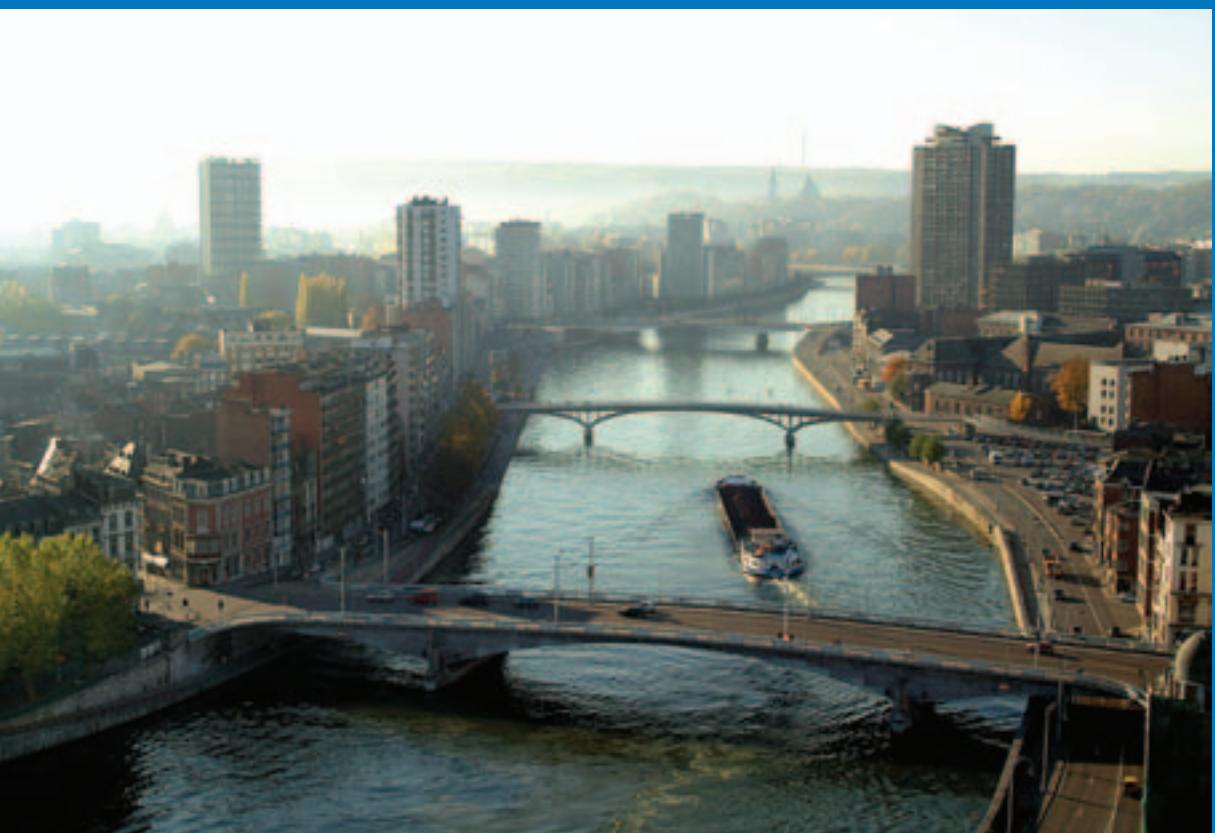


Multilevel Urban Governance or the Art of Working Together

Methods, Instruments and Practices



Mart Grisel & Frans van de Waart (eds)

Commissioned by the Belgian Presidency of the Council of the European Union – Federal Public Service for Social Integration

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Foreword

Following the choice of “urban regeneration” as the central theme of the Spanish Presidency of the European Council in the first half of 2010, it was for Belgium to define a subject in the field of urban policy. As a federal country with different policy levels, we decided to focus during our presidency on the process of Multilevel Urban Governance. In Belgium, urban policy is indeed a shared responsibility of the federal state, the regions and the local authorities.

The inclusion of each level of governance in the development of our cities was already one of the key ideas of the German Presidency (2007), resulting in the Leipzig Charter for Sustainable European Cities. The Declaration of Toledo (Spanish presidency), agreed by the 27 European Ministers responsible for urban policy, encouraged the further development of instruments to implement this multilevel approach.

In order to exchange experiences and to investigate new methods of providing integrated and sustainable urban policies, based on the coordinated involvement of different levels of government, about 200 actors in the field of urban development from all over Europe came together on 2 December 2010 in the city of Liège for the “Multilevel Urban Governance Conference” of the Belgian Presidency.

During the conference, 15 “good practices” based on a multilevel approach from different European cities and regions were presented in five thematic workshops (climate policy, neighbourhood development, strategic planning, employment and social inclusion). Instead of sending the usual report of the conference to the participants, we decided to produce two publications: 1. A practical Handbook for Multilevel Urban Governance with a description of the different methods and instruments that can be used by actors at all levels involved in urban policy. 2. A publication with an analytical description of the cases put forward at the Liège conference.

It was at the meeting of the Directors-General responsible for urban policy on 14 December 2010 in Ghent, that the need for the exchange of concrete multilevel practices became apparent. I would like to express my gratitude to the European Urban Knowledge Network (EUKN) for this attractive publication and particularly the editor Frans van de Waart and the director of EUKN, Mart Grisel.

I do hope that the cases put forward in this publication will inspire you in the design of urban projects and programmes which involve all relevant authorities and stakeholders.

Michel DAERDEN
Minister of Urban Policy
Belgian Federal Government

Introduction

Mart Grisel and Frans van de Waart

In the past few years multilevel governance has been a much discussed topic, not only in academic debates but also in the European political arena. The “Multilevel Urban Governance Conference”, organised under the Belgian Presidency of the European Council on 2 December 2010, was a good example of the importance of this topic, and the right timing. The conference focused on new methods for realising an integrated urban development strategy on all levels of government. Fifteen case studies from all over Europe were presented and discussed within the context of multilevel governance (MLG). The cases dealt with projects and programmes in the fields of climate policy, integrated neighbourhood development, urban coproduction in strategic planning and products, employment policy, and social inclusion and poverty reduction.

As part of the agenda of the Belgian EU presidency – and its legacy – EUKN has been asked to publish the results of the Conference and to provide a theoretical perspective for the analysis of the cases presented there. This publication analyses ten of the fifteen cases presented at the conference and includes one additional case study. The choice of the ten conference cases is a pragmatic one and is based on the accessibility of relevant material and the availability of those involved in the projects for interviews and questionnaires. The extra case of Cyprus was offered by the EUKN’s national focal point in Cyprus. Apart from the added value of the contents of this particular case, its inclusion helps to balance the geographical diversity of the case studies treated in this publication.

In addition to the EUKN publication the Belgian Presidency has also commissioned the publication of a Handbook for Multilevel Urban Governance in Europe, which analyses targeted instruments for integrated urban development. The EUKN publication and the Handbook are complementary, in that the EUKN publication focuses on specific case studies, urban development and trends in European policy making, while the main focus of the Handbook is on specific instruments and tools.

“Multilevel Urban Governance” as a Central Theme of the Belgian Presidency

The Liège Conference was one of the manifestations of a broader focus on multilevel urban governance by the Belgian presidency. The range of ideas originating from Europe 2020, the Leipzig Charter and the Toledo Declaration led the Belgian agenda. Each of these key documents has its own specific angle from which the concept of multilevel governance has been approached: Europe 2020 focuses on targets for smart, sustainable and inclusive growth; the Leipzig Charter for Sustainable European Cities calls for a new sense of responsibility for integrated urban development policy with a special focus on deprived urban areas, and the Toledo Declaration seeks the reinforcement of existing instruments and the development of new instruments for integrated and sustainable urban policies at all levels of governance.

The Trio Presidency of Spain, Belgium and Hungary (2010-2011) have jointly asked member states to cooperate with the European Commission to facilitate the political process described in these three documents. Member states and the Commission were requested to:

- Develop new instruments for urban multilevel coordination;

- Translate cooperation into national policies with specific actions;
- Ensure a participative bottom-up approach;
- Monitor national policies and actions on a European scale;
- Add a horizontal dimension for urban multilevel coordination via mutual learning and knowledge sharing;
- Implement the multilevel approach in the guidelines and programmes of the ESF and Cohesion funds.

Furthermore this Trio Presidency proposed a four step approach to realising multilevel urban governance. Multilevel urban governance must respond to the need:

- For integrated urban policies on all levels of government;
- For a unified European approach facing common challenges;
- To develop integrated strategies with common perspectives, goals and targets;
- To develop a common method with a coherent set of instruments.

Stimulating Learning, Awareness and Discussion

This publication does not aspire to develop new instruments, tools or mechanisms. In line with the call of the Belgian Presidency the responsibility for putting multilevel urban governance into practice primarily lies with the member states, in close cooperation with the European Union. Obviously the cooperation and involvement of players at all levels is needed for the successful implementation of instruments and a change in approach or even attitude. The lessons learnt from the case studies can help to bridge differences in perception between and within levels of government.

It is our intention that this publication will be used as a reference framework by politicians, policy-makers, practitioners and non-governmental actors across Europe: a reference framework which provides practical tools for running projects and programmes, as well as more governance-related lessons and experiences. What we hope to achieve is to enable policymakers to learn from the experiences of others, to raise awareness among politicians at all levels of the developments in urban policy on a national and European level and to contribute to an open-minded and constructive debate on urban policy from a MLG viewpoint.

In this last regard the topic of the urban dimension of cohesion policy springs to mind. The design of the new cohesion policy is of utmost importance for cities and urban areas across Europe. Following an approach starting from a theoretical perspective, building on concrete cases and focusing on obstacles and stimuli encountered in practice, this publication provides valuable information for discussion between all parties involved. Moreover, the issue of the urban dimension in cohesion policy is a key topic of the Polish Presidency of the European Council in the second half of 2011. EUKN will address this topic too in a separate publication which is to be published before the end of 2011.

The Need for a Participatory MLG Approach

In recent documents relating to MLG, e.g. the key political documents referred to and the White Paper on Multilevel Governance by the Committee of the Regions, measures have been proposed regarding existing structures and mechanisms in European decision making. Most of these measures are proposed on the basis of general political and administrative arguments and wishes. This could

be labelled a “deductive” or “normative” approach. We will use a different angle and aim to formulate general proposals on the basis of an analysis of the cases presented during the Multilevel Urban Conference. This approach could be characterised as “inductive” or bottom-up. It is our strong belief that such a bottom-up approach is both complementary and necessary. Complementary to the proposals by leading parties in European politics, and necessary to balance wishes on a European level and needs on a local and urban level.

The purpose of this publication is to deliver a practical contribution to the development of instruments and methods for MLG, based on cases which demonstrate the need for structured and democratic cooperation between the different players concerned. It is our intention to describe how the concept of “multilevel urban governance” can be used to produce urban policies in cooperation between different levels of government, ranging from the European to the local level, in partnership and without any imposed hierarchy. MLG has to be based on efficient tools and mechanisms, but has also to do with a “state of mind”, an “attitude” and an “awareness”. For this interpretation of MLG to be efficient, it has to be practised by all actors on all levels, in both vertical and horizontal cooperation. The first chapter discusses the concept of MLG in detail.

An Overview of MLG in a European Context as a Framework for Interpreting the Cases

A sound analytical framework is required for the coherent and meaningful interpretation of the cases. Therefore, this publication starts with four short chapters dealing with the current debate on the concept of MLG (Chapter 1), urban development and European forms of MLG (Chapter 2), differences in governance between and within member states (Chapter 3) and urban development and urban policies (Chapter 4). The first two chapters are written by Simon Güntner; the latter two by Iván Tosics.

The four theoretical chapters actually serve two purposes. First, they form the basis for an analytical framework consisting of a number of critical factors that influence the chances for success (or failure) of multilevel urban governance. Second, these chapters are important in their own right. The first two chapters provide an analysis of the development over time of the position of cities in European governance, especially in relation to cohesion policy. They describe the actual influence cities have had on decisions that concerned them on a European level. This analysis on a European level is complementary to the analysis in the case studies which focuses more on the position of cities within the member states and only to a lesser degree on the position of cities on a European level.

Where the first two chapters concentrate on the European level, chapters 3 and 4 delve into urban reality on the national, regional and local levels. From the viewpoints of both governance and urban development, differences between and within member states are scrutinised. Together with chapters 1 and 2, which cover the European level, they lead to an overall picture of how things stand for cities in today’s Europe.

Case Studies: Actor Analysis, “Case Passport” and “MLG Urban Profile”

The cases studies in this publication focus on the actors involved and their roles in the projects analysed. The information was provided by experts involved in the different projects on the basis of a

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tailor-made template and interviews going into the details of the key obstacles and stimuli. To facilitate an understanding of the projects and programmes and the background against which they were carried out, each case study features a “case passport” and an “urban MLG profile”. The case passport provides the basic information (e.g. issue, duration, budget), whereas the urban MLG profile depicts the political background (e.g. political system, government levels involved, financial relationships between government levels, spatial planning systems). The case passport and the urban MLG profile will be discussed in detail in chapter 5.

Mutual Learning

The research results from the case studies will be interpreted on the basis of the analytical framework: the urban MLG profile. The governance-related observations based on the case study analyses (e.g. on the division of governmental roles, the role of funding, relationships between different levels of government and actors involved) and observations on more practical matters (on the management, monitoring and evaluation of programmes) are described in the conclusions. These conclusions far from terminate the debate on multilevel governance. On the contrary, the debate initiated under the Belgian Presidency has shown that multilevel governance matters. And that it leads to lively discussions. EUKN wants to facilitate these discussions and has opened a section for them on its website on multilevel governance (www.eukn.org/dossiers/mlg). We hope that the joint publication of the Handbook and the case studies will lead to a fruitful exchange of knowledge and experience with regard to MLG.

This publication itself would not have been possible without multilevel cooperation between many different actors across Europe. We would like to thank the Belgian Presidency for commissioning EUKN to publish the outcomes of the Multilevel Urban Governance Conference in Liège in December 2010. We also thank Julien van Geertson, the chair at the Federal Public Service for Social Integration Policy, and Rik Baeten, the Head of the Unit Urban Policy, who represented the Belgian EU Presidency, for their continuing support and inspiring feedback. We are grateful for the valuable input from the “MLG Think Tank”, which consisted of representatives from leading organisations in the European political arena. A word of gratitude must also go to the Association of Netherlands Municipalities (VNG) for its cooperation with the Secretariat of the European Urban Knowledge Network (EUKN) by seconding Frans van de Waart to the EUKN staff for the duration of this project. Finally we are indebted to the contact people for the eleven cases, who provided us with detailed information for the case studies.

The European Union is a complex entity: policy-making is dispersed across a broad range of actors, including politicians, officers, policy networks, interest groups, and in some cases also the wider public, acting at local, regional, national and European levels; and sometimes it is even difficult to locate them. If we look closely at specific policy areas, we will find particular constellations of organisations and institutions working together to regulate or develop a sector or matter of concern for them. We will also find that these groups have a specific way of cooperating and arranging their business. Commonly, cooperation between groups to achieve a common goal is referred to as *governance*. If, as in the case of the EU, the actors involved are located at different levels of government, we speak about *multilevel governance* (or MLG).

In this chapter, we introduce these concepts and offer some ideas on how to make sense of them. It is worthwhile to reflect on the various forms of governance, not least because the rules of the game – who is involved? how do they interact? – have a significant impact on the laws, regulations, programmes and policies that result from it.

