integrated urban development.

# Participatory Multilevel Governance and Integrated Urban Development

## Governance as a Concept

Governance has become an important concept with the decreasing role of the welfare state since the 1980s. The public sector has slowly but surely transferred responsibilities and functions even in the most welfarist states, thus opening up space and opportunities for private initiatives. This shift required a multi-actor understanding of urban management in which diverse actors take responsibilities that used to belong to the public sector. Thus, over the past two decades or so, urban development has become the common activity of a diverse group of “stakeholders”:<sup>22</sup> public agencies, semi-independent public organisations, private companies, PPPs, civil society organisations and citizens who have shared the responsibilities and risks of pursuing decentralised goals.

Within this framework governance is a process of coordinating political decision-making implicating different actors, social groups and institutions in a particular institutional context to attain appropriate goals that have been discussed and collectively defined in fragmented, uncertain environments.<sup>23</sup> By nature, governance comprises complex mechanisms, processes and institutions through which citizens and groups articulate their interests, mediate their differences, and exercise their legal rights and obligations. Multilevel governance arrangements emerge when responsibilities are shared between levels of government by diverse actors.<sup>24</sup> These vertical inter-dependencies of actors at different levels of governance occur where higher levels of government are concerned with outcomes at a lower level and where there is co-assignment of responsibilities, although no definite distinction between actors, levels and domains exists. Some characteristics are common in diverse contexts of governance such as participation, being consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and following the rule of law.<sup>25</sup>

The multilevel institutional ties between diverse organisational bodies (EU, nation states, regions, and local governments) contain no clear hierarchy; they also involve private sector actors and parts of civil society in themselves managing what used to be provided by the national or local government. Compared to state-based arrangements in which hierarchical and top-down relations set rules in a relatively bureaucratic manner, this type of governance arrangements (governance-beyond-the-state) rules with more participatory, inclusive and horizontally networked relations between socio-cultural, political and business elites where trust among the stakeholders is high, despite conflicts and oppositional agendas.<sup>26</sup> In urban matters sometimes nation states, sometimes regions, and sometimes local governments are the core actors and the others have a “subsidiary” role to play.<sup>27</sup> The principle of subsidiarity seeks to ensure that, in areas of non-exclusive Community responsibility, decisions are taken at the most appropriate level – which is the lowest level, the one “closest to the citizens”. As a result, in these areas tests must be carried out to ensure that Community action is justified with regard to the options available at national, regional or local level [see The Committee of the Regions’ White Paper on Multilevel Governance for more information (CoR 2009)].

**Lack of trust** between actors in horizontal and vertical connections can be destructive and slows down collaboration processes. Lots of effort is needed to make people sit down together and think over issues of common concern. The efficiency of time-consuming community building actions is less than the effort put into them would have us think.

The complex set of institutional (rules, laws, regulations, decrees) and organisational (public and private sector actors, companies) relations creates fragmented policy actions in urban areas. The level of political fragmentation is very much related to the multi-actor governance system's capacity to deal with complex challenges and pressures that economic globalisation creates in urban areas.<sup>28</sup>

### Role and Characteristics of Integrated Urban Development

Urban governance is not an end in itself; it is a means of achieving integrated urban development. The basic characteristics of such an integrated urban development approach are:<sup>29</sup>

- First, integrated area development should have a multidimensional plan taking ecological, social, cultural and organisational aspects into account;
- Secondly, communication between diverse levels of governance should be structurally built-in and continuous;
- Thirdly, bottom-up participation should form an integral part of the Urban Development Programmes (UDPs)<sup>30</sup> – not just because it produces relevant information;
- And, finally, a political agenda should be established to support integrated urban development at diverse levels of European governance (EU, national, regional, and local) to prevent fragmented outcomes.

*Coordination, cooperation, participation and integration* are the key principles of the multilevel urban governance approach and can be connected through crosscutting policy instruments. The effectiveness of top-down designed instruments is doubtful in a multicultural and multinational setting such as European Union.

### Role and Importance of Partnerships and Governance Instruments

As indicated earlier, current multilevel governance systems present certain challenges. Therefore locally defined (tailor-made) instruments need to be incorporated at the macro levels of policy-making to deal with the complexities that result from multi-scalar activity; today they have very little impact on what is being done at a higher level. Their inclusion – with top-down instruments – in an integrated concept could stimulate the development of a set of instruments that are socially innovative, creative and flexible enough to allow experimentation and to ensure the participation of diverse public and private sector actors, NGOs and civil society and citizens. They should provide a strong analytical foundation for short- and long-term planning; deliver cost-effectiveness and economic efficiency; address distributional consequences and procedural equity; produce policy coherence; build monitoring, reporting and evaluation into policy practice with simple indicators; and should have a clear intervention logic.

The implementation of existing complex policies will be more effective and efficient by means of those user-friendly instruments that imply the spatial, functional, organisational and institutional integration of both sectoral policies and actors' roles. Structural Funds could encourage this kind of European multilevel governance model, but should not depend on this support.

Partnerships between public- and private-sector actors play a crucial role in this respect. Partnership among a wide range of actors has long been the focus of European Cohesion Policy to make planning and implementation more effective by mobilizing the skills and knowledge of the various partners (EC 2010). It is widely recognised that partnerships add value to Cohesion Policy as well, especially in local development measures. Successful examples of such partnerships for local development include the devolution of power to regional self-governments in the negotiation and implementation of *Contrats de Projets Etat-Région* (CPERs – agreements between the state and region on a multi-annual programme around common interest themes) in France and of responsibility for regional policy to Regional Development Agencies (RDAs) in England, leading to increased cooperation with local authorities and organisations in the regions.

### Regional Development Agencies (UK)

Regional Development Agencies (RDAs) were established to create sustainable economic growth across England, enabling local communities to fulfill their economic ambitions. The Government has announced that the RDAs will close at the end of March 2012. Economic development and regeneration will in future be led by Local Enterprise Partnerships and other successor bodies. RDAs are currently working with key partners to help ensure the transition to the new arrangements is handled as efficiently as possible.

Moreover, guided involvement of the private sector through forms of PPP is crucial for reaching the targets and creating realistic policies at the local level. However, it should be noted that balancing the private sector interest and public good is usually problematic in PPPs, resulting in more challenges for the public sector.

### Challenges of multi-actor cooperation

- 1. Conflicting interests and competing aims of stakeholders.** Conflicting and competing aims of a variety of private and public sector stakeholders is a common characteristic of multi-actor projects. The reason is that making compromises and balancing interests take time and energy, and thus cost each stakeholder money. Moreover, the need for a change of emphasis in social innovation for the delivery of unsatisfactory services creates conflict between the public and private sector actors<sup>31</sup> as it is not on the agenda of the private sector.
- 2. Organisational hierarchy and need for coordinated action.** The involvement of a variety of actors creates complexity, which necessitates coordination. This is especially evident in systems of governance with complex hierarchical structures. Hierarchical relations may hinder the smooth functioning of the process when public stakeholders cannot take action directly. Moreover, a new plural form of leadership is taking place in these projects instead of an individual one<sup>32</sup>.
- 3. Institutional complexity and need for institutional innovation.** The inclusion of a variety of actors leads to fragmented decision-making. It also subordinates formal government struc-



tures to new institutions and agencies. This causes a redistribution of policy-making powers, competences and responsibilities<sup>33</sup>. Institutional complexity is a common challenge in strategic projects and institutional innovations are needed to deal with complex multi-actor and multilevel relationships. Large-scale projects require specific institutional settings to create and coordinate a smoothly functioning coalition.

- 4. Shifting aims and goals of actors.** Responding to changing market conditions and externalities, the aims of the actors will shift over time. This makes the whole process more complicated. Each actor has its own targets and priorities, and these may shift during the course of these large schemes. It then becomes a challenge to keep the diverse aims concentrated on the main goal of the project.

*(see Taşan-Kok (2010) for a detailed analysis on the challenges of entrepreneurial MLG)*

The European Commission's Communication on "Cohesion policy and cities: The urban contribution to growth and jobs in the regions"<sup>34</sup> emphasises the need for increasing leverage of public resources through the involvement of the private sector. This approach requires a new mindset for local authorities when dealing with funding sources like JESSICA (Joint European Support for Sustainable Investment in City Areas)<sup>35</sup> It will provide the managing authorities of Structural Funds programmes with the opportunity to take advantage of outside expertise and also with greater access to the capital market for the purpose of promoting urban development, including loans for social housing where appropriate.

#### **Germany – Joint tasks (Gemeinschaftsaufgaben)<sup>36</sup>**

According to Articles 91a and 91b of the German constitution, the following are considered to be joint tasks, falling under the responsibility of both federal and Land governments (*Gemeinschaftsaufgaben*): the improvement of regional economic infrastructure; the improvement of rural structure and coastal protection; assessment through international comparison and reporting of the performance of the education system. In these areas, the Federal government is involved in the discharge of the relevant responsibilities of the States, provided that such responsibilities are important for society at large, and that federal participation is necessary for the improvement of living conditions. The federal government participates in the planning of joint tasks, and normally assumes responsibility for half of the costs.

#### **United Kingdom – Local strategic partnerships (LSPs)**

Local strategic partnerships (LSPs) bring together local councils, other public sector agencies, the business sector, and the third sector – voluntary and community organisations. LSPs have a significant leadership role in their local areas. This may vary between areas, as the LSPs themselves are free to decide how to go about their own business. Partnership working is an evolving process, and local history and context do make a difference.

# Rules, Conditions and the Process of Multilevel Governance for an Integrated Participatory Urban Development

General principles of multilevel governance for an integrated participatory urban development can be defined as:

- National, regional and local authorities should collaborate/cooperate with common goals, clear targets and action plans to integrate local needs and national scale responsibilities;
- Governance networks for cooperation between public and private sector actors should be organised in a more bottom-up manner and allow more flexibility at local levels;
- The interventionist and typically top-down models of European governance must be replaced by cooperation with agreements (horizontal, vertical and hybrid) between public actors as well as between public and private sector actors, and which can be defined and negotiated at local levels of governance;
- Citizens' participation should be a key target for local policy making. While participation and bottom-up approaches are encouraged and regulated in contemporary urban societies, their effectiveness may be limited by public decision-makers who act under the pressure of market forces. The burden of administrative, financial or coordination costs of participation should be taken into account, and calculated accurately at the initial stages of collaboration while the roles and responsibilities of diverse collaborating actors are being decided.

## Dichterviertel (Duisburg, Germany)

Even after a series of consistent urban renewal measures the so-called *Dichterviertel* (“poets quarter”), one of four neighbourhoods in Obermarxloh in the north of Duisburg, is still suffering from a **problematic image**, with few tenants intending to stay there for long and an above-average property vacancy rate. The City of Duisburg and the owner of the settlement, a big housing company, identified questions of social cooperation, identification with the neighbourhood and integration of migrants as decisive issues for reaching social stability, functioning neighbourhoods and a positive image – and consequently a lower vacancy rate.

In 2004 a **co-operation agreement** between the housing company and the city of Duisburg was concluded with the aim of sustainably stabilizing and improving the social situation in the neighbourhood. This agreement was renewed in 2007 to include the EG DU Development Agency Duisburg as a third partner.

The existence of a **neighbourhood office** has positive effects on neighbourhood coexistence. Problems in the social realm and emerging conflicts in the public space can, with the presence on site of a neighbourhood manager, be prevented. Working groups promote civic participation and the common search for solutions to problems identified in the neighbourhood.

A steering group of the neighbourhood management is working strategically with representatives from the three cooperation partners. Members of the “**Network Dichterviertel**” are

representatives from different municipal departments, municipal and church institutions, associations and organisations (also of migrants), from the district council and the City Council of Duisburg.

Voluntary work by key people in the neighbourhood makes it possible to connect residents to the project and make them engage themselves in their neighbourhood.

*(case provided by EUKN)*

The complexity resulting from the increasing number of public and private sector actors, citizens and organisations at different levels of decision-making and increasing pressures from the market require policy-makers to tackle different urban problems simultaneously and in a coordinated manner.<sup>37</sup> Thus, the traditional local governments have to adapt their method of operation to an integrative urban governance system that allows the participation and representation of diverse actors.

Participation is an instrument for social inclusion. However, only active and socially integrated individuals and groups will make use of opportunities to participate, while excluded individuals and groups, who either perceive participation as useless or unimportant or do not know how/why to participate, remain inactive. Therefore, activating those individuals and groups is the main challenge in terms of participation. Participation is a complicated and mostly a challenging process, which is affected by several factors (Vranken 2005, p. 264).