Governance – The Art of Working Together

The term “governance” can be traced back to the ancient world, when the classical Greek “kybernan” and later the Latin “gubernare” referred to steering a boat through the water, but also, metaphorically, to governing public affairs. In recent debates, this concept has gained prominence in discussions about how the state, but also organisations and companies, projects, and even the self, are managed or controlled. With regard to public affairs, we can distinguish two competing interpretations of the term. The first sees governance as something new which has emerged only in recent years and replaces older concepts of state action. Under the heading “from government to governance”, it describes new forms of cooperation between public authorities and other actors (e.g. Rhodes 1997). In this view, partnerships are seen as a necessary element in reforming the public sector to become responsive to the demands of the network society. An important practical question arises from this debate: how can the public sector – which is used to acting by means of order and command, hierarchy and bureaucracy – become more flexible and see itself as a partner and communicator?

A second perspective uses the term governance in a more neutral, analytical way, as an umbrella term which comprises various styles of coordinating action or “modes of governance”: command, competition, cooperation, negotiation and others (e.g. Mayntz 2003). The idea is that actors or organisations (no matter whether public or private) can act together in many ways, and that in real life we will always find combinations of these, particularly when we include in our observation not merely formal but also informal relations. Hence, in this view, a partnership does not represent a specific type of governance, but the partners will be bound together by various formal (contracts, orders) and informal (mutual trust, common interest) ties that can be strong or weak and change over time.

In the context of this study the second approach is more helpful. It does not prescribe one mode of governance as being better than another, but shows an empirical interest in understanding how interaction takes place and which outcomes it produces.

Modes of Governance

The coordination of activities between actors can be achieved through many means. In very bold terms, **market** and **state** are two distinctly different modes of governance, the former characterised by exchange and competition, the latter by command and control. Often, networks are described as a third mode, held together by mutual trust and interests, and a range of other, hybrid forms can be thought of.

If we look at constellations in which a public body is involved, and if we are interested in identifying how it acts, our attention will turn to policy instruments. Policy instruments are devices by means of which the relations between the policy-maker and the addressees of a policy are structured. The policy-maker will always have some discretion in deciding what this instrument looks like: regulating, taxing, contracting, campaigning etc. And the decision about a particular means is in itself a powerful exercise with far-reaching implications (Kassim/Le Galès 2011, p. 5); some refer to this as “meta-governance” (Jessop 2004). Recent studies on various EU policies (e.g. environmental and agricultural) have shown that the choice of instrument itself has a huge impact on how the field is structured, and hence on the outcome of a policy. Unintended side-effects can even arise if, for instance, onerous bureaucratic burdens or conditionality rules for the implementation of a policy result from such a decision and exclude certain players (*ibid.*, p. 12). The partnership principle in EU regional policy, to give an example, can have very different implications depending on the context of its application: it can reduce or reinforce hierarchies, it can open or close the gates to new actors (*ibid.*, p. 11; Bache 2010).

A common approach to systematizing the various modes of governance is to look at how far the state intervenes in an area – by mapping the “relationship between state intervention and societal autonomy” (Treib et al. 2007, p. 5). In a recent attempt to summarise the debate, Treib et al. identified nine categories that can help to structure our observations:

- “Legal bindingness” versus soft law;
- Rigid versus flexible approach to implementation;
- Presence versus absence of sanctions;
- Material versus procedural regulation;
- Fixed versus malleable norms;
- Only public actors involved versus only private actors involved;
- Hierarchy versus market;
- Central locus of authority versus dispersed loci of authority;
- Institutionalised versus non-institutionalised interactions” (Treib et al. 2007: p. 5ff).

Each policy area will be characterised by a distinct mix of factors in all these categories. At the same time, across states, typical patterns (at national or subnational level) have emerged relating to regional political culture and the societal context.

With regard to governing urban development, a whole range of policy instruments comes into view: tax regimes and financial instruments to stimulate local investment, planning regulations, develop-

ment programmes that offer subsidies for particular activities and investments, mechanisms for public participation. These instruments are allocated at various levels of government and in different departments, which makes the situation very complex; at times, the instruments can even contradict each other. This is one reason why, in recent years, an integrated approach to urban development has been demanded.

Multilevel Governance

When addressing the issue of multilevel governance, we are concerned about ways of coordinating activity between and across levels of government. In the EU, the various sub-national (local, regional) levels, member states and the EU institutions come to mind. A structural aspect to address is at which of these levels authority is allocated: Where does the power to decide and enforce policies lie? The subsidiarity principle, which states that power should always be with the level closest to the matter of concern, is a key organizing principle of the EU system. Article 5 of the Lisbon Treaty says:

Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.

Interested in the allocation of authority, a good many of the studies on EU governance look at the ways in which the EU Institutions interact with member states. Again, Treib et al. (2007) have suggested a very useful systematisation of this area of research, based on four ideal-typical modes:

- **Coercion:** “binding legal instruments prescribing detailed and fixed standards that leave little leeway in implementation” (Treib et al. 2007, p. 14).
- **Voluntarism:** “non-binding instruments” which merely define “broad goals that member states may specify in implementation” (*ibid.*, p. 14).
- **Targeting:** “non-binding recommendations” that “are more detailed and thus leave less room for manoeuvre for specification at the implementation stage than is true in the case of voluntarism” (*ibid.*, p. 15).
- **Framework regulations:** “binding law”, but offering “member states more leeway in implementation” than coercion (*ibid.*, p. 15).

European integration has, however, not only led to a reallocation of power between levels and various instruments to control these relations. There are also a growing number of arenas in which jurisdictions overlap and where a whole range of actors across these levels work together to fulfil a certain task or produce a specific service. This is where we see the emergence of partnerships and networks, alliances and functional associations. The way they work together can be flexible and experimental and will (ideally) be designed to achieve best performance. Examples are manifold, from controlling water quality to deciding on software standards, organising regional public transport or rubbish collection (Hooghe/Marks 2003, p. 237).

Hooghe and Marks (2003), in their seminal account, classified these two distinct variations of multilevel governance as Type I and Type II. They compare Type I, the “dispersion of authority to general-purpose, nonintersecting, and durable jurisdictions”, with a set of Russian dolls, one within the

other, whilst Type II “conceives of task-specific, intersecting, and flexible jurisdictions” (*ibid.*, p. 233).

With regard to urban development, both types of MLG need to be considered. We have to understand which powers lie with local authorities and municipalities and if these bodies are equipped with the necessary resources and instruments to carry out their tasks. But we also need to understand how actors work together across levels to deliver a local service or to regenerate an urban area. Finally, it is important to grasp the relationship between the formal allocation of powers and resources on the one hand and the objectives and instruments of specific (multilevel) urban policies on the other.

(Re-)scaling

The debate about multilevel governance coincides with increased attention being paid to questions about scale in state theory and in social science (the so-called “scalar turn”). Scholars interested in “new state spaces” (the title of a key publication in this area, Brenner 2004) investigate spatial articulations of state power: why, how and where is it executed (Brenner 2009, see also Gualini 2006)? This literature is interested in the “geographical structure of social interactions” (Smith 1992, p.73, quoted in Gualini 2006, p. 885), in the processes and power relations by which such structures are constructed and defined, and in the outcomes of this ordering, the “scale effects” (Gualini 2006, p. 885). Scale mismatches come into view – situations in which traditional governance arrangements do not keep pace with the geographical expressions of social and economic developments. The responses to the related governance challenges, in turn, produce new “policy spaces” that potentially contest traditional arrangements (*ibid.*, p. 888). Questions of legitimacy, accountability, competences and resourcing will emerge (e.g. does a new distribution of responsibilities come with sufficient funds to fulfil the tasks?), and the new arrangements may challenge traditional institutions, eventually even implying their “hollowing out” – a result which is explored by Goodwin, Jones and Jones in their account of the devolution process in the UK (Goodwin et al., 2006).

As a geographical articulation of deindustrialisation and new modes of production, such new policy spaces opened up above and below the boundaries of cities: metropolitan regions on the one hand, and urban neighbourhoods on the other, have been the focus of structural policies and arenas in which new forms of governance have been introduced.

Governing Partnerships

Partnerships are a common expression of contemporary governance, resonating positively with “doing things together” and the pursuit of consensus (Bauer 2002, pp. 773-774). Roiseland has recently suggested defining partnerships as “structures containing two or more principals operating on behalf of someone, with a certain duration, stability and formalisation, where actors exchange resources and where there is some sort of shared responsibility for outcomes” (Roiseland 2010, p. 2, see also Peters 1998, pp. 12-13 and Ysa 2007, p. 36). Partnerships can come in all shapes and sizes, and the relations between the partners can change over time. There are a range of issues about the micropolitics and design of partnerships, such as how (and by whom) partners are represented, what decision-making powers the representatives have, how agendas are set, how the developments in the partnership are tuned to the organisations or communities represented, staff turnover and competences etc.

Hence, it would be too simplistic a view to see partnership as a specific mode of governance. On the contrary, partnerships will be characterised by a mix of various modes of governance. However, it is likely that a particular instrument will dominate. Taking the motives and aspirations that bring actors together as a starting point, Roiseland suggests distinguishing between three generic types: “exchange-based” partnerships, “co-opting” partnerships which are more characterised by command and order, and, thirdly, network-type arrangements (“institutional” partnerships) (Roiseland 2010, p. 2).

Roiseland also reminds us that governing a partnership is about getting the structure right as well as managing process and content. These tasks will differ between the three types of partnership, and we can identify specific roles for the public sector partner. In exchange-based partnerships, this will above all be to negotiate the conditions of the joint undertaking. In a co-opting partnership, that partner will rather act as a seducer or “temper”, convincing the partners to take the risk of participating and making them (at times literally) “buy” into the partnership, if necessary by exercising pressure through public order or through venturing into a joint company; whilst in an institutional, network-type partnership, it will limit itself to facilitating the process of cooperation while the partners remain rather independent, bound together by trust and a mutual interest in achieving a certain goal.

In EU regional policy, since the 1988 reform, partnership has been a key organising principle, defined as “close consultation” between the Commission, member states and those authorities that are mandated with managing the implementation of the funds, “with each party acting as a partner in pursuit of a common goal” (Regulation EEC 2052/88). Gradually, the range of partners has been broadened, the rationale remaining the same: “to promote both vertical cooperation between state actors representing different levels of government and also horizontal cooperation between state and non-state actors” (Bache 2010, p. 62f).

In a recent analysis of the partnership principle in EU regional policy, Bache showed that its implementation has led to multilevel governance structures in all member states and “the development of regional structures in even the most centralised states” (Bache 2010, p. 66). However, implementation varies owing to various domestic factors, the “pre-existing balance of territorial relations” within a state, the length of its experience with partnerships, the “political will of domestic actors to embrace the EU policies”, the “institutional capacity” to implement these policies, and, last but not least, “the amount of funding available as an incentive for domestic actors to respond to the EU’s requirements” (Bache 2010, p. 67).

Bache also points to competing political conceptions of partnership, contrasting the Community Initiative for urban development URBAN, which was introduced in 1994 and the urban programmes of the UK government. He characterises the EU’s vision of partnership as “social democratic”, placing “great emphasis on engaging and empowering local community actors in the process of regeneration”, and seeking the mutual reinforcement of social and economic development (Bache 2010, p. 68). The UK approach, on the other hand, at least under Tory leadership until 1997, had had a rather different objective: “... partnership was not aimed at empowering politically under-represented groups, but was employed by central government to enhance the role of the private sector in urban development at the expense of local authorities” (Bache 2010, p. 68). And even when the UK government opened up to community engagement later on, this “was seen as potentially valuable primarily

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in terms of economic development rather than for its intrinsic social or political value" (*ibid.*). After the change of national government to Labour, however, the understanding of partnership in the UK became much more aligned to the Commission's view.

This example illustrates how malleable the term partnership is – an emblem that can be filled with many different meanings and values, a structure that can be governed by a range of different instruments. In other words, "the political devil is very much in the detail of which actors are brought together, under what circumstances and for what purposes" (Bache 2010, p. 72).

Conclusion

This section was aimed at introducing current concepts which help to open the black box that is multilevel governance. At least two aspects come to the fore and are instructive when one tries to understand what is at stake when policy-making is dispersed across various levels of governance.

First, we can distinguish between two broad categories of multilevel governance: the Russian-doll-type allocation of power at distinct levels of government and decision-making, and the more amorphous intertwining of authority in specific, task-related entities or partnerships. Both types raise questions of legitimacy and accountability, power and resourcing, but in rather different ways. Urban policy is often associated with the latter, partnership-type approach, in particular when associated with the urban dimension of EU regional policy or national urban programmes. This debate is led by the Urban Development Group (UDG), an informal group comprised of representatives from the national Ministries in charge of urban development, the EU Institutions and various other bodies and networks. But for regional and local levels of self-government the former approach, the question where more general decision-making and taxing powers are allocated, can be a more fundamental concern. This is monitored within the Committee of the Regions' Subsidiarity Monitoring Network.

Second, we have seen that governance is often associated with partnerships, and these appear in many different forms, driven by quite a variety of values and objectives. While the partnership principle at times comes in a technocratic disguise, as in the case of EU regional policy, in practice its design will be shaped not only by formal prescriptions and domestic institutional structures, but also by political decisions about eligible partners and other issues, and the modus operandi will favour certain outcomes and styles which can appear more pluralist, managerial or elitist.

In the first part of this study, we discussed the concept of multilevel governance in rather general terms. In the following paragraphs, we turn to EU urban policy to see how multilevel governance is applied in this area. To begin, we distinguish between the "upload" and "download" dimensions of policy-making. This relates to the type of multilevel governance that has been described as the interplay between distinct levels of government. The key question here is: what is the place for local government in the EU architecture? With "upload", we refer to the processes and channels by which information is brought from the local level "upwards" to decision-makers at EU level; "download" refers to the processes of implementing EU law, both soft and hard, and funding programmes at local level.

The latter part of this section deals with EU urban policy in more specific terms to discuss the instruments the European Union has at hand to promote urban development. The main lever is regional policy, which holds specific provisions for urban areas: the "acquis urbain". Here, multilevel governance comes mainly in the form of partnerships to implement the respective funding programmes, hence it is more associated with the second type of governance: the task-specific close intertwining of authority across levels.

"Uploading" Information and Interests to Influence EU Policies

Local authorities and municipalities do not have a formal role in the institutional architecture of the European Union. The two main routes of EU policy making are the Community method – in which the Commission has the right of initiative, followed by quality majority voting in the Council and an active role of the EU Parliament ("co-decision") – and the intergovernmental method, in which Member States strive for a consensus and an unanimous decision in the Council, with Commission and Parliament playing a less important role. Nevertheless, there are various formal and informal channels through which local level actors promote their interests and try to influence EU policies. A direct way is through the Urban Intergroup in the European Parliament, a group of MEPs who advocate the interests of urban areas in parliamentary proceedings. But there are a range of channels outside the institutions, too, that can be used.

The Committee of the Regions (CoR) was established by the Maastricht Treaty (1994) as an advisory body to the European Institutions. Its members are representatives of regional and local authorities, appointed for four years by the Council acting unanimously on proposals from the respective Member States. The CoR issues opinions requested by the Commission or by the Council on issues that are of direct relevance to local and regional authorities; it also produces opinions, reports or resolutions on its own initiative.