First, class and ethnic background may hamper participation. Thus new forms of participation have to be developed, based on group participation or on piecemeal individual participation of people directly exposed to forms of social exclusion. Secondly, local authorities tend to be negative about participation due to the complexities of responding to diverse parties' conflicting demands. Therefore, it is wise to organise participation around very specific and concrete issues, and avoid more abstract and general discussions among the parties. In such a way, trust could gradually build between potentially conflicting groups of inhabitants. Thirdly, the participation of undesirable activities or people is difficult even though groups of citizens pretend to speak for all. Participation should be organised in such a way that it is not limited to voicing the well-known NIMBY syndrome. Fourthly, participation at a local level (neighbourhood for instance) can be problematic when issues are decided upon at higher levels of governance (like the metropolitan level) and include actors who are not area-based. To avoid this, participation should be organised at a neighbourhood level, with the inclusion of communication and feedback from upper administrative tiers. And, finally, participation should not be perceived as a gift to residents, but as a right, especially by those who organise participation. One of the keys to success is not only to invite residents to come to them, but also to go out to them, at places where they happen to be at appropriate times (outreaching).

In countries such as the Netherlands and Denmark, participation is considered a “normal practice” when it comes to urban planning and urban renewal. In places like Naples (in the *Quartiere Spagnole*), the participation of the residents was limited. However, it was considered very impor-

▶ tant that there was some participation, as the inhabitants would normally not trust programmes coming from public authorities. Within the local culture of clientelism, participation was seen as a means of shifting people’s allegiance from the local “Camorra” to public authorities.

### Role of Different Levels of Governance

Because of the recurring negotiation and dialogue between diverse levels of governance, effective and efficient institutional instruments are needed to deal with this complex relationship (Figure 1). The roles of diverse levels of governance should be defined around common targets at each level as follows:

- Role of EU level organisations (European Commission, Committee of Regions, European associations, etc):
  - Define overall values, principles and objectives for urban development;
  - Set values, principles and objectives for diverse sectoral areas (for instance employment, poverty, social inclusion, environment);
  - Agree on funding principles in coordination with the member states;
  - Develop a European Union Charter for multilevel governance.
- Role of national governments:
  - Take the lead in designing regulations in which broad cross-cutting instruments are developed to serve the common goals;
  - Reflect the common policy targets and priorities defined by the lower levels of governance (local communities, cities, neighbourhoods) in the national policy documents;

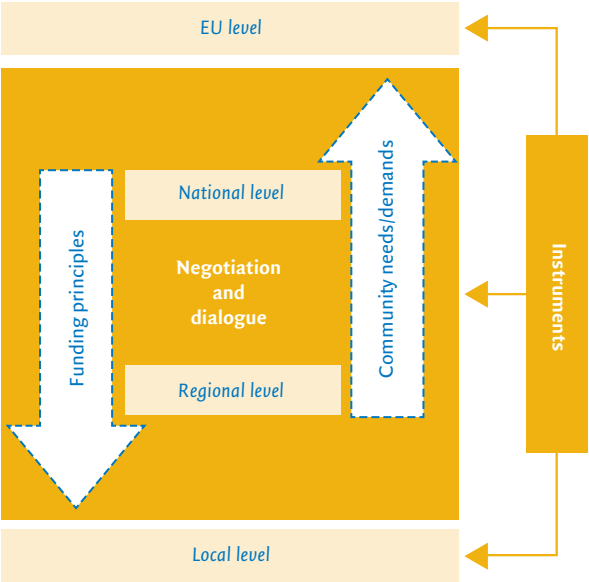


Figure 1 Role of different levels of governance

- Role of regions:
  - Develop territorial strategies that interconnect economic, social and environmental challenges for sustainable and competitive regional development.
  - Encourage inter-urban cooperation to achieve common regional competitiveness and sustainability targets.
- Role of local governments:
  - Develop regulations (plans or strategy documents) to operationalise integrated urban development and encourage participation;
  - Set up adequate governance structures for integrated urban development policies;
  - Define local action areas (sectoral and geographical) in cooperation with lower (neighbourhood) and higher (region) levels of governance;
  - Set local action objectives by cooperating with the appropriate level of governance;
  - Analyse the pro's and con's of the existing policy instruments and know what works and what does not;
  - Develop and operationalise participatory instruments to cope with local issues by following the local action objectives.
- Role of neighbourhoods (NGOs, neighbourhood level organisations, civil society and citizens):<sup>38</sup>
  - Define the needs of the urban community and encourage the participation of excluded groups or residents who do not actively participate in decision making;
  - Develop innovative instruments to communicate directly with higher tiers of governance;
  - Define local action objectives within the framework of national/regional/local common objectives.

## General Principles of the Process

As indicated earlier, the aim of this document is not to define the process of governance but to set out general principles and elaborate on a number of instruments that are useful for governance to integrate sectoral priorities and facilitate integrated local actions, territorial cooperation, participation of diverse stakeholders, and coordination between different levels of governance. In order to set the general framework, we may define the main principles of the process of concluding agreements between different levels of governance around common targets:

- Clear local action objectives should be defined by local communities (NGOs, neighbourhood level organisations, civil society and citizens) and communicated to appropriate levels of governance while common EU objectives are fulfilled;
- The needs of local societies (city and neighbourhoods) and communities/citizens should be defined at the local level (neighbourhood communities and local governments) and communicated to the regional and/or national level, taking into account the governance culture of the Member State in question;
- Ambitions and objectives of diverse actors should be oriented towards the key issues at a certain place and time;
- When there is a national concern (like climate change) a top-down decision can work if responsibilities are shared with lower levels of governance; this is even required – and possible – within a complex governance structure with multiple layers of interlinked decision-making mechanisms;
- Innovative and well-communicated instruments should be used to ensure sustainable and long lasting results.

# Instruments of Collaboration between Different Levels of Governance

In this section some participatory instruments for integrated urban development are discussed in order to illustrate how diverse levels of governance can cooperate around common targets for integrated urban development. However, it is important that before designing new instruments an inventory of existing instruments is made and their strengths and weaknesses assessed to create a properly functioning, effective and tailor-made policy framework. The common targets should be defined through the bottom-up processes described above.

This Handbook provides an analysis of five types of instruments and gives an overview of the role of each level of multilevel governance (EU, national, regional, local, neighbourhood, private sector) in the design and implementation of these instruments, including related obstacles and best practices. These instruments are:

1. Instruments that can facilitate *integrated local actions*;
2. Instruments that can facilitate *territorial cooperation*;
3. Instruments that can facilitate the *participation of diverse stakeholders*;
4. Instruments that can facilitate *coordination between different levels of governance*;
5. Instruments that can facilitate or integrate *sectoral priorities*.

The local policy-making process for each instrument should incorporate:

- common objectives, and sectoral and spatial priorities;
- agenda setting;
- tailor-made policy design;
- implementation;
- monitoring;
- policy evaluation.

For each instrument illustrative cases, which are designed by different international organisations including the Committee of the Regions and OECD are elaborated in the section below.

## 1. Instruments That Can Facilitate Integrated Local Actions

### Definition of the instrument

These are spatial policy instruments that are designed to facilitate integrated action (spatially, administratively and sectoral) in a multi-dimensional setting by taking environmental, social, cultural and organisational aspects into account. The local action plans should be developed at the local level (citizens, communities and neighbourhood with the stage management of the local governments) within the framework of common objectives set by higher levels in the public governance hierarchy (EU, national governments or regions). At the regional, city and neighbourhood levels local action plans can be developed by each actor at different scales, and these should be communicated to the national level to see whether or not common objectives can be deduced. Moreover, in order to contribute to the achievement of common objectives specific action plans can be developed, such as for the fight against poverty, climate-policy, social inclusion, or employment at the national level.

### Main logic/aim

The instrument is intended to avoid fragmented and punctual interventions and to complement or even replace them with strategic interventions that aim at integrated actions with a multi-dimensional, multi-actor and multi-scalar setting that helps to achieve better results.

### Key principles

1. Interconnecting multilevel key issues and priorities;
2. Defining actions for cross-cutting key issues;
3. Interconnecting actions at different levels of governance;
4. Interconnecting cohesion and competition targets;
5. Impact assessment (ex ante and ex post);
6. Participation and constant communication.

### Process and role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector)

Steps	EU	Central government	Region (if it exists administratively)	Local government	Neighbourhood		Private sector
					Neighbourhood community (organisational body)	Individuals/citizens	
Define common territorial, social and economic objectives	x	x	x				
Defining local action objectives				x	x	x	
Defining local focus area and key issues				x	x	x	
Defining interconnected actions for cohesion and competition				x			
Setting regulations (making plans, issuing regulations etc)		x	x	x			
Designing participatory local action plans				x	x	x	
Funding, financing and economic input	x	x	x	x			x
Implementing local action plans			x	x	x		
Impact assessment				x			

Two examples of such instruments (“Policy Platforms” and “Local Action Plans for Integrated Projects”) are elaborated in the following sections.

## Policy Platforms

### Description

Policy platforms are joint commitments among the Member States, EU Institutions and key stakeholders around a common policy target to set a dynamic framework for local action. These platforms can support voluntary policy coordination and mutual learning among the participating organisations, as well as inspiring EU-wide rules and funding within the framework of the Europe 2020 Strategy. The platforms are initiated and funded by the European funds (especially the European Social Fund). In line with proposals in the 5th Cohesion Report, the Commission wants to use EU funding to combat poverty and social exclusion more effectively. This action includes: increasing the share of resources devoted to actions tackling poverty, simplifying access for grassroots actors, strengthening synergies and complementarities between different programmes.<sup>39</sup>

### Inspiring practice: European Platform against Poverty and Social Exclusion

#### *General description – European Platform against Poverty and Social Exclusion*

On 16 December 2010, as part of the Europe 2020 Strategy, the Commission proposed to establish a platform which aims to create a joint commitment among the Member States, EU Institutions and the key stakeholders to fight poverty and social exclusion (COM 2010, 758). The European Platform against Poverty and Social Exclusion is established as one of the seven flagship initiatives of this Europe 2020 Strategy. Its success depends heavily on other flagships, such as raising employment and improving education and skills.

Mainly because its success is so dependent on the realisation of other goals (employment, skills, technological innovation) and on a correct equilibrium between the three dimensions of the growth objective (smart, sustainable and inclusive growth), it is necessary for the Platform to develop a dynamic and integrated framework such that the benefits of growth and jobs are widely shared across the European Union and that people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society. Key actions of the Platform are:

- Delivering action in a wide spectrum of areas including access to employment; social protection and access to essential services; education and youth policies; migration and integration of immigrants; social inclusion and anti-discrimination;
- Greater and more effective use of EU funds to support social inclusion;
- Promoting evidence-based social innovation;
- Working in partnership and harnessing the potential of social economy;
- Enhanced policy coordination among the Member States.

The approach is to improve access to the labour market, social protection, essential services (e.g. healthcare, housing) and education. EU funds will be effectively and efficiently used for those purposes, so that they support the fostering of social inclusion and the combating of discrimination; they also need to give new incentives to social innovation. Social policy reforms will be tested and assessed to improve their effectiveness with respect to these goals. An annual convention will allow



all stakeholders to take stock of progress towards achieving the target.<sup>40</sup>

*Role of different scales of policy making and implementation – European Platform against Poverty and Social Exclusion*

**Participants: EU ► Member States**

- **EU level:** The Commission will evaluate these actions and set best practices. Moreover, it will make the best use of all EU Funds (especially the European Social Fund) to support social inclusion objectives and to propose social policy as a priority for future EU funding. The new Microfinance Facility, which aims to help vulnerable groups to access loans to set up their own businesses, was set up in early 2011.<sup>41</sup>
- **National level:** Member States must coordinate their policies better by taking the lead in fighting social exclusion and poverty, and they must spell out their initiatives in the National Reform Programmes linked to the Europe 2020 strategy, as contributions to delivering growth and jobs.<sup>42</sup> New partnerships between the public and the private sectors will be supported and the potential of the social economy will be harnessed.

*Possible obstacles/challenges/shortcomings – European Platform against Poverty and Social Exclusion*

The content-related challenges to the Platform are defined as:

- The multiple dimension of poverty and exclusion;
- Addressing poverty throughout the life cycle of people;
- Severe exclusion, new vulnerabilities and specific disadvantages.

The main possible structural obstacle for the effectiveness of this instrument is the result of its top-down approach, as it is launched by the European Commission. Although national governments and the Commission will openly communicate on the process, the absence of local governments in the process will decrease the effectiveness of the programme.

**Local Action Plans for Integrated Projects**<sup>43</sup>

**Description of the instrument**

Local action plans will be initiated and developed within the framework of common objectives set by national governments. Local action plans at the neighbourhood level can be developed, and these will be communicated to the higher level to define actions, so as to guarantee that there is accord between the common objectives set at higher levels of governance. Local action plans do not have a rigid definition and can refer to any topic and field that contributes to fulfilling the needs of the citizens and that provides participatory solutions for the problems indicated by the local communities: from specific urban projects like neighbourhood regeneration to a specific local action plan to combat climate change at the city level or to the creation of local employment. They should provide creative, pragmatic and precise solutions based on the results of the transnational exchanges. Their main aim should be to use lessons learnt from the exchange of information with similar initiatives such as peer reviews (URBACT 2007).<sup>44</sup>

### Programme for Developing Local Plans for Social Inclusion in Catalonia<sup>45</sup>

In 2006, the Department of Social Action and Citizenship of the Generalitat de Catalunya introduced a **Programme for Developing Local Plans for Social Inclusion**. One of its operational objectives is to boost, stimulate and generate resources for drawing up Plans for Inclusion at the local level.