In addition to the formal consultations of the CoR, the EU Institutions regularly hold broad public consultations in order to collect information for new policy initiatives. Local level actors can use such opportunities to present their interests. A recent example was the consultation on EU 2020, to which over 120 regional and local authorities, as well as national and European networks contributed (out of

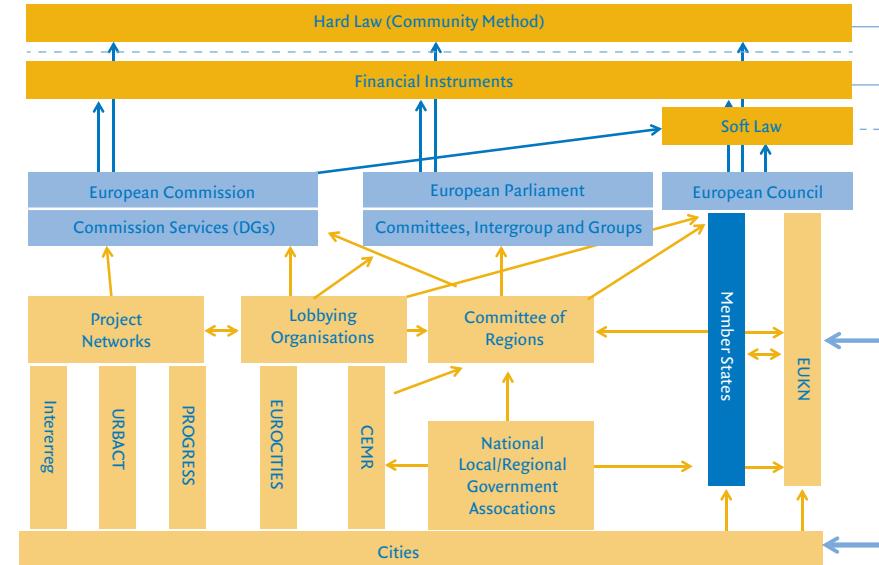
1500 contributions in total). The Commission's consultation on territorial cohesion in 2009 attracted responses from ten individual cities, 97 regional governments and associations and 153 interest organisations and networks, the bulk of them representing local level actors and their interests. A total of 23 regions and regional associations, six local government associations, together with three individual cities and boroughs (all from the UK) and EUROCITIES responded to the public consultation on the reform of the EU budget in 2008. Some cities have even established their own EU contact offices in Brussels to drive their lobbying activities. These figures appear not particularly high and assume that EU affairs are still perceived as rather distant to local administrations, and there is no evidence that the Commission's increasing use of this communication instrument has managed to reinforce local debate and contributions so far. On the other hand, regional and local actors still make up for a good share of the contributions to these consultations.

Apart from individual lobbying, local authorities increasingly use EU-wide networks and associations and European representations of national local government associations to make themselves heard in Brussels. Since the late 1980s, when the reform of the Structural Funds and its funding opportunities started to trigger lobbying activities, and fuelled by an expanding scope of EU policies into areas of concern for cities, the number of these networks has grown steadily over the last decades. Through providing substantial funding via Community Initiatives such as RECITE (1989-1999), INTERREG (since 1994) and URBACT (since 2000), the European Commission itself was an important driver in this development (see Leitner/Sheppard 2002). A recent study counted 26 networks of local and regional authorities registered in Brussels, the most prominent of them being the Council of European Municipalities and Regions (CEMR) and EUROCITIES, the network of large European cities (Huysseune/Jans 2008, p. 1). Another important network is the European Urban Knowledge network (EUKN), which was initiated as part of the "acquis urbain" adopted at the Rotterdam informal ministerial meeting (2004) to promote the Europe-wide exchange of knowledge and experience and to strengthen urban policy at national, regional and local level. EUKN is an intergovernmental network of fifteen member states which cooperates both with the European Commission, the URBACT initiative and with EUROCITIES and CEMR. The network also provides specific support to EU Presidencies on urban matters.

Looking back at the history of EU urban policy, one can say that these networks and associations were influential in various respects: they played a particularly important role in the design of the EU Community initiative URBAN (1994-1999) and later in pushing for URBAN II (2000-2006) – in both cases working closely together with the European Parliament. The former Commissioner for regional policy and cohesion (1989-1995), Bruce Millan, said about the introduction of URBAN in 1994:

This initiative draws on the experience gained by over the last few years through pilot projects and networks of cities. It also responds to the requests of the European Parliament and organisations representing large cities for the European Union to contribute to the tackling of some of society's problems found in deprived urban areas. The Commission will seek to put the accent on innovative integrated programmes and the support of the diffusion of experience gained under these programmes (Millan 1994, quoted in Tofarides 2003, p. 69).

Other areas where their influence is visible are urban transport, and (although to smaller degrees) climate change and environmental policy, social and cultural policy.



EU Multilevel Governance – a city perspective (simplified)

"Downloading" and Implementing EU Policies

Turning to the "download" dimension, it is helpful to distinguish between policy instruments and financial instruments. Policy instruments can be divided into hard and soft law. "Hard" EU law comes in the forms of regulations (binding), directives (to be transposed into national law), decisions (binding) and recommendations (non-binding). These legislative acts are usually a result of the Community Method. In contrast, "soft" law refers to the realm of intergovernmental cooperation. The most prominent example for soft law is the "Open Method of Coordination". This method is a means of spreading best practice and achieving greater convergence between member states without the "hard" pressure of laws, but using the "softer" pressures of naming and shaming and policy learning through comparing and discussing experiences instead.¹

Hard and soft law impact on cities in various ways. The EU services directive, to take an example, has altered the procurement practices in local authorities dramatically and led to significant shifts in the relationship between public administration and service providers. Many EU regulations concerning the environment are implemented locally, a recent and controversial example are standards for energy efficiency in housing. The impact of soft law is less visible but equally far reaching. In all member states, employment policy reforms have been guided by the European Employment Strategy and, as a result, they all include an element of activation. The provision of the services, training etc to support people on their way back to employment is arranged locally and has in many cases led to reorganisations of local providers and partnerships.

No less important than policy instruments are financial instruments, in particular the EU Structural Funds. The Structural Funds give financial assistance to resolve structural economic and social problems. In the funding period 2007-2013, there are four funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Guidance and Guarantee Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG).² A key element of these Funds is the partnership principle – they require close cooperation between the European Commission, national, regional and local authorities involved as well as other (non-state) stakeholders. The cooperation needs to take place throughout the whole process, including programming, implementation and monitoring. These partnerships have a vertical (across levels of governance) and horizontal (different actors at the same level) dimension. They come in different shapes, and can be more inclusive or exclusive, and different tools to coordinate action between partners will be used in the course of the process.

EU Urban Policy

The main place for EU urban policy so far was in the framework of the Structural Funds, as the “urban dimension” of regional policy. Throughout the four funding periods since 1988 (1989-1993, 1994-1999, 2000-2006, 2007-2013), various instruments and governance arrangements for urban policy have been used, with different interpretations of the partnership principle.

A first move towards an EU urban policy was made in 1989 with the “Urban Pilot Projects”. Pushed by the cities London and Marseilles, the Commission used a provision of the ERDF that was meant for studies and pilots (Art. 10), to finance innovative urban regeneration projects (Tofarides 2003). In 1994, the Community Initiative URBAN was introduced to support integrated regeneration schemes in deprived urban areas. The approach of this initiative to local partnerships was ground-breaking and triggered a whole wave of new urban development programmes across Europe.³ Its philosophy was that the local community needs to be involved and that social exclusion can only be tackled in an integrated, cross-sectoral way. Funding would only be granted if these principles were fulfilled, and local authorities had to demonstrate how they involve partners and how their projects meet a number of objectives.

From 2000-2006, the Community Initiative URBAN II, followed the same line. The Commission Guidelines for this initiative asked for “strong local partnership to define challenges, strategy, priorities, resource allocation and to implement, monitor and evaluate the strategy” and “the development of an integrated territorial approach, including, where appropriate, the promotion of inter-institutional partnerships ...” (European Commission 2000, p. 4). In total, there were 58 Urban Pilot Projects (1989 to 1999), 118 URBAN programmes (1994-1999) and 70 URBAN II programmes (2000-2006).

In the current funding period, the integrated approach to urban development is promoted as the “urban dimension” of mainstream operational programmes (OPs) in ERDF (Art.8). An early assessment of the use of ERDF funding shows that whilst half of the 316 OPs include an urban dimension, only 3% of the overall budget has been explicitly allocated to urban development projects at Priority Axis level (European Commission 2008). The measures that are supported in this Axis include integrated regeneration schemes (“URBAN-type actions”), thematic projects (e.g. to promote innovation or transport) as well as strategies that promote polycentric development and networking between areas (European Commission 2009, p. 12).

In 2005, a new financial engineering instrument JESSICA (Joint European Support for Sustainable Investment in City Areas) was introduced, a joint initiative of the Commission, the European Investment Bank and the Council of Europe Development Bank to promote urban regeneration. JESSICA works like a revolving fund – the returns from investments on basis of ERDF grants are reinvested in new regeneration projects. By March 2011, 19 JESSICA operations have been in place (Bhana 2011).⁴

For the coming funding period 2014-2020, the Commission has announced a more prominent role for urban areas. In the 5th Cohesion Report it says:

... an ambitious urban agenda should be developed where financial resources are identified more clearly to address urban issues and urban authorities would play a stronger role in designing and implementing urban development strategies. Urban action, the related resources and the cities concerned should be clearly identified in the programming documents (European Commission 2010, p. XVII).

The development of the urban dimension of EU cohesion policy so far can be read as a process that started with experimentation and led to mainstreaming. The current state of play is ambivalent. On the one hand, mainstreaming means that the “big” funds are being used to tackle urban problems. But on the other hand, it is now pretty much up to Member States to decide about projects, and the place for cities seems less safe than in the times when a specific programme was available. With a few exceptions (e.g. North Rhine-Westphalia and the Netherlands), direct local involvement in the OPs was, at least in the early phase of the current funding period, rather weak (European Commission 2008, p. 5). It is in light of this diminishing influence of local actors and a trend towards more sectoral operations that the Commission’s plea for a revamped urban agenda has been formulated.

The various initiatives and programmes have been embedded in a discourse about the situation of European cities and their challenges and the right shape for urban regeneration, often referred to as the “acquis urbain”. Various Commission reports such as the “Urban Audit” and the related “State of the European Cities” reports (2007, 2010), chapters in the frequent Cohesion reports, as well as reports by the Committee of the Regions or the European Parliament (Urban Intergroup) serve as points of reference and stimulate debate amongst policy-makers.⁵

Finally, many city networks have been supported in the last funding periods to promote mutual learning and an exchange of experiences between local authorities. An important framework was the RECITE (Regions and Cities of Europe) initiative that supported about 40 networks, but cities also used and still use INTERREG programmes or sectoral initiatives (e.g. research networks) to exchange ideas. The main EU support programme for city networking, however, is URBACT. In a first round (2002-2006), 217 cities participated in 38 projects. In URBACT II (2007-2013), 44 projects are funded that bring together over 300 cities as well as other partners. URBACT is devoted to promote the “acquis urbain”, i.e. an integrated approach to urban development. The participating cities develop local action plans that aim at guiding integrated local activities even beyond the scope of the project.⁶

Another important structure to facilitate mutual learning in urban development is EUKN, which has set up a learning platform linking fifteen national focal points that produce and exchange good examples in urban policy, research and practice.⁷

In 2009, the European Commission produced a report that reflected upon the achievements of EU urban policy up to that date. It holds a summary of what it regards as “key elements of sustainable urban development”. These are: Developing a city-wide vision that goes beyond each project and is embedded in the city-regional context”, an “integrated approach as an added value”, “financing and investing to achieve a lasting impact”, “concentration of resources and funding on selected target areas”, “strong local and regional partnerships”, “capitalising on knowledge, exchanging experience and know-how” and “monitoring the progress (European Commission 2009, p. 51).

We can summarise that over the last two decades urban development has been established as a multilevel policy arena in the EU with a distinct set of actors, instruments and a shared vision, the “*acquis urbain*”. In the following sections, we have a closer look at how this arena is governed.

The Urban Dimension of the EU Structural Funds

As was shown above, EU urban policy is mainly delivered through Structural Funds. The governance of these funds follows specific principles that are formalised in regulations. Council Regulation (EC) 1083/2006, to give an example, lays down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund. Amongst these provisions are the need for complementarity (Community action shall not replace structural expenditure by a Member State), partnership and participation of relevant stakeholders (such as local authorities), rules for programming, financial management, monitoring and evaluation. Following from this regulation and on basis of a proposal from the Commission, the Council has adopted Community Strategic Guidelines on cohesion (CSG). They concern content and objectives but also governance principles (such as sound and efficient management and partnership). The provisions at Community level hold no methodological guidance for how URBAN-type interventions should be carried out.⁸

Whilst Council regulations and the CSG present the overarching frame at European level, Member States produce a National Strategic Reference Framework (NSRF) outlining their priorities for which the Structural Funds are used. For the operational side, Operational Programmes (“OPs”) are produced, indicating how these priorities will be put into practice. OPs are produced at national (sectoral OPs) and regional level (regional OPs), so there can be more than one OP per Member State. OPs and NSRF are approved by the Commission before the funds are implemented (an overview of all NSRF can be found in European Commission 2008).

The urban dimension of the current OPs was assessed by the European Commission in 2008, including a close look at how the programmes are governed and implemented. A key issue in this study is the question, how cities and local actors are involved in programming and delivery of the funds. It shows that the picture differs significantly between Member States, and that provisions for integrated urban development depend on a country’s experience with national policy frameworks for urban development and planning. The report says that the situation was “characterised by many open governance challenges and a certain lack of local involvement” and “that many well-practiced governance instruments from the URBAN Community Initiative remain widely unused in 2007-2013” (European Commission 2008, p. 33). The observations led the Commission to “the assumption that the cities will generally not be closely involved in decision making processes” (*ibid.*, p.35). The administration and steering of the funds seem to remain “relatively untouched by the increased importance of lo-

cal actors and urban development – almost exclusively at regional or national level” (*ibid.*, p.39). The assessment is equally low key with regard to the participation of citizens. Given that local partnership and community involvement were at the core of the Community Initiatives URBAN I and II and inspired the formulation of the “*acquis urbain*”, it can be argued on these grounds that the very principle of EU urban policy is at risk of being hollowed out in the current process of mainstreaming.

Despite this rather critical assessment, a number of good practice examples are identified in the report, that demonstrate how an urban dimension can be implemented. These include the OP for North-Rhine-Westfalia (D) that allocates close to 30% of its budget to the Priority Axis on “Sustainable urban and regional development” and the OP Skåne-Blekinge (SE) that aims at combating social exclusion in deprived areas in the Malmö area (*ibid.*, p.29). However, there is a clear risk that when domestic factors drive the design of partnerships, principles such as community involvement are picked up mainly by those actors who have been convinced by past experience or for political convictions and a certain (pluralist) political culture, whilst there are no means of coercion or pushing responsible actors (managing authorities in the first place) to strengthen participative elements. A recent study on the implementation of the urban dimension of ERDF in five cities came to similar conclusions. It identifies the following factors that “appear to have influenced the ability of cities to implement strategies which conform to key aspects of the Urban Acquis using ERDF funds”: supportive national or regional “institutional and policy frameworks”, “previous experience in the field of integrated urban development”, “effective partnership at strategic level”, “effective exchange of practice” count as positive stimuli whilst “fragmentation of institutional responsibility” and a “definition of intervention fields within the ERDF Regulation and OPs” that is biased towards infrastructure and business support, as well as an “apparent reluctance to exploit the opportunities offered by Article 8” are common obstacles (ECORYS 2010, p. 34f).

In addition to the question of decision-making and involvement of stakeholders in the design of a strategy, a crucial dimension of governance is the implementation of projects on the ground. Here, the implementing bodies have some leeway (within the scope of the regulations) in the design of contracts. Undoubtedly the choice of service provider, its competence, local knowledge, skills of the staff etc, has a huge impact on the success of the project.

From this brief elaboration, we see a broad range of governance tools at play in EU urban policy across all levels: Regulations and funding frameworks, programmes and plans as well as contracts. As obvious as it might be, it needs to be stressed that at the core of all these arrangements are Structural Funds that are only granted on a temporary basis for projects that demonstrate an added value to ongoing public sector spending. Spending these funds is the main rationale for the partnerships. Once this incentive disappears, stakeholders might see no more reason to come together, key staff such as programme managers might disappear and leave a gap in the community. For this reason, local strategies often include exit strategies and provisions for anchoring measures in the mid- and long-term. This can be reflected in decisions about a local project when funding is only granted in case a succession strategy is presented. However, there is hardly any evidence for long-lasting, sustainable partnerships that survive after public funding, as the evaluation of the Community Initiatives URBAN and URBAN II shows (ECOTEC 2010).

The “Acquis Urbain” and the Urban Alliance

Whilst the very tangible dimensions of governance are regulations and finances, equally important are the concepts and perceptions behind the policies: What is seen as a public problem, why and how it is dealt with? These questions are tackled in discourses amongst policy makers, experts and various stakeholders. A particularity of EU level discourses is that they are much less visible than national and local debates, not least because there are hardly any media devoted to European level affairs. Over the last decades, an urban alliance has emerged of organisations and networks that drive the debate about how an EU urban policy should be designed. At the core of this network are the national Ministries in charge of urban development (often Ministries for Housing or Transport). They meet regularly and produce statements and documents about urban development. Milestones of this debate were the adoption of the “acquis urbain” in Rotterdam (2004), the Bristol accord (2005), the “Leipzig Charter on Sustainable European Cities” (2007), the “Marseille Declaration” (2009) and the “Toledo Declaration” (2010). In these documents, the Ministers agree on the need for an “integrated approach to urban development” and outline in rather broad terms how to achieve this. The debate has become more concrete with the “Reference Framework for Sustainable Cities (RFSC)”, a web-based toolkit that will be operational in 2012. This process is coordinated by the Urban Development Group (UDG), an informal group comprised of representatives from the national Ministries in charge of urban development, representatives of accession countries and neighbouring countries (Norway, Switzerland), the European institutions (European Commission: DG REGIO, European Parliament: REGI Committee), other EU bodies such as the Committee of the Regions (CoR), the European Economic and Social Committee (EESC), the European Investment Bank (EIB), the European Environmental Agency (EEA), as well as city networks and associations such as EUROCITIES, EUKN, the Council of European Municipalities and Regions (CEMR), private sector representatives and other stakeholders (UDG 2010). The list of participants shows that this process is rather inclusive and reaches across levels of government. At the same time it is limited in terms of sectors, and does not regularly reach out to actors from areas such as social inclusion and employment or environmental protection.

Although it is not officially coined an “Open Method of Coordination”, this process clearly shows the features of EU soft law, including a common vision and the focus on mutual learning through the exchange of good practice. The involvement of city networks and stakeholders ensures that the information is spread across levels and debates are not detached from the ground.

It can be debated how influential such a discursive process can be and if it really led to new priorities, instruments and practices. Clearly, through these debates, the “acquis urbain”, i.e. the “integrated approach to urban development” has been established as a widespread key point of reference and the nucleus of urban policy across Europe. However, it has to be said that whilst the Ministries continue to meet and discuss these issues and how they should be tackled at EU level, it seems that in their national policies, urban problems seem to have lost attention. Following changes of government at national level, many programmes, such as “Kvarterløft” (DK), the New Deal for Communities (UK) or the “Socially Inclusive City” programme (D) have recently been wound up or dramatically reduced. In the Netherlands, the urban policy was decentralised to a large extent in 2010. These changes are linked to shifts in political power, in most cases from social-democratic to conservative and liberal parties, who tend to be more critical about local empowerment and strong municipalities, and more in favour of managerialist than participative or pluralist interpretations of the partnership principle.

The shifts also come in times of austerity budgets, and parts of the cuts can be explained as contribution to overall financial recovery. The effects of these changes are not yet clear, they are too recent, but together with the waned support for the urban dimension in Structural Funds, it seems as if despite the ongoing discourse around the “acquis urbain”, at Member State level, urban policy in its previous form is at cross-roads these days (see also Chapter 4 of this study).

The fragility of urban programmes shows the limits of the current governance of EU urban policy. If the package of normative pressures and mutual learning (the “acquis urbain” and the UDG), together with financial incentives (Structural Funds) is not robust enough to convince policy-makers to make a stronger commitment, EU institutions are confronted with the question if either the urban problems are not as urgent as other issues, or if other, “harder” means of persuasion are needed.

Endnotes

- 1 In section 1 of this publication, we have presented a categorisation of these policy instruments according to their level of discretion (based on the work of Treib et al. 2007), distinguishing between coercion, targeting and framework regulations (all associated with “hard” law), and voluntarism (“soft” law).
- 2 In their current shape, these funds apply a sectoral view, artificially splitting policy areas (forcing co-funding bodies to do the same) rather than encouraging a holistic approach. This has been criticised by implementing bodies and is under review now, with signs of a move towards a more integrated and flexible use after 2013.
- 3 It has to be said though that the Community Initiative borrowed ideas from preceding regeneration schemes in France, the Netherlands and UK as well as from the preceding Community Initiative POVERTY III.
- 4 As it is too early to present a proper evaluation of this new instrument, first signals from practice are mixed. On the one hand, Jessica is a move away from the “subsidy culture” towards a “loan-culture” and promises more efficient use of limited EU budgets. On the other hand, it can be doubted if such an instrument can work effectively and attract the right partners to address the complex problems in deprived areas, or if not reinforces a physical “bricks and mortar” approach to regeneration. So far, the take up has been very limited, not least due to complex regulations and open questions about some of its features (including the application of state aid regulations).
- 5 The Urban Audit provides data about urban development based on over 250 indicators, with more than 300 cities participating from EU Member States, Norway, Switzerland and Turkey. The quality of the data, however, is mixed (not least due the range of statistical sources) with significant gaps. It is coordinated by EUROSTAT and can be accessed at www.urbanaudit.org.
- 6 An important element of URBACT II is that in the composition of the thematic networks it aims for a balance between partners from Competitiveness objective regions and Cohesion objective regions. With this mechanism, it has helped to attract many cities from new Member States and avoided that the more experienced cities remain amongst themselves (which can be the case in other funding programmes).
- 7 See: www.eukn.org
- 8 In the previous funding periods, the Commission had formulated explicit guidelines for the implementation of the Community Initiatives URBAN and URBAN II (see European Commission 2000).

Multilevel Government Systems in Urban Areas

Iván Tosics

Differences in Administrative-Government Systems between Member States

The formal government systems of the EU countries are, owing to historical factors, very different. In order to arrive at a typology of these systems first the municipalities (local units), and second the intermediary level, i.e. the organisation of the government between the local and the national level, have to be analysed.

The Local Level

In each country the governmental system is facing a crucial dilemma regarding the size of the basic, municipal units. "Large units better utilise systemic capacities for the effective provision of public services. Small ones provide greater opportunities for citizens to participate directly in governance, and thus public needs are more clearly determined" (Horváth 2000, p. 36). Regarding this dilemma, Page and Goldsmith (1987) introduced the distinction between integrated and non-integrated administrative systems. In the former, the size of local (governmental) units is typically larger, as they are determined on the supposed optimal size for the effective provision of public services. Examples are the Anglo-Saxon and Scandinavian systems, where the local government reforms of the 1970s led to the amalgamation of local governments, reducing their number significantly in those countries. In the non-integrated administrative systems, on the other hand, preference is given to local autonomy over the aspect of service provision: local governments are typically small (most settlements may have their own municipalities) and integrative institutions ensure the coordination required for public services. In this case, in France and in the Southern European countries, local governments have a narrower range of functions and the dilemmas, problems of how to establish intermediate intergovernmental levels – e.g. counties, regions with integrative powers – for the necessary coordination are usually much sharper.

This differentiation is closely connected with the competence given to local governments. In the Northern, Scandinavian countries local governments are large and have general functional competence. In the Northern, Anglo variant local governments are large, but have only the functions explicitly granted to them by the central government level. In the Southern countries (with Franco or Napoleonic planning traditions) local governments are small, having either general competences with the public services being fulfilled through integrative institutions, or only partial competences, there being a functional division from higher tiers.

The names of these variants come from earlier literature, when only the EU-15 countries were analysed. It is clear that the new member states do not represent a new category but have chosen between these basic variants in the course of establishing their new administrative systems. The case of Hungary (a country of 10 million people) highlights the political choices made in this process. In the socialist period the efficiency of public services came to the forefront and top-down directed local government amalgamations halved the number of local governments to around 1,500 (this was obviously also politically motivated, to increase the central power). After the collapse of socialism the democracy aspect gained ground, all "forced" amalgamations were dissolved, the number of local

governments increased to 3,300 and all of them were given general competences. This is a return to the Southern European model which led to continuous discussions during the last 20 years about how public services should be coordinated.

The Intermediary Levels of Government

There have been many attempts to classify the European countries according to the structure of their sub-national government systems. Within the ESPON programme the 3.2 study explored the spatial scenarios in relation to the ESDP and EU Cohesion Policy, arriving to the following typology (ESPON 2007b, p. 285):

- Federal states: Austria, Belgium, Germany, Switzerland;
- Regionalised unitary states (existence of elected regional governments with constitutional status, legislative powers and a high degree of autonomy): France, Italy, Spain, United Kingdom;
- Decentralised unitary states (which have undertaken a process of reform to establish elected regional authorities above the local level): Denmark, Finland, the Netherlands, Sweden, Norway;
- Centralised unitary states (regional levels may exist for administrative reasons but are subordinate to the central state): Greece, Ireland, Luxembourg, Portugal;
- New member states (regionalisation is at too early a stage for one to be able to categorise the countries into one of the above groups): Bulgaria, Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovak Republic, Slovenia.

In this typology, the categories are not always clearly distinguished from each other, and some countries can be classified into more than one of the categories. This is not true just for the federal states (e.g. the Länder of Germany could be classified into different categories), but also for some other countries which have just recently undergone territorial and/or government reforms which may even use different methods to address the different problems across the country (on this basis Sweden or the Netherlands could belong to at least two different categories).

A Typology of Multilevel Government Systems

In order to progress from the processes and reforms analysed so far to a useful typology, describing the different outcomes, the following aspects have to be examined within the unitary countries:

- How many intermediary levels exist;
- How strong these are (governmental elected by citizens, administrative with general competence, administrative with limited competence);
- To what extent the basic, local government units are integrated.

Thus the main difference between the subcategories of the unitary states is in the relative power of the local and the sub-national (regional) levels of government. On the basis of these distinctions, the following draft typology can be established regarding the forms of the basic, local government tier of the governmental system and the different patterns of sub-national government structures.

Differences in Relationships between the National, Regional and Local Levels within Member States

Formal Division of Competences

Like all formal typologies, Table 1 has a number of shortcomings. They are not just that some of the

Table 1 Draft typology of multilevel governmental systems in the EU27+2 countries

Government structure	1. Classic unitary countries	2. Centralised unitary countries with strong, but non-integrated local authority level	3. Centralised unitary countries with strong, integrated local authority level	4. Decentralised unitary countries with strong local and strong regional level	5. Regionalised unitary countries	6. Federal states
EU-15 and EFTA countries	Greece Ireland Luxembourg	Portugal	Finland Norway	France United Kingdom Netherlands Sweden Denmark	Italy Spain	Austria Belgium Germany Switzerland
New member states	Bulgaria Czech Rep. Hungary Romania Slovakia Cyprus Malta	Estonia Latvia Lithuania Slovenia	Poland			

Based on Tosics/Dukes 2005, with alterations based on ESPON 3.2

countries could be classified into more than one category, but also that the dynamism of change is missing from the table. Moreover, the typology does not tell one anything about the relationships between the middle and the local tiers of governments.

Analysis of the middle tier (regional level)

More than a third of the EU countries have more than one intermediary government level, between the local and the national. These are the following: Austria (9 states, 101 districts), Belgium (3 regions, 10 provinces), Germany (16 Länder, 439 districts), Italy (20 regions, 109 provinces), Spain (17 autonomous communities, 50 provinces), Finland (6 provinces, 20 regions), France (26 regions, 96 departments), Greece (13 regions, 50 departments), United Kingdom (4 constituent countries; within England 41 counties), Poland (16 regions, 379 counties).

More detailed analysis of these countries (e.g. PLUREL D2.2.1) shows interesting details of the sharing of responsibilities and powers between these intermediary levels. Usually one of the middle tiers is stronger than the other and the different functions are split between them, to avoid direct conflicts.

Another, perhaps more important question from a multilevel government point of view is the political strength of the middle tier. This is, of course, not a normative category; detailed analysis of the national administrative systems is needed to distinguish countries with relative weak middle tier(s), the first three categories in Table 1, from those with politically strong ones (categories 4-5-6). It is seemingly easier to find out which of these intermediary governments are directly elected by the population. However, the political power does not follow automatically from this: there are examples

showing that not all elected middle tier governments are also politically strong (having strong competences, responsibilities and taxing powers).

In the Netherlands the provinces are not perceived by voters to be an important recognisable entity with a legitimacy of their own; provincial elections in the Netherlands are – more than anything else – a test case for the popularity of national political parties, because the senate is indirectly chosen on the basis of the provincial elections. Hungary also offers an example of an elected but politically weak level, the counties, which have a very limited budget and no real decision making power. The rule is, however, also true in the opposite direction: for a politically strong middle tier (region, etc.) it is a basic condition that one must have a directly elected government.

Analysis of the local level

In the case of local municipalities, as already mentioned, there is a trade-off between size and power, as for general functional competence a given minimal size is normally required. Neither is this rule, however, universal. The two main exceptions are the Anglo variant of local governments which are large but have only functions explicitly granted from the central government level, and the Southern and Eastern European model in which local governments have general competences despite their small size.

The real power of local governments is not easy to measure, and sometimes this is mixed up with the position of the mayor: elected or appointed. In Europe, only a few countries have “appointed” mayors (e.g. England, Netherlands, Belgium) and it is not correct to say that local governments in all of these cases have limited power. In the Netherlands, for example, a country with strong, integrated local governments, there are currently discussions on whether the mayors should be elected directly by the population. There are some counter-arguments, one of them being “short-termism”, i.e. that the politics of elected mayors would mainly be influenced by the wish to be re-elected, instead of real, long-term visions.