The Programme for Developing Local Plans for Social Inclusion is an inter-administrative cooperation programme intended to realise these **Local Plans**. It develops the governing principles for action in the area of social inclusion as established in the Plan. Its coordination was assigned to the Catalan Institute of Social Assistance and Services (ICASS).

The Local Plans for Social Inclusion are implemented through the local administration and in cooperation with other relevant actors in the area. These Local Plans seem to be a mix of existing projects and new initiatives; the really innovative part is that they are integrated into a common framework.

Lessons learnt through a peer review concerned the role of national plans (as a favourable context for local plans), the importance of the local context and political support, the need for guidance, indicators and monitoring and for local institutional support and third sector participation. (see: [www.peer-review-social-inclusion.eu](http://www.peer-review-social-inclusion.eu))

Locally designed action plans are widely used in the world especially in North America<sup>46</sup> and Australia. In Sydney, Australia, the local government (the City of Sydney) consulted its diverse communities during 2006 on their ideas and aspirations for protecting the characteristics of their neighbourhoods and lifestyles and for further building on them. The local community suggested a wide-ranging list of improvements in the three major categories (renewal, cultural diversity and liveability) and many projects that fitted into these categories.<sup>47</sup>

URBACT<sup>48</sup> suggests the use of concrete Local Action Plans which are jointly produced with Local Support Groups and with all the project partners on a transnational level as an output of exchange and learning activities in combination with those Local Support Groups. The aims of these plans are (URBACT 2007):

- To facilitate the exchange of experience and learning;
- To disseminate widely the experiences and examples of good practices collected by the cities, and especially the lessons drawn from these projects and policies, and to ensure the transfer of know-how in the area of sustainable urban development;
- To define action plans on sustainable development of urban areas, which may be selected for Structural Funds programmes.

### Inspiring practice: Klarendal Our Neighbourhood – Local Action Plan Arnhem

#### *General description – Klarendal*

The City of Arnhem, together with the Province of Gelderland, participated in a European (URBACT) project (URBAMECO) between 2008 and 2009 which wanted to stimulate the economy in deprived urban areas. This inspired the City of Arnhem to focus on the neighbourhood of Klarendal, for which a Local Action Plan was developed incorporating the good practices from other cities (LAP Klarendal 2009).

In the spring of 2007, the Dutch Ministry of Housing, Employment and Integration declared that Klarendal was a “Neighbourhood of Excellence” (LAP Klarendal 2009), which makes it an interesting case. Indeed, the Neighbourhood Action Plan had a firm basis because as early as in 2000 the “Klarendal Kom Op” Programme was initiated by the local authorities and the neighbourhood platform; its objective was to improve the quality of housing and to make life in the area more sustainable. Following an agreement with the Ministry a Neighbourhood Action Plan was developed, based on existing agreements with residents and the housing associations. This plan provides an integrated approach which tackles various policy fields, including the local economy. The Action Plan contains an explanation of the strategy, crucial points and ambitions for 2008 and 2009, including related concrete economic activities (LAP 2009).

The central goal of the action plan is obviously to stimulate economic development in Klarendal. The document argues that this will not only help in developing the neighbourhood but also increase the competitiveness of Arnhem and the region. The Action Plan has four pillars (LAP 2009):

1. Strengthening the empowerment of entrepreneurs;
2. Stimulating new enterprises;
3. Stimulating investment in economic property and improving public space for the economic development of major streets;
4. Developing a programme focused on safety and entrepreneurship.

The Local Action Plan aims to stimulate economic, social and spatial development in the neighbourhood; motivate more investment by public and private partners; initiate a neighbourhood brand (100% Mode = fashion in Klarendal) which will be actively supported by companies and residents; increase the attractiveness of the neighbourhood for residents and companies by making it lively, safe and well connected; develop a project within the framework of the ERDF (European Regional Development Fund) programme; and develop a strategy on translating this experience to other neighbourhoods in Arnhem and exchange experiences from the city to seven other cities in the province of Gelderland (LAP 2009).

*Role of different scales of policy making and implementation – Klarendal*

**Participants:** Local governments ► EU

- **EU level:** URBACT (financed mainly by the ERDF – European Regional Development Fund – and partly by national and local authorities) funded a network project (URBAMECO<sup>49</sup>) focused on strategies and projects that can foster sustainable integrated regeneration of critically disadvantaged urban areas with a special focus on local economy development as a key aspect to fight social exclusion.
- **Local level:** City of Arnhem, Department of Economic Development (project leader) and Department of District Management; and the Province of Gelderland, Programme Management Region and Cities and Managing Authority of the European Regional Development Fund, “Gelderland-Overijssel” took part in the URBAMECO project.

*Possible obstacles/challenges/shortcomings – Klarendal*

There has been considerable investment in the Klarendal neighbourhood and the economy has shown an upward trend since the opening of the Fashion Quarter in May 2008, but much unused po-

tential and opportunity remains. The economic relationship between the various parts of the neighbourhood in the area is not yet adequate, as becomes clear from the low level of contacts between the various entrepreneurs and entrepreneurs' associations, which currently has limited membership from local business owners. Furthermore, the quality of public space is still not satisfactory. Also, the connection between the neighbourhood and the city centre is still not good; some of the shops still look shabby and uninviting.

The main shortcoming of this project, like that of the many other URBACT projects, is that, although it aims at a bottom-up approach and involves many local society groups, communities and citizens in the process of plan making (with a Local Support Group), it still has an internal bureaucracy and policy-maker-led character rather than being a fully initiated and bottom-up developed community project.

## 2. Instruments That Can Facilitate Territorial Cooperation

### Definition of the instrument

These are coordinated territorial networks, which will work on territorial action plans that facilitate cooperation between regions and cities (such as the Baltic Sea Strategy, the Danube Strategy, the Mediterranean Dimension, the Eastern Partnership, the Black Sea Synergy and the Northern Dimension) [see The Committee of the Regions' White Paper on Multilevel Governance (CoR 2009)].

### Main logic/aim

The main aim of these instruments is to increase cooperation between neighbouring territories (regions or cities) and facilitate structured networking on commonly agreed territorial issues.

### Key principles

1. Interconnecting multilevel key issues, priorities and territorial indicators;
2. Defining actions in neighbouring territories;
3. Facilitating border region cooperation with a pro-active partnership approach;
4. Creating operational platforms at which participating neighbouring countries, regions and cities can communicate;
5. Maintaining decentralised and transparent communication;
6. Making territorial impact analyses.

### France – Territorial pact for inclusion (Pacte territorial d'insertion)<sup>50</sup>

Elaborated within the framework of French Law (art L 263-2 Law 01/12/2008), the Territorial pact for inclusion defines the procedures for the coordination of actions undertaken to promote the social and professional integration of beneficiaries of the *Revenu de Solidarité Active* (active solidarity income). It encourages partnerships in the region, including with financiers, and helps to identify the strategic priorities and defines the conditions of implementation. It should help to establish a link with the strategic guidelines for integration through the economic activity adopted by the county council.

### Poland – Territorial Contracts<sup>51</sup>

According to the National Regional Development Strategy for 2010-2020, Territorial Contracts between the regions (voivodships) and central government will represent one of the main financial instruments for regional development. The National Strategy opens up new perspectives for the regions, providing them with the opportunity to negotiate issues relating to the implementation of priority programmes and their financial support directly with central government. Territorial Contracts, which are governed by civil law, aim to create synergies between all regional policy instruments which have a territorial dimension. They are expected to ensure the complementarity of government policy and regional operational programmes in the implementation of national reform projects and EU guidelines, particularly in the context of the Europe 2020 Strategy. The Contracts will be signed between central and local governments for a period of three years, with the possibility of extension. It was decided that, during the initial phase of implementation, the Contracts would be set up in the form of pilot projects within the regions (voivodships).

### Process and role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector)

Steps	EU	Central government	Region (if existed administratively)	Local government	Neighbourhood		Private sector
					Neighbourhood community (organisational body)	Individuals/citizens	
Decide on the partners in the cooperation		x	x	x			
Design the conditions of the partnership				x			
Define common territorial, social and economic priorities and objectives for the concerned area	x	x	x	x	x	x	
Develop territorial indicators		x	x	x			
Define the territorial key issues		x	x	x	x	x	
Define interconnected projects in the territory concerned according to the set goals		x	x	x			

Steps	EU	Central government	Region (if existed administratively)	Local government	Neighbourhood		Private sector
					Neighbourhood community (organisational body)	Individuals/citizens	
Set the regulations (make plans, issue regulations etc)	x	x	x	x			
Funding, financing and economic input	x	x	x	x			x
Implement the common projects			x	x			x
Impact assessment		x	x	x			

## Territorial Pacts

### Description of the instrument

This is an agreement between local, regional, and national government organisations; they commit to coordinating and synchronizing their policy agendas in order to focus their actions and financial resources on the Europe 2020 Strategy goals and targets (CoR 2009; 2011). The territorial pact is a means of bringing together all the resources present at the local level and directing them towards the realisation of shared development objectives. With due regard for the rule of subsidiarity and proportionality, the EU institutions could support the Territorial Pacts through increased focus, coordination and administrative simplification in the management of EU policy instruments and funding channels; structured and regular monitoring of how the National Reform Programmes are designed and implemented; and broader use of territorial impact assessments (CoR 2011). The aim of these pacts is to maintain and coordinate various economic development projects in a territory (a province, city or a large neighbourhood) and to put them into an integrated framework, based on bargaining.<sup>52</sup>

In a territorial pact, the partners define a set of development goals for the territory; select projects according to these goals; and agree on measures which could facilitate and support their realisation.<sup>53</sup> Employers' organisations, trade unions or local authorities can also sign pacts. In this case they have to identify financial resources that will be contributed, partly by companies and partly by the local authorities; define simplified administrative procedures and dispensations from legal provisions to speed up the implementation of the projects; and set particular business rules to be applied within the areas covered by the pact, in order to reduce labour costs and/or improve the flexibility to provide incentives for companies to invest in the area.<sup>54</sup> In each country Territorial Pacts can be designed in a tailor-made manner to reflect local conditions, needs and priorities, but the CoR concludes that a Territorial Pact may include provisions of several kinds (CoR 2011):

- Legal provisions to identify policies and to define how policies can be adapted in order to secure more efficient delivery of the structural reforms required under the Europe 2020 strategy;
- Financial provisions to define which resources (EU, national or local, public or private funding) will be used to reach the targets;
- Governance provisions to provide information on possible new arrangements for delivering policies more effectively.

A number of different countries have implemented different types of pacts in the last few years: Austria (Territorial Employment Pacts 2007-2013), Belgium (Flanders in Action Pact 2020), the UK (The Greater Nottingham Partnership), France (Territorial Pact for Inclusion), Germany (The BMBF Innovation Initiative Entrepreneurial Regions) and Spain (Catalonia's territorial pacts for the countryside). These examples vary widely in terms of (CoR 2011) as regards:

- The tiers of administration involved (local, regional, national, European);
- The nature of the partnership (vertical or horizontal);
- The type of remit (setting guidelines or delivering);
- The area of action (very broad or specific);
- The sectors involved (examples include both delivering services for citizens or for enterprises and promoting administrative simplification);
- Their duration (temporary or permanent);
- Funding (European, national, local or private; no funding).

### **Inspiring practice: Flanders in Action Pact 2020 (Vlaanderen in Actie-ViA)**

#### *General description – Flanders in Action Pact*

On 20 January 2009, the social partners signed the 2020 Pact confirming their willingness to support a joint commitment towards the attainment of the twenty objectives and the realisation of the concrete target figures as advanced in the Pact.<sup>55</sup> Since 2009, the Flemish Government has been working on the implementation of the “Flanders in Action”-project to turn Flanders into an economically sustainable and socially caring society that ranks among the top five European regions by 2020<sup>56</sup>. The 2020 Pact defined seven fundamental breakthroughs in consultation with the social partners, with research institutions, with associations and with the government:

- The open entrepreneur;
- Flanders learning society;
- Innovation centre Flanders;
- Green and dynamic urban region;
- Europe's smart hub;
- Caring society;
- Decisive governance.

Under the Pact, these have been translated into five domains, including greater prosperity and welfare; competitive and sustainable economy; better and fair employment; high quality living standards; and efficient and effective administration. The twenty specific targets are in line with the Europe 2020 strategy. The Flemish authorities, the social partners and civil society have all signed the Pact and have committed to executing it while an independent steering committee oversees its final implementation.

#### *Role of different scales of policy making and implementation – Flanders in Action Pact*

#### **Participants: Flemish government ► Civil society**

The members of the Social Economic Council of Flanders (SERV) are the Flemish government, the employers' organisations and the labour unions; it is a public body. The more recently established United Associations has also signed the Pact; it is an umbrella organisation which represents hundreds

of associations from civil society (for instance the ecological movement, the Family Union, the Forum Ethnic-Cultural Minorities, the Mutual Aid Societies and the Flemish Network of “associations where the poor take the floor”). The ViA Chairman and the Flemish government have also signed Pact 2020.

#### *Possible obstacles/challenges/shortcomings – Flanders in Action Pact*

The top-down characteristics of the pact may create a limited representation of different parts of the local communities. Also the twenty targets are not deeply elaborated and have remained vague general objectives (see at <http://www.flandersinaction.be/>).

### **European Grouping of Territorial Cooperation – EGTC**

#### **Description of the instrument**

EGTC is a tool to facilitate cross-border, trans-national or inter-regional cooperation. The adoption of the Regulation on a European Grouping of Territorial Cooperation (in July 2006) was a major change in the legal framework for territorial cooperation (CoR 2007; CoR 2009 White Paper on ML Governance of the Committee of the Regions). The regulation does not standardise the way territorial cooperation should be carried out. Instead, members can (in part) define the arrangements for their cooperation under a convention and statutes. Thus it is possible to maintain the diversity of situations and achievements arising out of past experience (CoR 2007; CoR 2009 White Paper on ML Governance of the Committee of the Regions). The advantages of the EGTCs are:<sup>57</sup>

1. The cross-border nature of the organisation requires it to have members in at least two Member States.
2. The EGTC has legal personality under Community law and may, on a case-by-case basis, be given legal personality under public or private national law.
3. An EGTC enjoys “the most extensive legal capacity accorded to legal persons under national law”. However, this wording needs to be put into context, as the EGTC’s capacity is in particular limited to carrying out the tasks that are assigned to it by its statutes.
4. An EGTC must be governed by a convention and statutes.
5. EGTCs have a single registered office, the location of which has significant legal consequences, as it determines, among other things, the secondary law applicable to the EGTC and the bodies responsible for supervising it. It should also be pointed out that these relations with domestic law appear complex, as the terms of the Regulation frequently refer to rules under domestic law, which gives rise to some legal uncertainty.
6. In order to be able properly to express its wishes as a legal entity in its own right, the EGTC must have organs. The Regulation requires the existence of an assembly, in which all members are represented, and a director. However, it leaves it to the members to establish other organs if appropriate.
7. EGTCs have an annual budget.

A list of EGTCs that are already in place is provided in Appendix 1.



## Inspiring practice: ABAÚJ-ABAÚJBAN European Grouping of Territorial Cooperation

### *General description – ABAÚJ-ABAÚJBAN European Grouping of Territorial Cooperation*

Among the 16 projects that have been put into practice the “ABAÚJ-ABAÚJBAN European Grouping of Territorial Cooperation” (*Development Partnership*) has been developed on the basis of a Hungarian-Slovakian international partnership, which was officially registered at the Budapest Metropolitan Court on 11 June 2010.<sup>58</sup> 14 Hungarian and Slovakian local and regional authorities formed the ABAÚJ-ABAÚJBAN EGTC in order to foster economic and social development in the region. The goal of the partnership is to support cooperation and development between cross-border territories by strengthening economic and social cohesion, to allow and assist economic and social development between cross-border territories as well as to support business spirit and a high level ethical attitude to entrepreneurship in cross-border territories.

### *Role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector) – ABAÚJ-ABAÚJBAN European Grouping of Territorial Cooperation*

#### **Participants:** Member states ► Local and regional authorities ► private organisations

Three categories of potential members are:

- EU Member States;
- Local and regional authorities of EU Member States. However, their capacity to participate will depend on the scope of their competences under national law;
- Other players, inter alia bodies whose funds are considered to be mainly public and associations of stakeholders belonging to the previous categories. In this case the operative body of the EGTC is the VITEA Foundation, the activities of which have allowed the continual rise in the number of common Cross-Border Cooperation programmes in the area.

### *Possible obstacles – ABAÚJ-ABAÚJBAN European Grouping of Territorial Cooperation*

The legal basis for this instrument seems to be complex. Each State should have a clear vision of the role it intends to play under this territorial cooperation and ensure that its activities in the various fields opened to it by the Regulation are consistent<sup>59</sup>. Failure to do so could cause serious difficulties with implementing the Regulation. The adoption of a national strategy for territorial cooperation would be helpful.

## 3. Instruments That Can Facilitate Participation of Diverse Stakeholders

### **Definition of the instrument**

These are instruments that are designed at the neighbourhood level to increase participation between diverse public and private stakeholders. Bottom-up participation can be anticipated by the construction of collective agencies (local development coalitions) which can act and speak on behalf of the neighbourhoods (or local units which want their needs to be heard at higher levels of government hierarchy). These local development coalitions can engage in scalar politics by building networks with other development coalitions.

### Main logic/aim

To make sure that the needs of local communities are known and responded to at local government level in an interactive, transparent and participatory manner.

### Key principles

1. Defining the problems and priorities of the community;
2. Developing innovative ideas and practices that will facilitate the participation of the local communities in policy making to seek solutions for their needs;
3. Ensuring that macro level (at the city or regional level) overviews, policies and plans exist to prevent fragmentation;
4. Integrating the actions of different levels of governance with effective policies;
5. Mobilizing stakeholders around innovative projects;
6. Facilitating mutual exchange of experience and learning;
7. Transparent and constant communication.

### Process and role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector)

Steps	EU	Central government	Region (if it exists administratively)	Local government	Neighbourhood		Private sector
					Neighbourhood community (organisational body)	Individuals/citizens	
Defining the problems and priorities of the community					x	x	
Designing realistic (small/effective) projects that are designed to reach these issues and priorities				x	x	x	
Interlinking these projects to higher scale targets, objectives and plans				x	x		
Mobilising financial resources	x	x		x			x
Implementing the common projects				x	x	x	
Impact assessment		x		x			

## Local Strategic Partnerships (LSP) and Local Action Teams (LAT)

### Description of the instrument

A Local Strategic Partnership (LSP) is a partnership which brings together organisations from the public, private, community and voluntary sectors in a local authority area.<sup>60</sup> The key objective of the LSP is to improve the quality of life in that area. Because an LSP is locally based, the community is well placed to influence its decision-making. This provides the community with the opportunity to have its say on what services should be provided to meet its needs. The Local Action Teams (LAT) are designed in LSPs to define effective community-led projects, aiming to adopt a proactive multi-agency approach, working and engaging with the public on key issues with the aim of improving the quality of life of individuals and communities in their localities.

In order to promote partnerships between various sets of actors at different levels of governance, it is crucial to build efficient LATs at the neighbourhood level. These can be composed of elected people, practitioners and community organisers who are able to activate different stakeholders around sustainable local action plans. Different levels of governance at macro levels (EU, nations, regions, local governments) should strongly support the development of such integrated LATs, since they generate sustainable added values at the city and region levels and relate them to other, larger scales.

In general, the failure of sustainable development strategies is linked to the inadequacies of the LATs rather than to a lack of funds.<sup>61</sup> The Europe 2020 Strategy must emphasise this operational dimension, as it is one of the major conditions for increasing the capacity of urban regions to absorb European funds and to give them more effectiveness.

In order to implement successful projects strong programmes for training and for the transfer of knowledge and know-how should be developed between universities, research centres, local support groups and local action teams. The partnerships between the various Directorates-General (such as Research, Regio, Environment, Social Affairs), Ministries of Member States, regional and local levels should be reinforced and targeted towards this challenge, with the aim of capitalizing on knowledge and know-how and increasing the capacity of local stakeholders and communities.<sup>62</sup>

### Inspiring practice: East Riding (Yorkshire) Local Strategic Partnerships (LSP) and Local Action Teams (LAT)<sup>63</sup>

#### General description – LSP and LAT

The East Riding Local Strategic Partnership (LSP) was founded in 2001. It comprises partner organisations from the public, private, voluntary and community sectors in order to develop and deliver a plan for the continued sustainable development of the area. Through this jointly developed Sustainable Community Plan, partners work together for the benefit of all East Riding residents and visitors, both now and in the future.<sup>64</sup> The LSP consists of a Board and four Action Groups; all of which are comprised of wide-ranging networks designed to achieve the objectives set out in the Sustainable Community Plan (East Riding LSP 2010). The LSP will support the strategic aims of the Regional Spatial Strategy and is supported by the local spatial planning objectives being set out within the emerging Local Development Framework which will inform local planning, infrastructure development and investment decisions until 2026. The delivery mechanism for the plan is a Local Area Agreement (LAA). The East Riding LSP Board is responsible for overall partnership policy and decision-making. The four Action Groups are as follows:

- Sustainable Communities and Transport Action Group;
- Children and Young People Action Group;
- Healthier Communities and Older People Action Group;
- Safer and Stronger Communities Action Group.

Key areas of work at the moment include the establishment of a “Local Public Service Resource Advisory Group” and “East Riding Voluntary Sector Network” and the development of the “Local Development Framework” (East Riding LSP 2010). Some additional instruments were also initiated by the LSP. For instance, Local Action Teams (LATs) were set up between 2008 and 2009 to increase participation and encourage individuals and communities across the East Riding to become more involved in decision making on public services. Within this framework six LATs were established to ensure that there was a proactive multi-agency approach to working with the public on more local issues (East Riding LSP 2010). Moreover, a joint Citizens’ Panel has been established which aims to consult with forums such as the Black and Ethnic Minority (BME) Panel, and the Disability Advisory and Monitoring Group. Moreover, the Local Development Framework (LDF) has been initiated as part of the development plan. This document determines where and how new places should be built for people to live and work in. The LDF aims also to deal with the use of land within the Sustainable Community Plan and to create a sustainable economy and provide a range of affordable housing to meet the needs of local residents.<sup>65</sup>

*Role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector) – LSP and LAT*

**Participants:** Citizens ► Local communities ► Civil society organisations ► Local governments and local government services ► Regional organisations ► National organisations

As explained above, citizens and local communities actively take part in the development and implementation of the LSP. Different levels of administration (national, regional and local) contribute to its development and implementation. Moreover, diverse boards were established for the delivery and monitoring of the Local Area Agreements with the participation of different levels of governance, namely:

	Public organisations			Civil society	Private sector
	National	Regional	Local		
The LSP Board			x	x	x
The LSP Resource Advisory Group	x		x	x	x
The Employment, Learning and Skills Advisory Group		x	x		
The East Riding Voluntary Sector Steering Group			x	x	
The LSP’s four thematic action groups			x	x	
East Riding of Yorkshire Council portfolio holders			x		
Local Action Teams			x	x	

Source: Based on East Riding LSP, 2010 (report)

*Possible obstacles/challenges/shortcomings – LSP and LAT*

Like many other participatory instruments, LSPs also run the risk of excluding passive citizens from the process of active plan-, strategy- and decision-making.

### **Local Support Groups – LSGs**

#### **Description of the instrument**

A Local Support Group (LSG) is an official partnership which includes private and public stakeholders. The URBACT programme requires its partners to set up LSGs which work to maximise the impact of the transnational exchange of practices between cities.<sup>66</sup> LSGs can ensure that ideas emerging from the project are realistic and can test their viability at local level. They have the potential, as part of a European-wide URBACT “community”, to take key messages about managing sustainable cities to a far wider audience. They can mobilise stakeholders, define needs, and co-produce the Local Action Plan (LAP) (see above section on Local Action Plans for Integrated Projects).

The general objectives of LSGs are:

- To clarify the particular needs or concerns of the partner “city”;
- To identify (mobilise and disseminate to stakeholders) what the city can offer to the project in the form of good practice, existing tools, site visits, policies and other experience;
- To disseminate the findings of the project to a wider local audience and ensure that end-users have a voice in the decision-making process;
- To mobilise political and institutional support to ensure that the Local Action Plan leads to real change.

#### **Inspiring practice: CoNet Local Action Groups<sup>67</sup>**

Cohesion Network (CoNet) focuses on education, employment and community life, and especially on integrated projects and approaches; its aim is to strengthen social cohesion in neighbourhoods. Local Action Groups were established in eleven cities (Palermo, Gijon, Malmo, Zabrze, Apeldoorn, Brussels, Alba Iulia, Sofia, Vaulx-en-Velin, Liverpool and Berlin) with the aim of exploring current approaches to strengthening social cohesion in neighbourhoods and bringing together people to work on Local Action Plans (a list of 44 projects within the framework of the CoNet is provided in Appendix 2).

Each Group has identified the specific challenges of its city. The project support scheme enabled individual visits to partner cities for learning on concrete issues like participation in Berlin in May 2009 or social enterprises and employment in Liverpool in September 2009. The network meetings bring together the partners to work on special topics and to hear from the Local Support Group of the host city. The LSGs in these cities are at different stages of their process. Some have already produced first drafts of a Local Action Plan, while others are still collecting the necessary information. All LSGs are helpful in bringing together people who have previously not cooperated.

Role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector) – CoNet Local Action Groups

**Participants:** EU ► Local governments and local government services

The EU's involvement in LGSs takes place within the framework of the URBACT programme. At the local level the participants in LSGs are local politicians, administrators, representatives of NGOs, associations, residents' groups and housing providers.