On the other hand, are all local governments which have elected mayors strong? The answer is obviously no. The strength of political power should mean real decision-making independence among alternative options and taxing powers. These criteria are clearly not fulfilled in those countries of Europe where financial allocations do not follow the allocation of tasks: local governments are overburdened with decentralised tasks without being given the money they need for these. This is not a strong position, though the local level is fully responsible for policy outcomes but at the same time remains fully dependent on the national level for financial means. Another case is when local governments do not get the necessary financing for some compulsory public services but are entitled to raise their own revenues in the form of local taxes. If the latter do not give them a realistic chance of obtaining the necessary finance, this variant can only be considered as “pseudo-independence” of local governments, i.e. it means only seriously limited local political power.

The dynamics of change

The structure of different levels of government is subject to change from time to time. A special case is that of the transition countries (new EU member states under the 2004 EU enlargement) where, at the beginning of the 1990s after the collapse of socialism, dynamic changes occurred due to the political wish to decentralise political power. In each of these countries one of the first new pieces of legislation was the Law on Local Governments. In most countries, the previously strong and politically steered

middle tier (which executed the decisions coming from the highest political level) has been eliminated or made very weak. Instead of the middle tier the local municipalities have got decision making rights in most matters, as a new basis of the democratic system.¹ In the terms used in the Bird-Ebel-Wallich study (1995, p. 11), a substantial amount of power has been transferred to the local level in the form of devolution (the full form of decentralisation). Later, in the 2000s it became clear that territorial planning and cooperation were important even under the market-led capitalist system and for this a middle tier of government was needed. EU accession also required capacities on a NUTS2 level; thus in the post-socialist countries new types of middle tier governments were established.

Dynamic changes in administrative structures are also observable in the old member states. In some cases administrative changes are the direct consequence of political changes (see e.g. the abolition of the middle tier in England as one of the first decisions of the new government). In many cases administrative changes, such as the introduction or strengthening of the intermediate tier, have been on the agenda for longer, even for one or two decades (PLUREL analysis D2.2.1, p. 15). There are countries where this happens with the creation of new tiers (e.g. Britain, France; in most Nordic countries there are experiments with the meso-tier). In fact in most parts of Southern Europe too, the number of government layers increased during the 1980s as a result of decentralisation and regionalisation processes launched in France, Italy and Spain (Font 1998).

The creation of a new (or strengthening of an existing) middle tier is not the only option for the decentralisation of central government power. In some countries (e.g. the Netherlands, France) special government-initiated policies have prevailed since the end of the 1980s in the form of the contractualisation of intergovernmental relationships, as a result of which hardly any policy sector is the exclusive domain of one tier of government.

Another novelty giving dynamism to the system is the introduction of new legislation encouraging municipal cooperation. In France, to encourage the voluntary association of settlements financial incentives are offered by the central government (provided that the new associations accept the framework regulation). This change on the local government level is called elsewhere a re-grouping of municipalities for better public service delivery (ESPON 2007b, p. 296.). Goldsmith considers these policies to be the beginning of a new era in central-local government relations. Compared to the 1960s and 1970s with direct central government interventions in municipal affairs and the withdrawal of central government from such interventions in the 1980s and 1990s, at the turn of the century efforts are being made towards more indirect forms of control and influence through regulation and contractualisation, depending more on the voluntary cooperation of the sub-national levels (Goldsmith 2005, p. 245).

The Dependence of the Lower Level on the Higher Level by Means of Finance and Planning

However detailed the formal regulations are, they do not describe entirely the real relationships between the different levels of government. Among the many other factors influencing this we will deal here only with the two probably most important: financing and planning.

Intergovernmental fiscal relations

One of the important elements of intergovernmental fiscal relations is the financing of public services. These are usually financially supported by transfers from the higher level of government (region or

central state). In such cases it is of crucial importance to what extent the real net costs of the services are covered by these transfers – the rest has to be underwritten from the budget of the local government which runs the service. The level of the autonomy of the local government which gets the transfers depends on the type of transfer, which can be unconditional (or general purpose) or conditional. In the case of unconditional transfers local governments have full control over the use of funds, while in the case of conditional transfers the purpose of the financial resources is strictly defined ex ante (ring-fencing). There are also so-called block grants which can be freely used by local governments but only in a certain defined area of local government services.

Another and strongly related issue is the regulation of local taxes. Although most productive revenue sources are usually assigned to central government, as part of fiscal decentralisation a certain portion of financial resources can be assigned directly or indirectly to the local level. The share of these financial resources may indicate the level of financial independence of the local governments. Needless to say, there are huge differences in this regard across Europe. According to a British analysis (House of the Commons 2009): “Danish municipalities raise 60% of their revenue from local taxes (mainly income tax), and a further 14% from charges for services. (...) Similarly, Swedish municipalities raise 69% of their revenue from local taxes (mainly income tax), and only 15% in the form of government grant. The local government representatives (...) felt that the clear link between local tax payment and the delivery of local services led to a strong engagement in local democracy. In England the financial situation is reversed. Local government raises, in total, only 25% of its revenue locally – mainly through the council tax.” Another country in which the municipalities have little freedom to raise taxes themselves is the Netherlands, where the bulk of their budget comes from the state based on the number of their inhabitants.

To further complicate the picture, not only is the size of local taxes important but also their types. “Benefit taxation” refers to tax systems in which taxpayers are taxed according to the benefits they receive from public expenditures. In the alternative “non-benefit” tax systems there is no link between taxation and local government services (one form of this is “ability-to-pay” taxation). There are some “rules of thumb” economics suggests for sub-national governments in order to control their own revenues and to be able to act responsibly when making their own policy choices. According to these, a lower level of government should rely as much as possible on benefit taxation of mobile economic units, including individuals, and mobile factors of production. It is also essential that “to the extent that local governments make use of non-benefit taxes, they should employ them on a tax bases that are relatively immobile across local jurisdictions” (Oates 1996, p. 36).

Bird (1999) notes that property taxes, excise duties, personal income taxes, sales taxes and taxes on business are the only economically acceptable categories of taxes levied at the local level of government. Property taxes and/or personal income taxes are economically and socially most justified at lower levels of government. Property tax is a stable form of revenue which allows only limited tax exportation. It acts as a rough form of benefit charge, as the value of real property is strongly influenced by the level of local services. Nonetheless property tax is an unpopular form of tax because it is a visible tax burden, so that citizens directly confront it. Property taxes levied on plots and buildings discourage investment in improvements. The other important and frequently used form of local taxation is levying a personal income tax generally in the form of a surtax on the national income tax base.

There is a general view that taxes on business are very weak on efficiency grounds and are strongly criticised for distorting location decisions. Even so, such taxes are widespread and generally popular with politicians (as being easy to collect and possibly resulting in substantial revenues) and with the population (because they do not have to pay) as well (Bird 1999).

In Europe, local taxation is based on property taxes in the United Kingdom, France, Spain or Poland. On the other hand all Scandinavian countries provide good examples of local tax systems where personal income tax plays a dominant role. In those countries local tax revenues amount to as much as 30-40 percent of the national tax burden.

This short overview shows how difficult it is to get a real picture about the power of local governments from a financial point of view. In any case, those countries where locally supplied public services are to large extent financed by unconditional higher level transfers and local governments are also entitled to levy local taxes in such forms as to ensure substantial revenues can be considered to have financially strong local government levels.

From the perspective of multilevel government systems (ensuring sustainable development) there should be a balance between the power/strength of the regional and the local levels. In this regard, too high a level of financial independence of local governments is dysfunctional, as can clearly be illustrated by cases on tax-competition: if the settlements within a functional urban area are entitled to levy a certain type of local tax and can also determine the parameters of that tax, the result is usually tax competition: some settlements will lower the percentage in order to become more attractive to investors and middle income families. Tax competition between neighbouring municipalities is harmful as it distorts the location decisions made by mobile actors. In well functioning multilevel government systems the higher (regional) level has the power to eliminate unhealthy competition between local governments,² while the latter still have some independence to decide on their financial orientations.

Planning systems in the EU countries

According to the 1997 EU Compendium of Spatial Planning Systems and Policies (summarised by PLUREL D2.2.1 2010, p. 33-35) the following traditions of spatial planning can be crystallised in the old EU member states:

- Regional economic planning approach (French model): to let regional economic development conform to some overall idea formulated by a central agency, using powers and funds at its disposal. When this approach is dominant, central government plays a managerial role in national and regional development, achieved through regional plans, national plans with a regional focus and local plans which are there to execute the regional plans.
- Comprehensive integrated approach (German model): a range of systematic and formal hierarchical plans, from national to local level. Their aim is to coordinate public sector activities, focusing more on spatial planning issues than on economic development. In the Nordic sub-category there is significant reliance on a rational planning approach and public sector investment. In this case local authorities have an effective role in planning, albeit sharing some responsibility with central government (e.g. Denmark and Netherlands). In the Federal sub-category (Austria and Germany) federal administrative structures play a significant role in decision-making and planning implementation.

- Land use management (British model): land use planning is a tool which by means of zoning laws controls the future use of land. Usually local authorities undertake most of the planning work, even though central administration retains the capacity to exercise a degree of power, either through supervising the planning system or setting strategic policy objectives.
- The “urbanism” tradition (Mediterranean model): this style of spatial planning characteristic of the Mediterranean countries focuses on the local level through building regulations. It has a strong architectural flavour and is concerned with urban design, townscape and building control. Spatial plans on a higher scale are usually of less importance, and they often conflict and are hard to implement.

From the perspective of multilevel cooperation between governance levels, the following hierarchy can be set between these different planning styles. The urbanism tradition manages everything on the municipal level through building permits. The disadvantage is that space is managed by the smallest geographical unit available, there is a lack of a more useful systemic approach. The land use planning style manages change in land use. It still sees things on the local level and there is no overall context. The regional economic approach style provides an overall view and tries to deal with problems that can be dealt with better at the regional level, such as social, economic and environmental problems. However, the plans are almost always sectoral, causing cross sectoral coordination problems, and the communication between the different levels of plans and institutions is mostly one way and top down. Finally, the comprehensive integrated approach is more elaborate, taking into consideration all relevant sectors that have a spatial impact and creating a complex hierarchy between levels and plans.

The new EU member states in their socialist period were closest to a special version of the regional economic approach, with very strong and politically dominated top-down planning. In their post-socialist period most of these countries changed to the opposite end of the scale, introducing a market-oriented, laissez-faire (close to urbanism) style, where municipalities and private interests dominate planning, with almost no upper level control.

Social and/or Informal Relationship

Political-administrative institutional systems, financial regulations, and planning systems are basic determinants of the multilevel government structures. However, these “hard factors” do not fully determine the functioning of the structures; there are also other, “softer” factors which may play a crucial role.

It was always the case that leadership, for example the personal role of the mayor, could make large differences in the functioning of administrative structures. There are many publications available about the role of mayors, including interviews with dynamic ones, highlighting cases where the vision of leaders brought about changes (Bilbao, Barcelona, etc.).

In the 2000s a growing number of analyses dealt with the flexible, informal and creative elements of governance. This can easily be illustrated by the topic of metropolitan governance where the traditional approach aimed for a new administrative level, based on the travel to work areas around large cities. The statements of this literature (summarised below on the basis of Homan/Howl/Tosics 2007) are in many respects relevant also for the “normal”, fixed boundary government systems.

In the creative governance literature one of the key problems that has been identified with existing arrangements is the strong tendency towards a bureaucratic and sometimes overly-administrative approach, which risks stifling innovative thinking (e.g. Kunzmann 2004; Healy 2004). Successful governance arrangements instead rely on the ability of creative ideas to be fed up the hierarchy rather than solely being fed downwards. Further, it is suggested that there is a need to move away from being risk averse in trying new arrangements, “experiments fail as well as succeed” (Healy 2004, p. 90), and that a more reflexive approach needs to be adopted where there is an opportunity for evaluation, as well as implementation, of new ideas and structures. City-region governance should become an iterative process which is not just constraining and stabilising, but also enabling for the people who live within it.

The approach suggested by authors such as Healy (2004) and Kunzmann (2004) may require the development of some new means of engagement. For many cities this means thinking creatively about existing working arrangements, policy-making and resourcing. Some of the suggested mechanisms that cities might adopt are:

- Allowing flexible, functional boundaries. It is suggested that the core city at the heart of the city-region should be proactive and dynamic in bringing the necessary stakeholders to the table to discuss the strategic approach. In a polycentric city-region this may involve negotiations between the different cities involved;
- The need to overcome the parochialism of established institutions and committees;
- The development of networks of innovative regional actors and engaging a diverse range of stakeholders in developing governance arrangements;
- Increasing the involvement of the “Third Sector” in the light of a weakening public sector, and an increasingly geographically-unbounded private sector, in raising regional, social and environmental awareness;
- Increasing inter-regional co-operation through designing catalyst projects. A shared project can improve the potential for co-operation around a specific issue; this may facilitate relationship-building while being able to put to one side the politics of the bigger city-region agenda;
- Sustaining the momentum of the newly created and flexible arrangements, through the creation of opportunities for the actors to meet, even if no concrete actions are decided upon and no documents are signed;
- Ensuring that the process is transparent and that there is an open-minded approach to innovative ideas of governance practice.

The creative governance approach therefore encourages flexibility and challenges the status quo; rather than accepting that “this is the way things have always been done”, it highlights an opportunity for cities to be more inclusive and innovative in developing new working arrangements. The approach also warns against the possibility of rolling out a “one-size-fits-all” approach; an understanding of social, cultural, historical and economic geographies is critical in ensuring that new governance arrangements are contextualised.

Of course the ideas suggested by creative governance authors can also have positive impacts if operating together with top-down approaches. For example, it is often the case that local or regional governments need “external accelerators” in order to encourage them to think differently about the ways in which they are currently working.

The relatively new tendency towards flexible, informal and creative elements of governance is not spreading equally over the EU countries. Governance and planning traditions, cultural differences across Europe create very different conditions for this trend. The new member states can be mentioned as a special case: having in the socialist period been over-centralised, while in the post-socialist period over-decentralised and over-privatised, in these countries the cooperation culture is still lacking between actors within the formal government system and between them and the actors outside.

This short overview shows how colourful the European multilevel government scene is. Countries differ greatly from each other not only in their administrative systems of government but also as regards municipal finance and their planning systems. Owing to these differences any European policy and regulation may have different effects across countries – a national “adaptation” may be needed, taking the formal administrative systems and the financial and planning aspects into account at the same time.

Endnotes

- 1 The decentralisation of power to the local level happened later in the south-east European countries, especially Albania where political power remained for long exclusively at the national level.
- 2 A good example is that of the French „communauté urbaine”: these settlement associations got the right (later it became a compulsory element of their regulation) to equalise business tax rates, in this way avoiding unhealthy tax competition among their settlements.

Urban Development and Urban Policies in EU Member States

Iván Tosics

There are important historical factors in the development of European countries on the basis of which European urban development can clearly be distinguished from that of the US or China. According to Häussermann (2005) "... still today the core of the model of a European City is the public influence on urban development, and the perception of the city as a collective identity – what becomes very clear, if you compare for instance the structure and the development of marginalised neighbourhoods in American and European cities (...) there exist remarkable differences in the overall making of the cities (...) and in the degree of social integration as well. The welfare state systems (...) as well as the urban policies embedded therein mark sharp difference between cities, which are only a setting for market-exchanges and those, which have more command on their social and spatial development ...".