Possible obstacles/shortcomings/challenges – CoNet Local Action Groups

Like many other participatory instruments LSGs risk excluding passive citizens from the process of active plan-, strategy- and decision-making.

## 4. Instruments That Can Facilitate Coordination between Different Levels of Governance

### Definition of the instrument

These instruments are designed to facilitate systematic coordination between different levels of governance on the basis of structured agreements and contracts.

The OECD (2005) report on Building Competitive Regions-Strategies and Governance defines 3 types of contracts especially in the field of regional development:

- 1) **Planning and programme contracts**, which integrate a number of policies and programmes in the territory covered.
- 2) **Implementation contracts**, which are contractual arrangements devoted to the devolution of regional or local planning to sub-national levels of government.
- 3) **Cooperation contracts** organise cooperation between different parties to carry out a specific programme or project, establishing their reciprocal commitments.

*(see detailed information at OECD 2005)*

### Main logic/aim

To ensure that public funding providers at diverse levels of governance can establish structured and voluntary commitments.

### Key principles

1. Interconnect the issues and priorities of diverse levels of governance;
2. Define common objectives for diverse levels of governance;
3. Interconnect actions at different levels of governance;
4. Develop contracts on a voluntary basis;
5. Allow negotiations and participation with constant and transparent communication.

## Process and role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector)

Steps	EU	Central government	Region (if it exists administratively)	Local government	Neighbourhood		Private sector
					Neighbourhood community (organisational body)	Individuals/citizens	
defining the problems and priorities			x	x	x		
designing common objectives	x	x	x	x	x	x	
designing projects to promote cooperation between diverse tiers of governance		x	x	x	x		
developing contracts on a voluntary basis		x	x	x	x		x
mobilizing financial resources and funding	x						x
implementing the common projects			x	x	x		
impact assessment		x	x	x			

### Multi-Party Contracts

#### Description of the instrument

Both the European Commission's European Governance White Paper (COM 2001, 13) and the White Paper on Multilevel Governance of the Committee of the Regions (CoR 2009, 32) underline the prospect of concluding contracts with the aid of flexible and diversified tripartite instruments. The Commission indicates that such contracts should be between Member States, regions and localities designated by them for that purpose, and the Commission, with central governments playing a key role in setting them up and being responsible for their implementation.

#### Inspiring practice: Leeds City Region Local Enterprise Partnership (LEP)<sup>68</sup>

##### General description – LEP

Building on the Partnership's programmes on innovation, housing, transport and skills, the eleven local authorities in the city region have been working closely with a range of business sectors and partners to develop an outline proposal which reflects the needs of the city region businesses and of the economy. The Leeds City Region LEP proposal draws on current city region arrangements and proposes taking on further responsibilities for strategy, funding, investment, planning and commissioning of economic development and regeneration activities.<sup>69</sup>

On 11 September 2006, Leeds City Region local authority leaders approved the City Region Development Programme (CRDP), which translated the Partnership's vision into a plan of action. Following the Government's announcement on the Partnership's successful LEP bid, work has commenced to establish a business-led Leeds City Region LEP Board, which will be responsible for developing the LEP business plan. Furthermore, the Leeds City Region Partnership will be talking at and hosting business engagement events across the city region to inform people about and discuss these proposals.<sup>70</sup>

[...**Contractual arrangements** can be found in all kinds of countries with a democratic regime, they cannot be ascribed to a specific type of State organisation, and include all or part of complex mechanisms such as:

- **Vertical relations** with several varying dimensions including financial transfers (that for European countries also includes the supra-national level of the Union).
- **Local horizontal** relations. Several contracts involve the participation of different local authorities as well as the private sector.
- **Central horizontal** relations (i.e. coordination between the different ministries involved in regional policy in order to overcome the traditional isolation of sectoral policies).
- **Conditions and incentives arrangement.** In order to comply with the conditions of contracts, regions have to propose projects which are very detailed in terms of lead time, technology content, environmental impact, costs, etc. Moreover, in various countries, contracts are financially underpinned by transfers dependent on the success of regional policy and development programmes. The conditions that go with these transfers vary]

*(see a larger elaboration of challenges of contractual arrangements in OECD 2005, p. 74)*

The key expectations for establishing a LEP are defined as: support from business (engagement of local businesses and SMEs), economic geography (functional economic linkages and strategy), local authority support and added value and the ambition of the proposal. Moreover the national government announced that the Regional Growth Fund will provide funding for successful LEPs that will help to create private sectors jobs and reduce dependence on public sector jobs.<sup>71</sup>

*Role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector – LEP*

**Participants:** County Council ► Local authorities ► Private enterprises

The partnership comprises the members of the new business-led board that leads the LEP. The private sector board members include high-ranking private sector officials from enterprises like the Leeds Bradford Airport, private sector infrastructure companies, the University of York and some banks. The local authority LEP board members include councillors from the different communities in Leeds.

*Possible obstacles/shortcomings/challenges – LEP*

The first meeting of the board took place only recently (19 April 2011). Therefore it is still too early to estimate the possible obstacles. However, one can say that, quite typically, the balancing act between private sector interests and the public good, as well as the exclusion of citizens (or civil society organ-



isations) from the process, points to a rather business-led approach. It remains to be seen whether the needs of the citizens will be 100% considered by the LEPS.

### State-Region Plan Contracts

#### Description of the instrument

The State-region plan contracts became a key instrument of regional development policy in France. Contracts have been made with all regions for the periods 1984-88, 1989-93, 1994-98 (postponed until the end of 1999) and 2000-06.<sup>72</sup> These contracts are detailed documents, setting out a series of policies and programmes to be carried out in a certain period. The central government and the regions are jointly financing these projects. Some recent contracts also included contributions of infra-regional governments and European structural funds.<sup>73</sup> Contracts include a financial appendix that indicates the financial commitment of each party, and they do not imply budgetary transfers between the central governments and municipalities. They usually stress the responsibilities and commitments of each party, while providing a detailed description of the purpose of each measure.<sup>74</sup>

#### Inspiring practice: France state-region contracts (Contrats de Projets État-Région – CPER), Intermunicipal Public Agencies (Établissement Public de Coopération Intercommunale – EPCIs) and Pays<sup>75</sup>

##### General description – France state-region contracts

In France, a project contract between the state and a region is a document under which the State and a region commit themselves to ensuring multi-annual funding for projects such as building infrastructure or support for future. The government, through the Prefect of the region represented by its Secretary General for Regional Affairs (SGAR), agrees to develop and finance projects with the regional government relating to regional planning. Other communities (councils, urban communities) may also join a CPER if they fund projects.<sup>76</sup>

Moreover, several other forms of communal agency were established in France to create/promote a more decentralised regional economy including EPCIs (Intermunicipal Public Agencies) and Pays.<sup>77</sup> Pays are inter-municipal associations which cover an area that is defined on the basis of physical geographical features. These associations carry out a distinctive project of socioeconomic development in these areas. The EPCIs cover certain rural and urban areas and those in between, and their boundaries coincide with the boundaries of the existing communes and departments.<sup>78</sup>

The *pays* are also associations of municipalities, but their institutional status is different. They aim to elaborate and carry out socioeconomic development projects rather than providing services like the traditional municipalities. Their boundaries do not necessarily coincide with those of the municipalities and departments but may cut across those depending on the nature of the project.<sup>79</sup>

Like the EPCIs, the *pays* have also experienced a significant development across France, though some regions have developed them more than others. EPCIs and *pays* relate directly to the regions, from which they may now obtain funding under the CPERs, which now have a stream of funding devoted to them. They may also have similar contractual arrangements with the central state.<sup>80</sup>

*Role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector) – France state-region contracts*

**Participants:** National government ► Municipalities ► Public agencies

The EPCI councils, which consist of councillors from the member municipalities and local government organisations, are indirectly elected. The *pays* councils are composed of relevant non-elected policy actors along with local councillors.

*Possible obstacles/shortcomings/challenges – France state-region contracts*

These regional agencies are mainly dependent on the national government for funding purposes, and therefore the bottom-up initiatives are quite limited. An evaluation of the CPER, provided by OECD<sup>81</sup>, has generated a number of debatable recommendations: 1) The proposition to re-centre planning contracts around a limited number of *structural policies* is crucial, but reforming this instrument may threaten the local initiative. 2) The inadequacy of the evaluating process could be improved with a more transparent and independent council for evaluation. 3) In order strategically to reinforce the long-term coherence of the various CPER a *national scheme with a long-term perspective* should be set up. In this case the *region* will be in charge of a *strategic document of orientation*, which will consolidate its role as leading intermediary structure (between national and local levels) (OECD 2005).

## 5. Instruments That Can Facilitate and Integrate Sectoral Priorities

### Definition of the instrument

An instrument that serves common sectoral (environmental, economic, social and spatial) goals with a bottom-up model in which local authorities formulate priorities based on local conditions and local policies, within the framework of common objectives and priorities of the Union.

### Main logic/aim

Finding local responses to key macro level issues in a participatory way

### Key principles

- 1) Defining macro-scale priorities and key issues in different sectoral areas;
- 2) Integrating issues and priorities;
- 3) Interconnecting actions of diverse governance levels for this sectoral policy;
- 4) Seeking ways to increase bottom-up response to these key issues;
- 5) Sharing and disseminating knowledge and experiences;
- 6) Ensuring open and transparent communication.

## Process

Steps	EU	Central government	Region (if it exists administratively)	Local government	Neighbourhood		Private sector
					Neighbourhood community (organisational body)	Individuals/citizens	
defining the problems and priorities in the sectoral areas	x	x	x	x	x		
designing common objectives for diverse levels of governance for this sector	x	x	x	x	x	x	
designing projects to integrate actions of diverse governance levels for this sectoral policy	x	x	x	x	x		
sharing and disseminating knowledge and experiences	x	x	x	x	x		x
mobilizing financial resources and funding	x						x
implementing the common projects		x	x	x	x		
impact assessment	x	x	x	x			

## Local Climate Investment Programme

### Description of the instrument

Local investment programmes are instruments that are introduced by some member states as part of their national road maps within the framework of the Environmental Technologies Action Plan (ETAP), which was adopted by the European Commission in 2004. The main objective of ETAP is to develop eco-innovations and technologies to improve the environment and European competitiveness. Within this framework member states developed relevant plans, actions and instruments like local climate investment programmes.

### Inspiring practise: KLIMP Local Investment Programme<sup>82</sup>

#### General description – KLIMP Local Investment Programme

The Swedish central government developed the climate investment programme (KLIMP) to assist cities with climate change programme implementation. It is a competitive process in which cities develop a climate strategy including main and intermediate objectives and locally adapted policy measures, as well as follow-up strategies to get a KLIMP grant. The Programme is one of several initiatives (but the largest in terms of funding) to promote ecologically sustainable development. The Commission for Sustainable Development appointed by the government introduced it early in 1997. This programme aims to promote “ecological” sustainable development, based on five fundamental principles: promoting human health; safeguarding biological diversity; protecting

cultural heritage; preserving the long-term productive capacity of the ecosystem; and ensuring that natural resources are properly managed.

The programme is based on a concept of national-local cooperation and a bottom-up approach of selecting the best measures that are expected to have beneficial effects on the climate and the environment. Municipalities, regional organisations, enterprises and other stakeholders are encouraged to stimulate long-term investments that have good environmental effects, stimulate local initiatives and local participation.

All local projects or measures are to be included in local strategic programmes that holistically relate all suggested measures to local environmental goals and challenges. The number and types of local projects are all approved by the chief operator of the local programme, in most cases the municipality. The actual measures are implemented by a number of local stakeholders, such as the municipality itself, municipal companies, private companies, regional public bodies and NGOs, under the guidance of the CLO.

*Role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector) – KLIMP Local Investment Programme*

**Participants:** National government ► Regional organisations ► Local governments ► Enterprises ► NGOs ► others

The national and local programmes can definitively be seen as a case of multilevel governance, where the national government has set up the general structure and funding of the system. All this happened in a long, partly political dialogue with a large number of national, regional and local stakeholders.

Vertical coordination took place between the government, state agencies at the national (mainly the EPA) and regional level, and the municipalities.

Cooperation and communication between stakeholders have been an integral part of almost all programmes, facilitating primary horizontal communication at the local level. However, intense vertical communication has also taken place, mainly by public sector stakeholders at different administrative levels.

*Positive results and possible obstacles – KLIMP Local Investment Programme*

Positive results are:

- Supports holistic systems thinking;
- Supports the role of the municipalities: the local level often knows better what needs to be done, how and by whom;
- Supports local cooperation;
- Supports a long-term strategic perspective via the programme approach;
- Environmental demo projects attract attention from media and incite study visits, leading in many cases to the replication of good project results in other regions and other countries.

A possible obstacle could be that the programme strengthens the larger municipalities which already have high environmental ambitions, and tends to be less favourable to smaller municipalities with

less experience and ambitions of environmental projects. In general the local programmes have reached their goals fairly successfully. However, in a number of cases there have been failures, and even in some cases the measures have not been implemented at all; in those cases, the funding is reallocated to other projects.

## Jobs Strategy

### Description of the instrument

Creative strategies for creating new jobs in regions/cities that suffer from issues relating to unemployment.

### Inspiring practice: Joined up for Jobs (JUFJ), Edinburgh<sup>83</sup>

#### General description – JUFJ

JUFJ is a jobs strategy which sets out how a partnership of key agencies will help more people into employment in Edinburgh. JUFJ aims to close employment gaps between the most deprived areas and the city average, and to make sure that the planning and delivery of all services which help unemployed people in Edinburgh are “demand-led, client-centred and joined-up”. This is necessary because the different funding streams, targets and criteria that apply to the various public agencies and service providers create fragmentation and confusion.

*Role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector) – JUFJ*

#### Participants: Local governments ► Local government agencies ► Enterprises ► PPPs

The strategy has been driven by the Jobs Strategy Group, the members of which were initially:

- The City of Edinburgh Council;
- Scottish Enterprise;
- Jobcentre Plus;
- Careers Scotland;
- The Capital City Partnership (which is the city’s social inclusion partnership and which co-ordinates the strategy);
- The Edinburgh Chamber of Commerce.

Since then some of these agencies have changed, and when Edinburgh became a Pathfinder<sup>84</sup> for the City Strategy for tackling unemployment and child poverty (of the Department for Work and Pensions), more joined. The current membership is:

- The City of Edinburgh Council;
- The Association of Further Education Colleges;
- Jobcentre Plus (part of DWP);
- Skills Development Scotland;
- The Capital City Partnership;
- The Edinburgh Community Health Partnership (NHS);
- The Edinburgh Chamber of Commerce.

#### *Possible obstacles – JUFJ*

There are some possible obstacles to the concretisation of such partnerships.<sup>85</sup> One possible obstacle is that a strong commitment to a partnership at the strategic level may not necessarily translate into effective cooperation during implementation. Moreover, the composition of partnerships can hinder implementation and make it difficult to persuade other partners to get involved due to disparate levels of commitment. Finally, overlapping policy initiatives – addressing different agendas and at different spatial scales – have diverted resources, thereby creating conflicts of interest between partners and contributing to a lack of clarity.

#### **Inspiring practice: Local Employment Councils (LEC)**

##### *General description – LEC*

The composition of the LECs in Denmark is regulated by law and consists of up to 15 full members from the Municipal Council (chair); local associations from the Employers' Confederation (DA); local trade union confederations (LO, FTF and AC); the Association of Disabled People (DH); the Association of General Practitioners (PLO); the Local Council for Integration of Immigrants; relevant local stakeholders of LECs.

*Role of diverse levels of multilevel governance (EU, national, regional, local, neighbourhood, private sector) – LEC*

**Participants:** National government ► Regional organisations ► Local government council ► Job centre

##### *Possible obstacles – LEC*

The jobcentre and the municipal council are not obliged to listen to the advice given by the LEC. Being subject to strict performance management tied to economic sanctions if not met, the jobcentres find in some cases that the LEC is merely a superfluous council discussing non-essential issues, and even at times hindering the jobcentres' efforts. In other cases, the jobcentres heavily rely on ideas and support from the LEC and its members precisely to meet the performance indicators. A virtuous cycle appears to correlate with

- Real influence <=> real commitment;
- Highly ranked members;
- Well prepared members;
- Conscious management of meetings.

# Conclusions: How to Turn Multilevel Governance to the Advantage of People?

*“Social cohesion is a necessity, and mankind has never yet succeeded in enforcing cohesion by merely rational arguments. Every community is exposed to two opposite dangers, ossification through too much discipline and reverence for tradition, on the one hand; on the other hand, dissolution, or subjection to foreign conquest, through the growth of an individualism and personal independence that makes co-operation impossible. In general, important civilizations start with a rigid and superstitious system, gradually relaxed, and leading, at a certain stage, to anarchy, thence, inevitably, to a new tyranny, producing a new synthesis secured by a new system of dogma. The doctrine of liberalism is an attempt to escape from this endless oscillation. The essence of liberalism is an attempt to secure a social order not based in irrational dogma, and insuring stability without involving more restraints than are necessary for the preservation of the community. Whether this attempt can succeed only the future can determine.”*

From the Introduction by Bertrand Russell (1946) to the first edition of *History of Western Philosophy* (p. 8)

## **Competition and Cohesion Bias**

The neoliberal political economic ideology has created a new set of values mainly based on increasing marketisation, privatisation, entrepreneurialism, consumerism and individualism. These values have emerged as a result of policies which support competitiveness. Competitiveness should ensure lasting economic development – especially under the pressures of globalisation – which then permits states to invest in policies that contribute to social cohesion. At the same time some degree of social cohesion is considered necessary for sustaining competitiveness. This trade-off epitomises the socio-political understanding which characterises the EU model of social regulation and differentiates it from those more primarily dependent on unbridled market forces and their supposedly built-in self-regulating mechanisms (Faludi 2006; Lisbon European Council 2000).<sup>86</sup>

This tension between economic competitiveness and social cohesion makes it difficult for decision makers to set common targets that would prioritise the needs of the urban communities. Moreover, an increasing number of actors who have a “say” in the governance mechanisms adds to the complexity of making a multilevel governance system function properly. That is why this Handbook proposes integrated urban development as an approach to ensure that within this complex system the needs and expectations of diverse groups can be satisfied with the help of participatory policy instruments. It provides a set of instruments that are currently used by different Member States, regions and local authorities to show how diverse participatory approaches are being experienced. They are usually initiated by different layers of the public sector and have common social cohesion targets.

According to the Fifth Cohesion Report (EC 2010) the aim of the Cohesion policy is “to promote harmonious development of the Union and its regions by reducing regional disparities” (Article 174 of the Treaty). Multilevel governance, in this respect, is an approach whereby the Union can reach out and fulfil the needs of diverse city regions, and is emphasised as a prerequisite for delivering the Europe 2020 objectives (EUROCITIES 2011). The five objectives of the Europe 2020 Strategy are *employment, innovation, education, social inclusion and climate/energy*, all to be reached by 2020. More specifically

these targets have been translated into quantitative objectives:

1. Employment: 75% of 20-64 year-olds to be employed;
2. R&D / innovation: 3% of the EU's GDP (public and private combined) to be invested in R&D/innovation;
3. Climate change & energy: greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990; 20% of energy from renewable; 20% increase in energy efficiency;
4. Education: reducing school drop-out rates to below 10%; at least 40% of 30-34-year-olds completing third level education;
5. Poverty & social exclusion: at least 20 million fewer people in or at risk of poverty and social exclusion.

They give an overall view of where the EU should be on key parameters by 2020. They are being translated into national targets so that each Member State can check its own progress towards these goals. They do not imply burden-sharing – they are common goals, to be pursued through a mix of national and EU action. They are interrelated and mutually reinforcing:

- Educational improvements help employability and reduce poverty;
- More R&D/innovation in the economy, combined with more efficient resources, makes us more competitive and creates jobs;
- Investing in cleaner technologies combats climate change while creating new business/job opportunities.

Within this framework the following question still needs to be answered: *can participatory multilevel governance principles that take the needs of the local communities as the top priority foster the realisation of the Europe 2020 Strategy by becoming part of this strategy?* The successful cases show that even the most well developed bottom-up approaches need top-down control mechanisms (and vice versa). The Handbook emphasises the need for using tailor-made instruments, and this can be made possible by a comprehensive analysis that helps one to understand the needs and capacities of society, that is, of its groups and citizens. Moreover, an inventory and analysis of existing instruments will help us to understand their capacity. An instrument that works perfectly in one policy context may completely fail in the other due to the different institutional and social cultures.

### Invitation for Action

In order to do justice to this complex context, traditional urban administrations and professionals need to adapt their way of working. This is one of the main reasons why the concept and practices of multilevel urban governance have become important. The question is how to manage urban complexity (acknowledging it as an asset) with a fragmented administrative apparatus; how, in other words, to organise a successful integrated approach. And, finally, how to turn economic competitiveness to the advantage of local communities? What will be the contribution of multilevel governance to this necessary change?

The cases presented in this book display only some of the existing multilevel governance instruments. However, they all point out that implementing a strategy in a complex institutional and organisational setting constitutes a great challenge. As Burgers and Vranken (2004) also emphasised, the major difficulty in organising “transverse” or “horizontal” cooperation between administrations and departments is the juxtaposition of different fields of interest, which creates tensions and confronta-



tions between various approaches, methods, procedures, professional cultures and organisations. That is why it is important that before launching a new instrument the policy maker's first step should be to ensure that he/she knows what the needs/expectations of the local community are. The priorities should be set at the very bottom of the governance layers (neighbourhood level). The common targets should be set around these priorities.

**Recommendations: How can one make agreements between different governance levels and follow common targets in an integrated and participatory way?**

Common targets link different levels of governance. In the development of common targets, the challenge is to balance the demands of an increasing number of groups that take part in different levels of decision-making and sustain economic competitiveness, social inclusion and participation to improve the physical and social quality of life. This Handbook suggests a number of principles for identifying the process of defining the common targets:

- 1) The process of developing common targets should be initiated at the local level (local communities at the neighbourhood level, civil society organisations, citizens) where people can express what they want and expect from their living environment (spatially, socially, and economically). National, regional and local authorities, then, should use these “expectations” while developing common policy targets at diverse levels. Common goals, clear targets and action plans should then be presented to the local level to see whether local needs are likely to be satisfied. This process should continue until the maximum satisfaction of the local community is achieved. This way of communication will help to reflect the expectations of local communities directly to the actual policies by integrating local needs and national scale responsibilities.
- 2) Bottom-up participation should be encouraged and promoted by regular awareness raising events and related activities organised at local government level on issues that matter to everyone (such as climate change, immigration, pollution, traffic).
- 3) Governance networks for cooperation between public and private sector actors should be organised in a more bottom-up manner and allow more flexibility at local levels to include the expectations of diverse local groups. A variety of tailor-made collaboration forms (such as social, spatial and economic neighbourhood projects; urban-level awareness raising projects) should be designed and encouraged at the local government level. Different levels of governance (like private sector actors, civil society organisations, neighbourhood organisations) can be mobilised around sectoral priority areas such as increasing economic competition and the competitive advantages of cities; climate change and combating environmental problems; poverty and social exclusion; and combating unemployment.
- 4) The spatial dimension of the priority areas should also be taken into account. Local interventions for sectoral priority areas and strategic plans at diverse spatial scales should be integrated by local governments using cross-cutting, tailor-made and participatory instruments that will lead to sustainable local actions.

Within this framework actors at different governance levels should make agreements to follow common targets. The difficulty is to define the policy priorities in a setting of potentially conflicting interests.

### Collaboration agreement (*Convenio de Colaboración*)<sup>87</sup>

The Collaboration agreement is an instrument that exists under Spanish law (Ley 30/1992 de Régimen Jurídico de las AAPP y del Procedimiento Administrativo Común) for the purpose of ensuring the closer and more effective implementation of projects or strategies at regional level. The Collaboration agreement is an Agreement between the General State Administration or one of its departments and the corresponding department of an autonomous community which agree to join forces to deliver a project.

### United Kingdom – Local Areas Agreements (LAAs)<sup>88</sup>

A Local Area Agreement (LAA) is a three-year agreement between partners and central government. It is designed to improve local services and increase economic prosperity for local people. The current set of 152 LAAs covers all local authority areas in England. Scotland and Wales use a variant of the model, called single outcome agreements in Scotland and outcome agreements in Wales.

### Italy – Framework Programme Agreement (*Accordo di Programma Quadro* – APQ)<sup>89</sup>

The Framework Programme Agreement (APQ) may be considered to be one of the most important instruments for the participation of the State and Regions in Italian regional development policies. An APQ is signed by the region in question, the Ministry of Economics and Finance and one or more central administrations, depending on the nature and the sector of intervention. The APQ's primary purpose is to co-ordinate the actions of the many public and private agents (vertically or functionally specialised) that are involved in the definition of territorial development policies in order to achieve greater consistency, quality and speed of intervention. (OECD 2007).

At this point it is important to recall the main idea behind the *integrated urban development approach*. It is a participatory urban policy approach based on bottom-up innovations that puts the basic needs of society first. This means that, no matter what, two main principles should be followed while defining the common targets:

1. “Needs of society” should be put first;
2. Citizens and their associations – the very bottom of the governance pyramid – should define priorities.

One of the problems is that the actual number and diversity of actors that take part in MLG is much more complex than models of governance present – they are always a simplification of reality. Five types of agencies that (should) have a “say” in contemporary MLG are:

1. The *public sector*, which includes organisations of the EU, national governments, regions, local governments and neighbourhood organisations;
2. The *semi-public sector*, which includes PPPs (i.e. urban development corporations) and infrastructure or service providers that have public and private partners;

3. The *private sector*, which includes firms and companies that operate at national (i.e. infrastructure providers), regional (i.e. regional infrastructure and regional development companies), city (i.e. urban development agencies) and individual (i.e. property development companies) levels of activity;
4. The *third sector*, which includes NGOs, civil society organisations, non-profit-making organisations, such as labour unions, mutual aid societies, cultural and ecological associations, neighbourhood committees;
5. And the *citizens* (urban residents who have expectations and needs of different scales and types).