Since the last third of the 20th century, however, public control over urban development has substantially weakened in Europe. The take-over of car-oriented development, the privatisation of public housing, the sale of land and public services and the increasing influence of globalizing economic actors can be interpreted as the "Americanisation" of the European city. Nevertheless, Häussermann argues for a new future model of the "European city", starting from the assumption that regions and cities will again gain in importance in Europe where nation states seem to lose significance. "The idea of the regeneration or revitalisation of the European City is based upon the notion of a lively regional or local identity, which spends energy for the struggle against the uniforming forces of globalisation." This can again become the basis for stronger redistributive public power, which is needed to keep or (re-)build the European model of cities.

As we have seen in the previous chapters, urban (local) development is governed across administrative levels. Cities in Europe are neither autonomous nor fully dependent on national states, and hence urban development is always an amalgam of various levels working together. In this sense urban development is part of multilevel governance, where the different levels are either systematically and hierarchically related to each other or intersect jurisdictions according to the different tasks (see multilevel governance Type I and Type II in Chapter 1).

Differences in Urban Development within Europe

The Rate and Growth of the Urban Population

The share of the urban population in Europe was 71% in 1995 and will be around 75% by 2020. Although these shares are slightly below those in the data for North America (77% in 1995, 85% in 2020) and Latin America (73% in 1995, 82% in 2020), Europe is among the most urbanised parts of the world. Recent urbanisation has concentrated on Africa and Asia, but they will not exceed a 50% share of urban population by 2020. (UN, 2007)

However, as data show, in Europe the process of urbanisation has basically ended; the large waves of movements towards cities are over. This is clearly shown in the international statistics about the annual growth in urban population, where the highest performing European country (data are from around

2005) is Ireland, with 2.67% occupying only the 67th place among the 195 countries of the world. The next highest performers are Cyprus with 2.61% (74th place); Spain with 1.75% (104th); Portugal with 1.57% (114th); and the Netherlands with 1.09% (140th). As the weighted average was 2.1% growth per year of urban population, Europe is clearly among the least further urbanizing parts of the world.

More detailed data about urbanisation tendencies can be gained e.g. from the Urban Audit data. The State of the European Cities Report (EC 2007) summarises the tendencies as follows: "... the population of Europe's urban areas have been growing at a rate of 0.35% per year between 1996 and 2001 (...). However, considerable variation exists in the pattern of population change across Europe. In the same period, a third of cities grew at a rate in excess of 0.2% per year, a third saw their populations remain stable (rates of population change between -0.2 and 0.2%) and a third experienced a notable decline in population. The strongest population growth rates were recorded in Spain, where some urban areas saw average annual increases of 3% or more. Urban areas also expanded quickly in Ireland, Finland, Greece and Cyprus. At the other end of the spectrum, urban areas in some countries have been subject to overall population decline, most notably in Romania and Italy."

Structural Differences among EU Countries Regarding Their Urban Areas

There are huge differences between countries also in their territorial structure, e.g. in the urban settlement hierarchy. Some countries have an urban structure centralised into one or a few large metropolises, while others have more decentralised network structures. Among the many possible indicators below, the difference in total city GDP (in PPS) between the first and second largest cities is shown as one of the indicators of the polycentricity of the urban network (source: SGPTDE 2011):

1. Top secondary city GDP larger than the capital city: Germany, Italy;
2. Top secondary city GDP 80% to 50% the size of the capital city: Spain, Netherlands, Poland, Sweden;
3. Top secondary city GDP 50% to 25% the size of the capital city: Lithuania, Slovakia, Ireland, Slovenia, Denmark, Portugal, Estonia, Belgium, Czech Republic, Austria;
4. Top secondary city GDP 25% to 15% the size of the capital city: Finland, Bulgaria, Romania, Greece;
5. Top secondary city GDP 15% to 10% the size of the capital city: Latvia, France, UK, Hungary.

From this one comparison the striking difference can be seen between countries with a more or less balanced urban structure (categories 1-2) and the rest of the countries, dominated by the capital city (esp. categories 4-5).

The data referring to the administrative definition of the city do not entirely reflect the true situation (Tosics 2011). The ESPON 1.4.3 study (ESPON 2007a) was devoted to the analysis of urban functions. Two different meanings of metropolitan areas were distinguished. The first aims to depict the continuity of the built-up area, with a defined level of density, called a "Morphological urban area" (MUA). The second approximates to the wider urban system including towns and villages that are economically and socially highly dependent on a major urban centre, the so-called "Functional urban area" (FUA), usually delineated on the basis of commuting flows. It is possible to use population data to show that in the larger urban areas of Europe substantial differences can be observed between the administrative and the real situation.

Table 2 Administrative, morphological and functional areas of large European cities

CITIES	Admin city million people	MUA	MUA/city	FUA	FUA/city
London	7.43	8.27	1.1	13.71	1.8
Berlin	3.44	3.78	1.1	4.02	1.2
Madrid	3.26	4.96	1.5	5.26	1.6
Rome	2.55	2.53	1.0	3.19	1.3
Paris	2.18	9.59	4.4	11.18	5.1
Bucharest	1.93	2.06	1.1	2.06	1.1
Budapest	1.70	2.12	1.2	2.52	1.5
Warsaw	1.69	2.00	1.2	2.79	1.7
Vienna	1.60	1.67	1.0	2.58	1.6
Barcelona	1.58	3.66	2.3	4.25	2.7
Milan	1.30	3.70	2.8	4.09	3.1
Prague	1.17	1.18	1.0	1.67	1.4
Birmingham	0.99	2.36	2.4	3.68	3.7
Amsterdam	0.78	1.05	1.3	1.47	1.9
Stockholm	0.76	1.48	1.9	2.17	2.9
Frankfurt	0.65	1.46	2.2	2.76	4.2
Rotterdam	0.60	1.03	1.7	1.43	2.4
Oslo	0.60	0.71	1.2	1.04	1.7
Helsinki	0.56	1.07	1.9	1.29	2.3
Lisbon	0.53	2.32	4.4	2.59	4.9
Copenhagen	0.50	1.36	2.7	1.88	3.8
Dublin	0.47	1.07	2.3	1.48	3.1
Manchester	0.44	2.21	5.0	2.56	5.8
Liverpool	0.44	1.17	2.7	2.24	5.1
Bratislava	0.43	0.44	1.0	0.71	1.7
Katowice	0.32	2.28	7.1	3.03	9.5
Lille	0.23	0.95	4.1	2.59	11.3
TOTAL	38.13	66.48	1.7	88.24	2.3

In order to show how reality differs from the administrative areas, the following table contains three sets of population data for a selection of large European cities. The first column includes the population of the administrative/political city (Eurostat 2004 data), the second the population of the morphological city area, while the fourth the population of the functional city area. The latter two figures come from the ESPON, 2007a study. The third and the fifth columns are the quotients of the MUA and FUA population numbers, compared to the city population within the administrative boundary. The table shows that in all cases the MUA is at least as big as the administrative city. On the other hand, there are many cities where the built-up area is much larger than the politically defined city. In these cases

the political/administrative and morphological definitions of the city, what Calafati calls “cities de jure” and “cities de facto” (Calafati 2010) are very far apart. The table shows that especially Katowice, Manchester, Paris, Lisbon and Lille show extreme quotients. Out of the 66.5 million people living in the morphological areas of the 27 listed cities, 32.1 million, i.e. almost half, live in areas where the administrative city is less than half of the continuous urban area! In such cases the urban area can hardly be controlled by the core city, as this is too small compared to the size of the whole urban area. Data on the functional urban area show a similar picture, with an average of 2.3 times the population in the FUA, compared to the administratively defined core city. Liverpool and Frankfurt come as additions to the previously mentioned list of cities where the administrative definition of the city seems to be far smaller than real life would indicate (though on the basis of the size of the FUA such statement probably has less relevance).

Urban Development Policies across Europe

Following the post-war decade of direct state-led re-building efforts, public steering of urban development was replaced in all western European countries in the 1960s by more market-oriented policies. The need for public policies emerged quite quickly, as early as in the 1970s with the growing differentiation within cities, as market processes favoured some areas while lower income groups were concentrated into others. The new wave of public policies started with physical renovation efforts in problem neighbourhoods and changed gradually into more complex, integrated interventions by the end of the century.

In 2004 EURICUR accomplished an analysis (Van Kempen et al. 2005) of EU countries to explore national urban policies. Regarding EU-15, the analysis has led to the following categorisation of countries:

- Explicit urban policies exist in the UK, France, the Netherlands, Belgium;
- Increasing policy attention to cities can be observed in Germany,¹ Finland, Sweden, Denmark, Italy, Portugal;
- No explicit urban policies exist in Ireland, Spain, Greece, Austria, Luxembourg.

The analysis of the new member states joining the EU in 2004 resulted in the general conclusion that in these countries no explicit urban policies (yet) exist, with the exception of Slovenia. According to the researchers' evaluation there was an increase in the number of countries with national urban policies, or at least interest in such policies, compared to a similar previous analysis from the end of the 1990s. In their interpretation, the main reason behind this change was the wish for a more comprehensive approach in policy making, a growing recognition of the value of integrated approaches. Urban policy is one of the potential ways of attempting to synchronise the scattered sector policies of the different ministries. The main aim became to create links between economic, social, environmental, educational, accessibility, etc. issues.

National urban policies are by definition multilevel governance policies, as national and sub-national (at least the local) levels have to take part in such policies. There are different types of national urban policies according to the roles the different levels play in them. Content-wise, two main policy directions could be distinguished: problem-led urban regeneration policies, as opposed to opportunity-led urban development policies. However, instead of this “black-or-white” categorisation in the following analysis we use the distinction introduced by the Leipzig charter (adopted in May 2007 during the German EU Council Presidency on the Informal Ministerial Meeting on Urban Development) which concentrates on the different spatial scales of interventions, differentiating between integrated

urban development in 1) functional urban areas, i.e. above the municipal level, and 2) deprived neighbourhoods, i.e. in sub-municipal units.

Area-based, Neighbourhood-level Urban Development Policies

Neighbourhood-based urban regeneration approaches have undergone significant change in the last forty years in Europe (Tosics 2010). Starting in the 1970s from extensive physical renovation interventions (“rough urban renewal”) into problem areas; in the 1980s efforts were concentrated to keep the original population in place (“gentle urban renewal”); followed in the 1990s by a combination of physical, economic and social interventions (“integrated urban renewal”). In the north-western parts of Europe this is a general historic development path of urban renewal interventions. The recent co-existence of the different models in the cities of the post-socialist countries shows that these cities follow the same route, but 1-2 decades behind.

Thus in national urban policies in the 1990s and early 2000s the domination of neighbourhood-based policies was observable. According to an overview of such programmes (Gebhard 2010), in contrast to city-wide social housing policies and physical urban renewal programmes, area-based programmes aim specifically at promoting inclusion and cohesion in disadvantaged areas in an integrated manner. The European Commission promoted such approaches with the Urban Pilot Projects (1989-1999) and the POVERTY III (1989-1993), URBAN I (1994-1999) and URBAN II (2000-2006) Community Initiatives (Carpenter 2006, Guntner 2007). Particularly in countries with no strong tradition of urban policy, the Community Initiatives acted as a stimulus for policy development in this field.

These EU initiatives – though financially very limited – triggered very successfully national urban policies towards an integrated approach, targeted on carefully selected small problem neighbourhoods. The following national programmes were highlighted by Gebhard as deserving special attention.

Table 3 Main area-based national programmes for urban development with social inclusion aspects in the late 2000's
(Source: Gebhard 2010, updated and extended (DE Stadtumbau, HU) by the author.)

BE Politique des Grandes Villes (Big Cities Policy) 1999-	Policy for integrated, area-based development that aims to strengthen the local economy and social cohesion and to improve housing, public space and environmental conditions. The policy is implemented in a contractual partnership between the Federal State, the regions and municipalities which defines objectives on an annual basis. Between 2005 and 2007, 15 cities were supported in this programme to the tune of a total of 128 m Euros. In addition to the Big Cities Policy, there are different programmes in place at the regional level (Franke et al. 2007, p. 52).
DE Soziale Stadt (Socially Integrative City) 1999-	The Soziale Stadt Programme was set up by the Federal Government but is managed in a rather decentralised manner (via the regional level, i.e. the Lander). Through this programme, the improvement of housing and social infrastructure, employment, migrant integration, security, environment, mobility and culture are supported in some 400 neighbourhoods “with special development needs”. The annual budget of the programme is 300 m Euros, but programmes are usually pooled with other resources (e.g. ESF projects). On-site neighbourhood management teams and resident participation are key elements of this programme (Franke et al. 2007).
DE Stadtumbau Ost, Stadtumbau West (urban restructuring programmes in the eastern and in the western parts of the country) 2000-	The German “Stadtumbau” programme, first introduced for the Eastern regions, later extended also to the western part of the country, aims to tackle the problems of urban development caused by demographic and economic structural changes which have led to shrinking cities and municipalities. “The need for urban restructuring became apparent at the end of the 1990s. A report by a commission of experts carried out on behalf of the German Government (on ‘Residential Structural Change within the New Federal States’) for the first time showed that the eastern federal states have regions with severe and permanent residential vacancies; as a result of a dwindling population.” (EUKN). The shrinking process of cities is handled by complex urban restructuring interventions, based on over-arching and long-term strategies, in the framework of which in particular dysfunctional housing estates can be “back-built”, i.e. partly demolished, partly renovated.

DK Kvarterloft 1997-2007	The Kvarterloft initiative was an approach to integrated urban regeneration in 12 Danish urban areas with a total of 110,000 inhabitants. It built on a strong citizen involvement and public-private partnerships and was jointly governed by several national ministries. The inter-level relationships were framed by contracts that were renegotiated annually based on evaluations. The programme received a total funding of 175 m Euros. After the end of the programme in 2007, parts of the Kvarterloft concept were taken over by urban renewal legislation and social housing programmes (Ministry of Refugees, Immigration and Integration Affairs 2007).
FR Politique de la ville (City Policy) 1981-	The politique de la ville can be defined as a policy against social exclusion that follows a territorial logic. The policy that was initiated in 1981 currently targets roughly 500 zones urbaines sensibles. Its objectives and instruments are set between the state, the region and the agglomeration/city in contrats urbains de cohésion sociale (until 2006: contrats de ville). The politique de la ville covers the areas of habitat and environment, access to employment and economic development, educational success, health, citizenship and crime prevention (DIV 2007).
NL Grote Steden Beleid (Big Cities Policy) 1995-	The major Dutch integrated area-based programme on social inclusion is the Grote Steden beleid (Big Cities Policy). The programme was started in 1995 and its third programming period was between 2005-2009. It targets the fields of employment and economic development, urban development, social development, security, migrant integration and naturalisation. The programme is implemented on the basis of agreements between the central government and municipalities, long term strategies, regular meetings and evaluations. It covers 50 areas in 30 cities (Andersson & Musterd 2005; Franke et al. 2007, pp. 71ff).
SE storstadspolitiken (Metropolitan Development Initiative) 1999-	The Swedish storstadspolitiken targets socio-economically disadvantaged neighbourhoods, predominantly with a high share of immigrants. The programme is coordinated by an interministerial board and implemented by city and district administrations. Specificities of the Swedish programme are a focus on the transferability of successful measures to other neighbourhoods and area-based monitoring of the social outcomes based on a set of common indicators. Between 1999 and 2003, 24 neighbourhoods received 220 m Euros. Since 2004, the local programmes have had to acquire their budgets from other sources (Franke et al. 2007, pp. 75ff).
UK New Deal for Communities, Local Strategic Partnerships, Neighbourhood Renewal Fund and Neighbourhood management Pathfinder Programme 1998-2010	The programme was launched in 1998 with the aim of reducing gaps between deprived urban neighbourhoods, in which decades of classic regeneration policy had not had much effect, and the rest of the country. The core budget for the ten-year period was 2 bn Euros for 39 programme areas. Key fields of intervention were work, security, education and training, housing and the physical environment. There are also Local Strategic Partnerships (in basically all Local Authority areas) to promote cooperation across relevant public, non-governmental and private actors. In the 88 most deprived LSP areas, a Neighbourhood Renewal Fund was made available. There was also the Neighbourhood Management Pathfinder Programme which operated in more than 35 areas. (Franke et al. 2007, pp. 78ff; Lawless 2007.) After the change of national government in 2010 a new approach was introduced, based on the “Localism bill” and the “Big Society” concept.
HU Integrated Urban Development Strategy 2008-	Hungary introduced for the EU budgetary period 2007-2013 the requirement that the cities prepare Integrated Urban Development Strategies. Only those cities which have done so can apply for subsidies for any kind of area-based urban renewal programme with EU funds that have prepared an Integrated Urban Development Strategy for the whole settlement. This Strategy must include a so-called Anti-segregation Plan within which segregated areas of the cities have to be identified, exploring their basic conditions. Furthermore, the guidelines have to be laid down in a programme which the local government is willing to carry out on a mid-term basis in order to mitigate the effects of segregation. In 2008 altogether 157 Hungarian cities prepared an Integrated Urban Development Strategy and, if relevant, an Anti-segregation Plan.