Since the aim is to respond to the expectations/needs of society, the overall target of the citizens is to take an active part in defining the collective priorities of the community. The overall target of four other layers of governance (public sector, private sector, third sector and semi-public sector) is to provide services to increase the quality of the citizens' life as the top priority of policy-making. Although the idea is to prevent top-down policy-making, the possibly high number and variety of the priorities of diverse individuals and communities requires a "stage director" responsible for the coordination of the multilevel policy and the development of the contours of a strategic plan in order to achieve the common targets. The assignment of this stage director should be based upon a common decision of the relevant levels of the public sector (the nation state, the region, the local government). Priorities and targets should be defined through mobilising available/appropriate resources at the levels of semi-public, private and third sector layers of governance. In other words, the communication and coordination between the relevant top (national, regional or urban) and bottom (citizens/residents and communities) levels of governance will lead to the definition of common targets and the making of strategic plans, while the other layers (private, third and semi-public sectors) will be primarily responsible for the implementation of the plans and mobilisation of the financial resources (see the Healthy Neighbourhood case as an example of such a bottom-up from top-down collaboration model).

#### Healthy Neighbourhood (Netherlands)<sup>90</sup>

The goal of the Healthy Neighbourhood experiment is to **improve the health situation** in 40 deprived neighbourhoods (which are the target group for the broader Dutch neighbourhood policy) in the next ten years (end date 2017). It is meant to be an integral policy aiming at: **healthy participation**, **healthy citizens**, **healthy living environment** and **healthcare**.

**New ways of working together** among different layers of governance:

- **Public and semi-public sector:** national government, G4 (four big cities) municipalities, general practitioners, municipal health services, neighbourhood nurses, offices for mental health care and welfare and other local professionals;
- **Private sector:** health insurance companies, professional football clubs.

The **agreement** between national government, G4 and health insurance companies to reduce disadvantages in health in the cities that form the G4.

21 out of 36 Professional **football clubs** are engaged in activities to promote sports and physical

exercise in local neighbourhoods. The Dutch institute for **Sports and Physical exercise** supports municipalities with research and advises on local sports policy.

**Local pilot projects** to reduce infant mortality rates in deprived neighbourhoods and mental health problems among immigrant juveniles.

**Vertical as well as horizontal cooperation** took place in the implementation of the different projects. An example of vertical cooperation is the reintroduction of the neighbourhood nurse in which national government, municipalities, and organisations for homecare and primary care cooperated.

Managers of the G4's municipal health services meet monthly. These meetings are generally very efficient. There is no hierarchical setting, so mutual respect for the respective inputs is vital, as is understanding the necessity to deliver high quality and timely results. The G4's relationship is based on equality and each city has an equal contribution to the covenant.

Instruments like **group meetings, working group sessions, information sharing through newsletters and websites** all have been used to reach citizens and take in their wishes and ideas. In Rotterdam, "**social marketing**" is the leading principle.

Based on the experience in this case the following **recommendations** are made:

- Put together a **team** that can handle this multifaceted issue. The politicians responsible (ministers and/or aldermen) need to have a long-term vision and to adopt an integral approach. The project manager needs to ensure that the final goals of the projects are achieved. Therefore the manager must be able to operate on all levels (political, executive, scientific), to act as a liaison officer and to assess risks and chances (in policy and process);
- Specify on the neighbourhood level **what inhabitants, professionals and politicians see** as the most important problems. Define these problems and specify which human and financial resources are necessary for the project to tackle them successfully;
- Start the project, especially in the **most deprived neighbourhoods**, with actions that have a visible short-term effect; this will convince the target group of the benefits of the project;
- Support "**social entrepreneurs**" (or best persons) who operate as **natural leaders** and dare to go off the beaten track. Make them responsible for specific targets and provide them with the authority they need. Make sure their activities are embedded in the broader project.

#### Follow-up of the Handbook

This Handbook is only the first step in setting a general framework for multilevel governance. What is needed to have a real impact on the functioning of the MLG is a "How to..." handbook, which should be based on cases such as the ones presented in this book.

# Postscript

## The Handbook for Multilevel Urban Governance, a Significant Step towards a Common Method on a European Scale

A new consensus is arising throughout Europe about the evolution of urban policies in the 21st century. Following the recognition of the importance of sustainable development also on the local scale of cities and towns, and the growing awareness that the complexity of challenges cities are facing calls for integrated, multi-dimensional answers, a widespread understanding is now emerging about the responsibility of all levels of government for the future of our cities and the need for coordinated policies.

In the Toledo declaration drawn up under the Spanish presidency of the European Council (June 2010), the 27 Ministers of Urban Policy reaffirmed the conclusions of the Leipzig Charter, that multilevel policy is a prerequisite for the implementation of integrated urban development. Underlining their determination that the Leipzig Charter move beyond being a mere set of principles, they committed themselves to encouraging the strengthening of existing coordination instruments and the exploration and development of new methods for integrated multilevel policies.

After the approval of the Toledo declaration, Spain developed a “Progress Report” for the implementation of the proposed actions. The responsibility for action 5 “Promoting sustainable urban development and integrated approaches by re-enforcing and developing instruments to implement the Leipzig Charter at all levels” was given to Belgium in collaboration with the Trio-partners Spain and Hungary.

The choice of Multilevel Governance as the main urban theme of the Belgian presidency of the European Council was a direct response to this mission. At the same time the topic was also born out of the long experience of dealing with the different levels of the Belgian federal state. Competences for urban development in Belgium are spread over different policy levels (national, regional, provincial and local), which means that all governments and local authorities have a shared responsibility for the future of the cities.

Moreover, the decision to publish a Handbook for Multilevel Urban Governance as a concrete and visible result of the Belgian EU-presidency was inspired by another experience. The federal administration competent for urban development is also responsible for social integration and the fight against poverty. These matters are also the object of shared responsibilities, vertically on the different government scales and horizontally between various administrations. Our experience with the Social OMC (Open Method of Coordination) teaches us the benefits of a common method for Multilevel Governance.

The stages of the Open Method of Coordination are:

- The definition of common objectives;
- The development of common indicators;
- The preparation of multilevel strategies and action plans;
- The production of joint reports on the European level;
- Evaluation and mutual learning.

It is my conviction that these stages should also perform the process of Multilevel Urban Governance on a European scale. And, as for social issues like social inclusion and the fight against poverty, the objectives of the Europe 2020 Strategy are the key targets for achieving smarter, more sustainable and socially inclusive urban development.

The conclusions of the 5<sup>th</sup> Cohesion Report of the European Commission make a similar link between the Europe 2020 objectives and Multilevel Governance : “Europe faces a daunting task. It must exit from a deep crisis and reduce unemployment and poverty, while switching to a low-carbon economy. Such an ambitious task requires swift action on many fronts, which is why the European Council adopted the Europe 2020 Strategy. For Europe to succeed, European, national, regional and local levels all need to play their part.”

This plea for a common European method for Multilevel Urban Governance does not exclude a variety of instruments for multilevel cooperation on different scales, top down, bottom up or rather hybrid. This handbook offers a series of tools that can be applied by all actors involved in the Member States. Neither would I appeal for a tight and uniform approach. The institutional and cultural differences between the Member States make a tailor-made approach indispensable.

Given the multiplicity of publications and statements about the need for Multilevel Governance from the Commission, the Committee of the Regions, the OECD and many other European institutions and networks, I am optimistic about the chances of a European culture of Multilevel Governance being established. But to translate this new attitude into agreed procedures, we have to reach a consensus with the Member States, the Commission, the European Parliament and all deciding bodies. This is indeed not an easy task, yet it is crucial to achieve a sustainable and social future for our cities and citizens.

**Julien VAN GEERTSOM**

President of the Belgian Federal Public Service for Social Integration

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She has published extensively on topics like globalisation, entrepreneurial urban governance, multicultural cities, property market dynamics, property-led urban regeneration issues, and on the impact of European Single Market regulations on local networks of governance. Her recent work includes a co-edited volume on 'Contradictions of Neoliberal Planning: Cities, Policies, and Politics' (Taşan-Kok and Beaten, eds, Springer, 2011) and 'Resilience Thinking in Urban Planning' (Eraydin and Taşan-Kok, eds, Springer, forthcoming).

**Jan Vranken** (1944) is a fully active Emeritus Full Professor. He coordinated several European projects, amongst which two European Framework Projects on urban matters (UGIS and FACIT), and acted as independent expert in four Social Inclusion peer reviews. His 'national' projects cover a broad range of topics relating to poverty, exclusion, and urban studies.

Since 1992, he has been the chair of WEB – Work Experience Enterprises, a mix of social enterprises and vocational training projects – which employs over 300 people. He has chaired the Steering Group on Strategic Labour Market Policies (Flemish government) since 1994. Between 2004 and 2010, he was a member of the jury for the Flemish 'Intercity Renewal' projects. He was keynote speaker or chairperson at many international conferences and is invited to many experts' seminars related to his research fields. Recent participation at international meetings includes keynote speeches for the Chinese Academy of Social Sciences on multilevel governance and on poverty (Beijing, 2010), at the High Level Conference entitled 'Urban Sustainability and Integrated Urban Regeneration' (Madrid, 2010), and at several high level conferences during the Belgian Presidency of the EU. He is the main editor of the *Yearbook on Poverty and Social Exclusion (Jaarboek Armoede en Sociale Uitsluiting)*, the 20th edition of which will be published in 2011.

In 2005, he was awarded the prestigious national Franqui Chair by the Université Catholique de Louvain.

See [www.oases.be](http://www.oases.be) for a complete list of publications, research projects, and key functions in international meetings.



# Endnotes

- 1 Schmitter 2004, p. 49
- 2 Burgers and Vranken (eds.) 2004, p. 3. Urban development programmes have developed throughout the 1980s and 1990s into a series of more targeted and selective programmes. Some examples are: the Dutch Grottestedenbeleid (1994-2009); the French Politique de la Ville (running since the 1970s), Politique de la Ville et Contrat de Ville and Politique Territorialisée de Développement Solidaire et de Renouveau Urbain (1998); the German Benachteiligte Stadtgebiete (1993) and Soziale Stadt (since 1999); the Danish Urban Committee Initiative (1994), the Urban Area Improvement Programme (1996) and Kvarterløft (1997-2007); in Belgium, the Flemish Vlaams Fonds voor de Integratie van Kansarmen (VFIK) (1992) and Sociaal Impulsfonds (SIF, 1996-2002) and the Belgian federal Grootstedenbeleid (2000-): Contratti di quartiere (Neighbourhood Contracts, 1997), Programmi di recupero urbano e di sviluppo sostenibile (Urban Regeneration and Sustainable Development Programmes, 1998) and the Contratti di quartiere II (2002); and at the European Union level, the URBAN Community Initiative Programme that started in 1994. For England, we mention the 'New Deal for Communities' (NDC), which took off in 1998 for an intended ten years (Vranken, J. (2009) Peer Review The City Strategy for tackling unemployment and child poverty, United Kingdom).
- 3 Urban development refers to the demographic, social and economic development of cities, which leads to spatial expansion and change.
- 4 EU 2011.
- 5 [http://ec.europa.eu/regional\\_policy/urban2/pdf/112004\\_rotterdam\\_conclusion.pdf](http://ec.europa.eu/regional_policy/urban2/pdf/112004_rotterdam_conclusion.pdf)
- 6 [http://www.rfsustainablecities.eu/IMG/pdf/Bristol\\_accord\\_cle55c32d.pdf](http://www.rfsustainablecities.eu/IMG/pdf/Bristol_accord_cle55c32d.pdf)
- 7 [http://www.rfsustainablecities.eu/rubrique.php3?id\\_rubrique=107](http://www.rfsustainablecities.eu/rubrique.php3?id_rubrique=107)
- 8 [http://www.rfsustainablecities.eu/rubrique.php3?id\\_rubrique=108](http://www.rfsustainablecities.eu/rubrique.php3?id_rubrique=108)
- 9 [http://www.rfsustainablecities.eu/rubrique.php3?id\\_rubrique=138](http://www.rfsustainablecities.eu/rubrique.php3?id_rubrique=138)
- 10 [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)
- 11 CoR 2010.
- 12 EUROCITIES 2011.
- 13 See Moulaert et al. 2007.
- 14 Integration is 'a permanent but constantly changing process involving the social construction of geographies through which social relations are formed, contested and transformed' (Dictionary of Human Geography, p. 401).
- 15 EC 2009.
- 16 Spatial levels for a place-based approach were introduced by the Barca report in 2009.
- 17 Kokx 2010.
- 18 Kokx 2010.
- 19 EC 2010.
- 20 Kokx 2010.
- 21 Participatory instruments refer to the legal policy means (like regulations, plans, strategic documents, legacies, projects) that are designed to initiate and motivate the participation of diverse public and private sector agencies, groups, communities, and citizens in the policy's development and implementation.
- 22 Policy-makers, planners, mayors, decision-makers, municipal commission members, NGOs, civil society organisations, neighbourhood committees, and urban residents.
- 23 See Le Gales 1998; 2001; Taşan-Kok 2010.
- 24 OECD 2009.
- 25 [www.unescap.org](http://www.unescap.org)
- 26 Swyngedouw 2005.
- 27 Subsidiarity means that a central authority (nation state, region, etc) should perform only the tasks that cannot be performed effectively at a more immediate or local level. This principle was established in EU Law by the Treaty of Maastricht, which was signed on 7 February

- 1992 and entered into force on 1 November 1993. Under the principle of subsidiarity the EU may only act where the action of individual countries is insufficient.
- 28 Taşan-Kok 2010.
  - 29 Moulaert 2000, p. 135.
  - 30 “A set of interrelated projects on a local level to be implemented within a certain period of time within a certain area. The projects may be focused on physical measures, such as demolishing and rebuilding parts of the housing stock, or on social and economic targets, such as decreasing unemployment. They may also be a combination of physical, social, economic and cultural initiatives, and they usually are” (Burgers and Vranken 2004, p. 3).
  - 31 Moulaert et al. 2001.
  - 32 Melo & Baiocchi 2006, p. 593.
  - 33 Swyngedouw et al. 2002, p. 209.
  - 34 COM 2006, 385 final.
  - 35 JESSICA, Joint European Support for Sustainable Investment in City Areas, is an initiative of the Commission in cooperation with the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB), in order to promote sustainable investment, and growth and jobs, in Europe’s urban areas.
  - 36 Committee of Regions (<http://portal.cor.europa.eu/europe2020/news/Pages/TPToolsand-models.aspx>)
  - 37 Burgers and Vranken 2004.
  - 38 These also act at higher levels (region).
  - 39 MEMO/10/687, Brussels, 16 December 2010, Poverty and Social Exclusion in the EU: state of play and next steps.
  - 40 <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1729&format=HTML&aged=0&language=EN>
  - 41 Ibid.
  - 42 Ibid.
  - 43 For a guide on local action plans see The URBACT II Local Support Group Toolkit ([www.urbact.eu](http://urbact.eu)).
  - 44 See the example URBACT projects at [http://urbact.eu/fileadmin/corporate/doc/.../urbact\\_lo-](http://urbact.eu/fileadmin/corporate/doc/.../urbact_local_action_plans.ppt)
  - cal\_action\_plans.ppt
  - 45 Vranken 2010.
  - 46 See an example from the USA on Developing a Local Action Plan with Stakeholder Engagement at [http://www.climatemanual.org/Cities/downloads/CPM\\_Chapter5\\_LocalActionPlan.pdf](http://www.climatemanual.org/Cities/downloads/CPM_Chapter5_LocalActionPlan.pdf)
  - 47 Examples of this wide scale of projects can be seen at <http://www.cityofsydney.nsw.gov.au/development/documents/LocalActionPlans/LocalActionbooklet.pdf>
  - 48 URBACT II OPERATIONAL PROGRAMME (2007-2013), see at [http://urbact.eu/fileadmin/Documents/UII\\_-\\_Them\\_experts\\_-\\_Call4applicants\\_041207.pdf](http://urbact.eu/fileadmin/Documents/UII_-_Them_experts_-_Call4applicants_041207.pdf)
  - 49 URBAMECO is a thematic partnership network of 9 Cities and their Managing Authorities from the Convergence area (Constanta, RU; Lodz, PL; Wroclaw, PL; Nea Iona GR; and Tatabanya HU) and competitiveness area (Birmingham, UK; Arnhem, NL; Göteborg, SW; and Greater Lyon, FR).
  - 50 Committee of Regions(<http://portal.cor.europa.eu/europe2020/news/Pages/TPToolsand-models.aspx>)
  - 51 Committee of Regions(<http://portal.cor.europa.eu/europe2020/news/Pages/TPToolsand-models.aspx>)
  - 52 <http://www.eurofound.europa.eu/eiro/1997/04/feature/itg704203f.htm>
  - 53 Ibid.
  - 54 Ibid.
  - 55 <http://www.flandersinaction.be/nlapps/docs/default.asp?fid=206>
  - 56 <http://www.eutrio.be/belgium/flanders/flanders-europe/flanders-action/flanders-action>
  - 57 <http://www.interact-eu.net/downloads/39/CoR%2520EGTC%2520Study.pdf>
  - 58 <http://portal.cor.europa.eu/egtc/en-US/news/Pages/ABA%C3%9AJ-ABA%C3%9AJBANHun.aspx>
  - 59 <http://www.interact-eu.net/downloads/39/CoR%2520EGTC%2520Study.pdf>
  - 60 Extra case studies on LSPs can be seen at [58 - Handbook for Multilevel Urban Governance in Europe](http://www.audit-commission.gov.uk/SiteCollection-</a></li>
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- Documents/AuditCommissionReports/National Studies/20042009lspblackburn.pdf
- 61 [http://ec.europa.eu/regional\\_policy/consultation/5cr/pdf/answers/other/urbact\\_experts\\_2011\\_01\\_31.pdf](http://ec.europa.eu/regional_policy/consultation/5cr/pdf/answers/other/urbact_experts_2011_01_31.pdf)
- 62 Ibid.
- 63 See for detailed information <http://www.lsp.eastriding.gov.uk/ccm/navigation/home/>
- 64 <http://www.lsp.eastriding.gov.uk/ccm/navigation/home/>
- 65 <http://www.lsp.eastriding.gov.uk/ccm/navigation/category.jsp?categoryID=21448>
- 66 <http://urbact.eu/footer/documentation/projects-documents/local-support-groups.html>
- 67 See the detailed information at <http://urbact.eu/en/projects/disadvantaged-neighbourhoods/conet/homepage/>
- 68 <http://www.leedscityregion.gov.uk/LEP.htm>
- 69 <http://www.leedscityregion.gov.uk/LEP.htm>
- 70 <http://www.leedscityregion.gov.uk/LEP.htm>
- 71 <http://www.leedscityregion.gov.uk/LEP.htm>
- 72 OECD 2005, p. 75.
- 73 OECD 2005, p. 75.
- 74 OECD 2005, p. 75.
- 75 Pays mean 'rural district' in old French but in the contemporary language it refers to a 'county'.
- 76 Committee of Regions (<http://portal.cor.europa.eu/europe2020/news/Pages/TPToolsandmodels.aspx>).
- 77 <http://www.iep.univ-cezanne.fr/media/The-slow-emergence.pdf>
- 78 Loughlin 2008.
- 79 Loughlin 2008.
- 80 Loughlin 2008.
- 81 OECD 2005.
- 82 Part of this information is based on cases provided by EUKN and part on the OECD 2009.
- 83 Case provided by EUKN.
- 84 For more on the UK City Strategy for tackling unemployment and child poverty see the peer review (Vranken 2009).
- 85 Vranken 2009.
- 86 Maloutas, Raco and Taşan-Kok 2008.
- 87 Committee of Regions (<http://portal.cor.europa.eu/europe2020/news/Pages/TPToolsandmodels.aspx>).
- 88 Committee of Regions (<http://portal.cor.europa.eu/europe2020/news/Pages/TPToolsandmodels.aspx>).
- 89 Committee of Regions (<http://portal.cor.europa.eu/europe2020/news/Pages/TPToolsandmodels.aspx>).
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# Appendices

## Appendix 1. List of EGTCs that are already in place

Name	Partners	Constitution
Abaúj-Abaújban	Hungary and Slovakia	2010/06
Amphictyony	Greece, Cyprus, Italy and France	2008/12
Archimed	Italy, Spain and Cyprus	2009/07
Cerdanya Cross-Border Hospital	Spain and France	2010/04
Duero-Douro	Portugal and Spain	2009/03
Eurodistrict Saar Moselle	France and Germany	2010/05
Eurodistrict Strasbourg – Ortenau	France and Germany	2010/02
Euroregion Pyrénées-Méditerranée	Spain and France	2009/08
Galicia-Norte Portugal	Portugal and Spain	2008/10
GECT- INTERREG – Programme Grande Région	France, Germany, Belgium and Luxembourg	2010/04
Ister-Granum	Hungary and the Slovak Republic	2008/11
Karst-Bodva	Hungary and the Slovak Republic	2009/02
Lille-Kortrijk-Tournai	France and Belgium	2008/01
West-Vlaanderen/Flandre-Dunkerque-Côte d’Opale	Belgium and France	2009/04
UTTS	Hungary and Slovak Republic	2009/01
ZASNET	Portugal and Spain	2010/03

Source: <http://portal.cor.europa.eu/egtc/en-US/Projects/already/Pages/welcome.aspx>

## Appendix 2. List of the 44 projects in CoNet

Project	Thematic	Lead partner	Stage
Active A.G.E.	Active inclusion	Municipality of Rome – Local Development, Training and Employment Policies Department	Implementation Phase
Bring Up	Quality sustainable living	Communauté urbaine de Dunkerque	Development Phase
Building Healthy Communities (BHC)	Quality sustainable living	City of Torino	Implementation Phase
CASH	Low carbon urban environments	City of Echirolles, France	Development Phase
CityRegion.Net	Metropolitan governance	City of Graz, Austria	Implementation Phase
Common Sense	Metropolitan governance	The Province of Gelderland, Netherlands	Development Phase
CoNet	Disadvantaged neighbourhoods	Berlin	Implementation Phase
Creative Clusters	Innovation & creativity	Municipality of Óbidos (PT)	Implementation Phase
CTUR	Port cities	Gaetano Mollura	Implementation Phase
Egtc	Metropolitan governance	Mission Opérationnelle Transfrontalière	End of the project
ESIMEC	Human capital & entrepreneurship	Basingstoke and Deane Borough Council	Implementation Phase
EVUE	Low carbon urban environments	Matthew Noon	Implementation Phase
FIN-URB-ACT	Human capital & entrepreneurship	City of Aachen	Implementation Phase
HERO	Cultural heritage & city development	City of Regensburg, Germany	Implementation Phase
Historiccentres Net	Cultural heritage & city development	Municipality of Faenza	Development Phase
HOPUS	Quality sustainable living	CITERA – Faculty of Architecture “Valle Giulia”	End of the project
InteGROW	Active inclusion	Consortium Red Local	Development Phase
JESSICA 4 Cities	Disadvantaged neighbourhoods	Regione Toscana	End of the project
Joining Forces	Metropolitan governance	Agence de développement et d’urbanisme de Lille Métropole	End of the project
LCFacil	Disadvantaged neighbourhoods	City of Leipzig	Implementation Phase
LINKS	Cultural heritage & city development	City of BAYONNE	Implementation Phase
LUMASEC	Metropolitan governance	Karlsruhe Institute of Technology (KIT), previously University Karlsruhe	End of the project
MILE	Active inclusion	City of Venice	End of the project
My Generation	Active inclusion	City of Rotterdam	Implementation Phase
Net-TOPIC	Metropolitan governance	L’Hospitalet de Llobregat	Implementation Phase

Project	Thematic	Lead partner	Stage
NODUS	Metropolitan governance	Generalitat de Catalunya – Departament de Política Territorial i Obres Públiques	End of the project
OP-ACT	Active inclusion	City of Leoben	Development Phase
Open Cities	Human capital & entrepreneurship	Belfast City Council	Implementation Phase
REDIS	Innovation & creativity	City of Magdeburg, Dr. Klaus Puchta	Implementation Phase
Reg Gov	Disadvantaged neighbourhoods	City of Duisburg	Implementation Phase
REPAIR	Cultural heritage & city development	Medway Council	Implementation Phase
Roma-Net	Active inclusion	Municipality of Budapest	Implementation Phase
RunUp	Innovation & creativity	Gateshead Council	Implementation Phase
Sha.Ke	Disadvantaged neighbourhoods	Iuav University of Venice	Development Phase
Suite	Quality sustainable living	Concello de Santiago de Compostela (City Council)	Implementation Phase
SURE	Disadvantaged neighbourhoods	Municipality of Eger	Development Phase
Together	Quality sustainable living	City of Mulhouse / Monica PETROVICI	Implementation Phase
UNIC	Innovation & creativity	City of Limoges	Implementation Phase
URBAMECO	Human capital & entrepreneurship	Grand Lyon	End of the project
Urban N.O.S.E.	Human capital & entrepreneurship	Municipality of Gela	Implementation Phase
URBENERGY	Low carbon urban environments	City of Avrig	Development Phase
UrSEnE	Low carbon urban environments	Technical University of Civil Engineering Bucharest	Development Phase
WEED	Human capital & entrepreneurship	Municipality of Celje	Implementation Phase

Source: <http://urbact.eu/en/header-main/our-projects/list-of-the-projects/>