Neighbourhood-based national urban policies can further be classified according to which level of government decides about the content of interventions and about the selection of action areas. There are examples of strong centralisation, when intervention areas are selected by the national level (based usually on an analysis of country-wide indicators, pin-pointing the most deprived areas of the country) and the content of the interventions into these areas is also largely centrally determined. The UK and the Netherlands clearly belong to this category; in given periods in time in both countries a list existed of local areas designated by the relevant ministry as intervention areas. In some other countries the national level only sets up a framework of conditions and the intervention areas are selected on the basis of a bidding process. Catalonia and Hungary (and to a given extent, with less importance being given to competition, Germany) belong to this category: the conditions of their programmes were announced from time to time, giving a deadline for local governments to participate in them through bidding with areas which satisfy the prescribed conditions (i.e. are deteriorating areas according to a list of indicators).

City and Functional Area Based Urban Development Policies

As a new tendency in the early 2000s a change was detected by the EURICUR analysis: in some countries the neighbourhood approach to national urban policies has gradually been replaced (or extended) by a wider, city-based approach. Such policies are usually implemented through contracts between the national level and the largest cities. Variations are also observable in this type of national urban policy, depending on the

- content (to what extent integration between economic and other aspects is required);
- spatial aspect (to what extent the programme is extended towards the functional urban area, i.e. beyond the administrative borders of the city).

The most elaborated examples of this orientation are the Dutch and Belgian national urban policies, where multi-year contracts are signed between the national government and the selected cities.

The novelty of the last decade or so has been to work out urban development policies beyond the city limits, i.e. for functionally defined urban areas (city-regions, metropolitan areas). Such policies face special and difficult problems: how the functional areas are to be determined and how the political process of decision-making and approval of the programmes is to be established. On the other hand, if these problems can be solved, functional area-based policies can achieve substantial results, being able to handle difficult matters which cannot be resolved within the boundaries of cities (e.g. addressing the problems of urban sprawl and social segregation at the same time).

One of the first examples of urban policies based on functional urban area (city-region) level strategies was that of the French urban communities. France was historically characterised by a highly centralised power, but in recent decades a decentralised territorial administration has been set up. In 1981-82, the first decentralisation laws implemented the devolution of administrative competences from central state to local governments. Municipalities got the right to give legal agreement to development applications (development and land planning) and the choice to belong to one or several inter-municipal cooperation establishments (EPCI).

In 1999 a new law was brought into force to promote and simplify inter-municipal cooperation: three main types were defined (according to population threshold: above 500,000 population, above or below 250,000 population) with financial incentives to promote the creation of inter-municipal cooperation.

Municipalities may themselves decide which municipal association they join. However, each municipality may belong to only one association and the formation of the associations is controlled by the prefect (state representative), in order to avoid direct political aspects in the composition of associations. The municipal associations are led by the council, consisting of the mayors of the municipalities. Thus, the regulation of metropolitan cooperation is based on voluntary decisions; however, if an association is created, it must comply with rules introduced by law.

The effect of this policy can be illustrated by the example of Montpellier, a city of around 250,000 inhabitants. This dynamically growing urban area was in the 1990s dominated by sprawling development (Jarrige et al. 2011). Change began with the creation of a new local authority, Montpellier Agglomeration, at the end of 2001. This new level of local government, gathering together 31 municipalities with more than 400,000 inhabitants, is in charge of several major public policies. Among these public policies formerly implemented by municipalities are: spatial planning (at regional scale), collective transport, water man-

agement and housing policy. The creation of Montpellier Agglomeration brought about deep and positive changes in local governance and planning practices, leading to success in the fight against urban sprawl.

The Development Path of the Post-Socialist Countries

The development path of the new EU member states is significantly different from the analysed examples of the western countries. Analyses show that in the transitional period of the post-socialist cities, starting from the early 1990s, integrated planning approaches (which would require strong public leadership and interventions) were missing, largely because of the negative connotations planning had in the socialist period. Instead of public control, urban development was dominated by the private market; opportunity-led processes prevailed. The latter are described by Tasan-Kok (2004, p. 298) as one of the potential ways for urban governments to sustain capital inflow: relaxing regulations is the easiest answer to increasing pressure by private stakeholders. Of course the withdrawal of public control over development has led to serious problems in the development of urban areas.

Initiating cooperation between the local municipalities of a functional urban area is not easy in general, and it is even harder in the post-socialist countries. Local governments in their socialist development period had hardly any real independence to determine their development. No wonder that, after the fall of socialism, municipalities which have obtained their long-awaited local independence insist on keeping this and are very suspicious of all types of cooperation ideas. The example of the Romanian growth-pole programme shows an interesting attempt to change this attitude.

By recommendation of the EU, a joint initiative with the Romanian Ministry for Development had been launched to change the traditional approach to urban development (assigning cities and their poorest areas as targets for improvement) for the 2007-2013 Structural Funds period. The innovation is the broader approach of the “growth pole” model, aiming at opening towards the metropolitan areas and towards also economically better areas, in order to foster territorial cohesion.

On the national level seven growth pole cities have been assigned. Each of these cities has to delimit and establish its functional urban areas. The government did not fix concrete criteria how this area should be established, except for that it has to be spatially continuous and should contain at least three additional settlements.

For each growth pole an Association for Intercommunity Development (AID) has been created, comprising of the city, the municipalities in the hinterland (towns, communes) and potentially the County Council. The AID set up the decision-making mechanisms for the growth pole area, and had to prepare the Integrated Development Plan (including economic, environmental, social aspects according to given proportions) for this area. This plan had to be approved by the city and all other municipalities, and finally also by the ministry.

The Romanian growth-pole programme achieved relative success. The main reason for that lies in the strong conditionality in the allocation of the financial means to the Structural Funds: EU money is accessible only through the required functional urban area organisational form. On the basis of strong financial interest cooperation can be created even between municipalities which would otherwise never cooperate with each other. This is shown clearly in the case of Timisoara: the city

Theoretical Framework and Presentation of Case Studies

Mart Grisel and Frans van de Waart

asked 14 surrounding settlements to join to the growth pole area, and after some debate 13 of these responded positively.

The differences between the eastern and the other countries of Europe will not last forever. There are already some neighbourhood level urban regeneration programmes going on in the post-socialist countries, and some of the future programmes of urban development (e.g. Poland 2030) are based on territorial cooperation around large urban metropolises.

The Recent Change in Political Orientation of National Urban Development Policies

As already discussed, the domination of neighbourhood-based policies in the 1990s and early 2000s was partly due to EU initiatives which successfully triggered national urban policies towards an integrated approach. This was, however, only one of the reasons – the other being political: in the 1990s there was a clear social democratic leadership in many countries on a national level. It was in line with the political aims of social democratic governments to promote urban issues in an integrated way, emphasizing the importance of the social and environmental factors – the neighbourhood-based policies of this period were targeted first and foremost to problem areas.

The political changes of the 2000s show a massive turn to the right among the national governments of the EU countries. This, together with the financial crisis, has led to a general retreat in Europe from neighbourhood-based urban regeneration policies, concentrating on problem areas. As a combined outcome of the changes in political ideology and the worsening of public financial conditions national policies in the late 2000s gradually step back from concentrating on the most deprived neighbourhoods, while they are opening up towards supporting opportunity-based policies on the city or functional area level.

It is not easy to draw a clear balance for urban areas from these changes, as cities are at the same time both losers and winners. They get much less attention from the national level regarding their problem areas, while their chances of obtaining support for economic development are increasing. The financial balance of these changes may not necessarily be negative – in some countries it can even be positive, especially if private funding triggered by public investments is taken into account. These changes, however, have a clear political orientation: less national support for areas (and social groups) lagging behind, while more support on efficiency grounds for cities and areas having better development opportunities.

Thus, there is a threat that in many countries the economic and efficiency related aspects will be prioritised, while the social and other “weaker” targets will get less attention. In this situation the EU has an important role to play with the EU2020 strategy, which places emphasis on the integrated approach (the social aspect is one of the headline targets). Earlier experiences with URBAN show that EU programmes have been influential in the past – thus a stronger EU approach after 2014 towards integrated development may motivate Member States, too.

Endnote

¹ In Germany, the “Städtebauförderungsgesetz” (urban development promotion law) has been in existence since 1971; thus this country could also have been categorised as a country with “explicit” urban policies.

Toward an “Urban MLG Profile”

A Theoretical Framework

The concept of MLG – whatever precise definition is used – is by no means an exact science. However it is possible to specify circumstances and conditions that are relevant for the chances of success for bringing MLG into practice. In chapters 1 through 4 Güntner and Tosics elaborate on a broad range of issues covering governance as well as urban development in Europe. Their work presents a vivid image of the differences between and within member states that exist in present day Europe. On the basis of their contributions we have identified a number of critical factors, or circumstances, at the level of member states. This set of critical factors can be seen as an “urban MLG profile”, or background, against which the projects and programs in the cases are carried out.

The urban MLG profile contains a number of related observations that help to explain and predict what opportunities and threats might arise in specific projects and programmes. By taking these observations into account from the start of the project timely measures can be taken to seize opportunities and to overcome problems before they negatively affect the outcomes of the project.

Our urban MLG profile consists of the following factors/circumstances (see chapter three):

1. Political system (classic unitary, centralised unitary, federal, etc.);
2. Tiers of government;
3. Analysis of local level (size versus competence);
4. Analysis of middle tier;
5. Composition of municipalities’ total revenue;
6. Citizen representation and participation;
7. Urban development;
8. Neighbourhood urban regeneration (rough, gentle or integrated);
9. National urban policy;
10. Spatial planning systems;
11. Polycentricity (size secondary city versus capital city).

The factor “citizen representation and participation” is not covered in the chapters by Güntner and Tosics, but is included here because of the importance attached to it in the Trio Presidency’s agenda.

The next table explains how the score on these factors is categorised. A uniform categorisation of the urban MLG profile will enable us to compare between cases.

Urban MLG profile

Subject	Categories
1. Political system	Classic Unitary Country Centralised Unitary Country with strong but non-integrated local authority level Centralised Unitary Country with strong integrated local authority level Decentralised unitary Country with strong local and regional level Regionalised Unitary Countries Federal States
2. Tiers of government	National Regional (number of provinces, counties, etc.) Local (number of municipalities)
3. Analysis of local level (size versus functional competence)	Large/strong competence Small/strong competence Large/small competence Small/small competence
4. Analysis of middle tier government	Elected/strong competence Elected/weak competence Appointed/strong competence Appointed/weak competence
5. Composition of municipalities' total revenue	Local taxation Government grants
6. Citizen representation and participation	Elected mayor/no elected mayor National referenda (binding or not) Local referenda (binding or not)
7. Urban development	Extensive Physical Interventions Efforts to keep the original population in place Integrated Urban Renewal
8. Neighbourhood urban regeneration	Extensive physical interventions (rough urban renewal) Efforts to keep the original population in place (gentle urban renewal) Integrated urban renewal (combination of physical, economic and social interventions)
9. National and regional urban policies	
10. Spatial planning systems	Regional economic planning (French model) – central Comprehensive integrated approach (German model) – multilevel Land use management (British model) – primarily local Urbanism tradition (Mediterranean model) – local
11. Polycentricity	Top secondary city larger than capital city Top secondary city GDP 80% to 50% size of capital city Top secondary city GDP 50% to 25% size of capital city Top secondary city GDP 25% to 15% size of capital city Top secondary city GDP 15% to 10% size of capital city

How Does the Urban MLG Profile Work?

An Example: Employment Policy in Edinburgh

The number of actors on different levels of government and division of competences in the political system is a key element in an urban MLG profile. In the case of Edinburgh the nature of the British/Scottish political system brings with it the need for cooperation between a variety of partners who each have their own specific competences. Moreover, more than one actor has competences that stretch from policy making to implementation on the ground, which means for instance that individual clients in Edinburgh can be serviced by six different parties at the same time. Knowing and realising all this beforehand it is necessary to make timely arrangements for communication and administration to prevent the complexity of the playing field to get in the way of the desired outcome of the project. The more detailed the urban MLG profile, and hence the awareness of potential risks, the more efficient these timely arrangements will be.

At this point it must be made clear that this example is not about criticizing complexity, but about recognizing complexity. There can be valid and compelling reasons for choosing for a more complex mode of governance to take on a specific challenge or problem. Moreover, each member state has its own unique historical background in which governance and urban areas developed. In bringing MLG into practice this diversity has to be taken into account.

Presenting the Case Studies

Actor Analysis, Urban MLG Profile, Case Passport

The cases at hand are described from two angles. First they are described in the fashion of an actor analysis, focusing on actors between and across levels of government and their respective roles in the projects. Second, the policy and financial process are described focusing on initiative, approach, execution, monitoring and evaluation. Information for the case studies was gathered through a tailor made template, based on the elements in the urban MLG profile, and follow up interviews with contact persons for the cases to further discuss crucial obstacles and stimuli.

To facilitate an understanding of the different projects and the background against which projects were carried out, each case study features an urban MLG profile and a “case passport”. This case passport contains basic information (e.g. issue, duration, budget) that gives a general idea of the project. Each case study ends with a resume of the most important obstacles and stimuli encountered in the project.

Case Studies

Urban MLG Profile Belgium

Case Passport Park Spoor Noord: The Green Heart of Antwerp

Subject	Categories
Political system	Federal state, federal parliamentary democracy under a constitutional monarchy.
Tiers of government	<p>Federal government The Senate Chamber:</p> <ul style="list-style-type: none"> • Flemish parliament • Walloon parliament • Parliament Brussels-Capital Region • Parliament of the French language Community • Parliament of the German language Community <p>Regions: Flemish, Walloon and Brussels-Capital Region</p> <p>Language Communities: Flemish (merged with regional government), German, French</p> <p>Provinces: 5 Flemish region; 5 Walloon region</p> <p>589 Municipalities 308 Flemish region; 262 Walloon region; 19 Brussels Capital Region</p>
Analysis of local level (size versus functional competence)	Small/strong competence
Analysis of middle tier government	Elected/strong competence
Composition of municipalities' total revenue	The regions are responsible for the municipal fund and provide a non-earmarked income (approximately 20% of the total revenues). The main source of finance derives from autonomous local taxes (40% of revenues), federal tax (income and properties).
Citizen representation and participation	<ul style="list-style-type: none"> • Appointed mayor • No binding local referendum
Urban development	Integrated area based development
Neighbourhood urban regeneration	Integrated urban renewal
National urban policy	Urban policy programme set up for large cities by the federal government: Federal Urban Policy.
Spatial planning systems	Between land use management (British model) and comprehensive integrated approach (German model)
Polycentricity	Top secondary city GDP 50% to 25% the size of the capital city

Period	The project started in 2000 and the park was opened to the public in 2009. The second phase included the opening of the “parklands”, which is the biggest ex-railway building in the park in 2011.
Area	Antwerp
Period	Start project: 2000 2009: opening of the park, 2011: opening of the “parklands” (=the biggest ex-railway building in the park)
Budget	39.665.000 Euro
Issue	In 2000, the NMBS (National Belgian Railway Company) abandoned a 24 hectares railway site in the north of the city. The site has a unique elongated shape. It is intersected in the centre by the Viaduct Dam, so the park has a west side and an east side. The Noorderlaanbrug (bridge) also intersects part of the west side of the park. A first tranche of studies, participation and negotiations was completed in December 2001 and produced plans for the development of the site as an urban landscape park.
Initiative for the project	The northern part of the city has some of the typical spatial, social and economic problems that come with dense city areas and abandoned industry: rubbish dumping, unemployment, and, perhaps most of all, image problems. The North of Antwerp was clearly deprived of light, air and green recreational space. This is the reason why the different governments wanted to invest in this project.

Park Spoor Noord: The Green Heart of Antwerp

Elizabeth Winkel

In 2000 the planning for a large rehabilitation project in a deprived area of Antwerp began. An abandoned railway area was to be transformed into the green heart of the city, offering citizens and visitors green space, a place for creativity, rest and recreational purposes. From beginning to end the project took ten years to achieve and the costs amounted to 40 million euro. Of this fourteen million was financed via the European Objective II programme, an economic programme aimed at the recovery of deprived areas. The rest was financed by the federal government of Belgium and co-financed by the Flemish region.

Objective: Rehabilitation of a Deprived Area into One of Antwerp's Favourite Urban Hotspots

The objective of Park Spoor Noord was:

- To maximise the unique opportunities that came with the abandonment of a 24 hectares site by the Belgian National Railway Company (NMBS);
- To provide the densely packed Spoor Noord area with much needed green open space;
- To provide a shared meeting place for and a corridor between the diversely populated neighbourhoods around the site;
- To give the area positive vibrations and attract new families, renovation projects and economical activities to the north of Antwerp.

The railways ran through a residential area, resulting in many complaints by neighbours. In operational terms, the railway station had space only for one filler track which was not practical. This caused the NMBS to leave the area and settle in the northern port of Antwerp, where there is much less impact on the environment since this is the industrial area of the city. In the knowledge that the area would be released to new zoning purposes, a steering committee, multidisciplinary team and autonomous company were set up to coordinate the project Park Spoor Noord.

Approach: Cooperation between Project Team, City and the Citizens of Antwerp

The coordination of the project was led by a project team, commissioned by the city of Antwerp. A first tranche of studies (by the city of Antwerp), participation (by citizens) and negotiations (by the city, the railway company and Euro Immo Star nv, which is a subsidiary of the railway company and owner of the property) was completed in December 2001 and produced plans for the zoning of the site as an urban landscape park.

In exchange for eighteen hectares of public space, the Belgian Railways (NMBS) received commercial development rights for 192,00 square metres in a six hectares plot to the west of the park. The NMBS was also responsible for carrying out the required decontamination of the soil. Via the Open Call procedure, Bernardo Secchi & Paola Vigano (Italy) and Pieter Kromwijk's (Netherlands) design was selected in 2003. The city acquired financial support for this project from the Belgian (Grootsteden-beleid – “policy for large cities”) and European (Objective II) governments.

Results: Park Spoor Noord, A Place of Creativity, Relaxation and Recreation

The hoped for status of the park as an attractive urban hot spot as well as a local garden or square has been achieved, judging from the mixed but balanced local and supra-local use of the park mostly in summertime (since 2008 and especially since 2009 when the water garden was in use).

In 2008, the multidisciplinary Spoor Noord team was reinforced by a park coordinator and a park programmer. The coordinator elaborated a preliminary management plan for the park, which has since been executed and evaluated in collaboration with local residents, the police and the different city departments. The park programmer stimulates and coordinates local participation by supporting activities initiated by neighbourhood committees and selectively attracting activities and initiatives of greater stature. The park managers guard the unique status of the park as a metropolitan but decisively local park by ensuring a healthy balance between local and supra-local use.

In 2011 research was done in order to evaluate the park and how people experienced it. The results show that citizens of Antwerp are very positive about the eighteen hectare park grounds. Project leader Hardwin de Wever attributes this to the fact that when designing the park much space was left open for the creativity of its users. For example, a field will not have the exact measurements of a football field but there are nets which can be used as goals. In other words people can play football on this field, but they can also play with their kids, read a book or practise tai-chi in that same area. The structure of the park as well as the park managers see to it that different people can use the park for different purposes. The idea of Park Spoor Noord is to create (green) space in the city and a recreational place where people can relax, get together or play sports. The park is also used for cultural purposes. There is no such thing as appropriation by one party within the park. Park Spoor Noord above all has become a place of creativity, relaxation and recreation.

Actors and Their Roles

This paragraph identifies the roles and powers of the most important players in both phases of the programme and the barriers they had to overcome to achieve the corresponding objectives. The table below gives an overview.

European level	European government: Financial: Objective II programme
Transnational	Federal government: Financial “policy for large cities”
National	Regional Financial: Flemish government
Regional	<ul style="list-style-type: none">• (1) National rail way company (NMBS) and its (2) subsidiary (Euro Immo Star nv) which is the owner of the property• The French Community Commission• The Flemish Community Commission
Local	Coordination of the project by city of Antwerp
NGOs	n/a

Initiative for the Investment Programmes: Everyone Facing in the Same Direction

A vision for the future of the area was formulated before conversations with the owner of the site or residents were set up. At that time Antwerp was still quite divided into the coalition against the Flemish region. So the city was not at all concerned with urban development, but with internal struggles and divisions. In the first phase it was therefore important to have everyone facing in the same direction. This was a big challenge and also a big risk. The steering group knew very well that direct negotiations between a divided city and the owner of the site would probably result in a different debate, as the railway company could then use the division of the city in their favour. The advantage was that money would be released by the federal government for this revitalisation project. So if consensus could not be reached internally the entire subsidy would be at risk. The federal government and Europe want to know where the project is going, and if there is no clear idea, then there is a problem. For the planners of Spoor Noord this was a valuable tool to use against the government in order to show it the unique opportunities of the area but also to oblige it to make decisions, otherwise they would lose a lot of money. Once decisions were made, subsidies were formalised and the project team started work on the park. An open call was made for designers to submit their plans and for people from Antwerp to participate in the planning for the new park.

The programme leader focused on the financial and judicial aspects of the project and served as a link to the political aspects of the development. The project leader focused on the buildings and the architectural achievements. The construction site coordinator specialised in landscape architecture and four project team members focused on commissions and contracts, communication and park management. The function of park manager and coordinator are fairly unique. The park coordinator keeps track of the evolving opportunities and requirements for the use, safety and maintenance of the park.

Vertical and Horizontal Evaluation: Cooperation on a Parallel Level

The project was divided into the following groups:

- The winning design team and external experts;
- The Steering Committee: Members of NMBS and Euro Immo Star nv, civil servants and aldermen of the city of Antwerp, the chairman of OCMW Antwerp (social welfare council), and the Flemish region;
- The Multidisciplinary Team: a project team appointed by the city of Antwerp to coordinate the entire project from beginning to end (project leaders, coordinators, executors);
- Autonomous company: Autonomo Gemeentebedrijf Antwerpen Nieuw Noord (autonomous municipal company for the renewal of north Antwerp, AG ANN). This served as a financial vehicle. Grants were managed at this level.

The parties/levels in this project should not be seen as a hierarchy or top down relationship but rather as a horizontal scheme, where the parties worked together on a parallel level. The multidisciplinary team took care of all the day to day operations. This level had the mandate to operate autonomously. Decisions were made here without them having to be approved by others on other levels. The winning design team and external experts worked hand in hand with the multidisciplinary team. The steering committee would get together every quarter. Someone from the multidisciplinary team, usually the project leader, would attend these meetings to report back to the steering committee about the work

on Park Spoor Noord. When construction and zoning plans were made, the multidisciplinary team asked the autonomous company AG ANN for the money directly. This financial vehicle was also able quickly and easily to decide where and how it would invest money into the project; it did not have to ask permission from another party.

Financial Arrangements: AG ANN Founded for Park Spoor Noord Project

Much was learnt from the autonomous company which was set up especially for the execution of the project. AG ANN was founded in 2001 because part of the funding for this large-scale, complex project came with an unrealistic “expiration date”. The transfer of the fund management to AG ANN allowed for the efficient distribution of means.

Today, the coordination of area-oriented programmes and projects in the execution phase is carried out by the Autonomo Gemeentebedrijf Stadsplanning Antwerpen (Autonomous Municipal Company for City Planning). Originally a non-profit organisation, AG Stadsplanning, has searched for the most powerful organisational structure and operational form to enable it to carry out its ambitious mission. AG Stadsplanning found inspiration for its current operational form in AG ANN, the autonomous company which was founded especially for Park Spoor Noord.

Implementation: Green on the Tracks

From the conceptual phase to the design phase (2001-2005), several participation and communication occasions were organised. “Groen op het spoor” (Green on the tracks: 2001), was a three-day cluster of debates with local residents about the future of the site. The “Trek je plan – dag” (Plan your park – day: 2002) gave local residents the opportunity to formulate input for the programme for an Open Call procedure. The winning design was presented and discussed in the context of the “Park op komst” (Park on the way: 2003-2005) campaign with a grand debate, an exhibition and other communication events. In a campaign entitled “Tournée Generale”, the Spoor Noord team made house calls to inform target groups which are generally harder to reach.

In the next phase the site itself was put in the spotlights by means of a Mobilizing Programme (Wer vend Programma), including a popular annual street-run, art projects created by students, the festive opening of the renovated old Dam Station (the current project team’s headquarters, also an information point for the public) and an interactive exhibition entitled “Graaf!” (Dig: 2005) about the soil decontamination works. In 2006, the refurbished Damplein was ceremonially reopened and a photo exhibition called “Park in beeld” (Park in the picture) was organised in collaboration with local residents. In mid-2007 the “Focus op het Noord” (Focus on the north) exhibition provided an overview of important moments in the project since 2000.

Monitoring and Evaluation: Park Spoor Noord New Urban Hotspot

The approach to the project was experimental but successful. For the first time a multidisciplinary team was created within the city administration to coordinate the entire project from a to z. This enabled the city to manifest itself strongly as a leading actor. Since the park’s opening to the public in 2009 research has been done to evaluate the park within Antwerp. The results show that Park Spoor Noord is one of the favourite urban hotspots of the citizens of Antwerp. The number of building permits, relocations and renovations around the park have increased incredibly in the years since its opening.

Citizen Participation: Conventional Ways of Informing Do Not Work

The project team worked with an open, transparent agenda, sharing each step in the decision making process with others. This created trust among the various parties involved in the project. Another important approach was citizen participation. A conscious decision was made by the project team to allow people from Antwerp to express their ideas and hopes for the park. This was done in the following manner:

1. Giving basic information about the park (through posters, flyers, newsletters within the neighbourhood);
2. Setting up “participation moments” in the form of debates, workshops and dialogues. The project team also visited schools in the neighbourhood to ask for their input;
3. Design days were held in the park before the development actually started. Neighbours were invited to make a model of their ideal park. For example, youngsters wanted a basketball field, but there was also a demand to link the history (the railway station) with the future of the park (green, recreational area);
4. For many citizens of Antwerp the area was unknown. People questioned where the park would be developed because for many it was a very strange thought that a park would arise out of a railway station. An active information supply about the neighbourhood and the location was necessary. This was done by organising events, like cultural outings, sports events and walks in the park grounds.

Conventional ways of disseminating information, like the project leader telling neighbours what is going to happen, did not work, especially among the foreign citizens of Antwerp. Within a neighbourhood with a large number of foreigners there is likely to be a communication gap. Therefore flyers were, in some cases, distributed in more than one language. For this group the events mentioned in point 4 of the list above were far more interesting. This gave the group a sense of belonging, involvement and feeling at home in this area.

Obstacles and Stimuli

Given the division between the local and national governments the project team had frequently to focus everyone’s attention again on the project. The reason for this is that the strength of such a major project is directly related to the strength of the operational and daily team. The project’s multidisciplinary team had a proactive approach and so was able to take the lead in the cooperation with the local (Antwerp) coalition. If this had been unsuccessful then lots of money would have been lost. At a later stage when the park was opened a debate was started within the government about large projects and their zoning plans.

When Park Spoor Noord was achieved grants were linked to project objectives. According to project leader Hardwin de Wever, this works far better than linking grants to a timetable or deadlines which is currently the case. If project coordinators today do not meet deadlines they lose the grant given to them for the project. This is a real shame according to De Wever because planning a major project in itself can take a long time. It took four to five years before the first poles went into the ground at Park Spoor Noord. Europe is often not aware that project planning is a long term process. However grants can be amazing triggers to catalyse and speed up the planning trajectory. Grants should focus on goals; they must also be measured on progress, but simply to bring it down to timing is not realistic

according to the project leader. As a result many local governments lose money because, for example, building permits are not finished on time.

Today the process of project development and asking for grants has become more bureaucratic. A lot of time goes into reporting, according to De Wever. This was the case to a much lesser extent with Park Spoor Noord. Also the interaction between Europe, local governments and project managers is rather strange because it works in one way: project managers report to Europe, but do not always get a lot of response from these European institutions. There was one visit from a European directorate to Park Spoor Noord, which was a protocol visit. De Wever says that he would have wanted to see more involvement with the project team from the European level. He argues that because of this distance between the levels formats and rules are created in Europe which do not work well in practice. Europe should work on customizing grants and programmes for each project.

Suggested (Web) Sources

- www.agstadsplanning.be

This text is based on an informative interview with and helpful comments by Hardwin de Wever and Ellen Lamberts

Subject	Categories
Political system	New member state: centralised unitary country with a strong but non-integrated local authority level, subnational government
Tiers of government	<ul style="list-style-type: none"> • National • 7 Statistical regions • 19 Counties and the metropolitan self-government of Budapest • 3175 Municipalities, including the districts of Budapest 
Analysis of local level (size versus functional competence)	Small / strong competence.
Analysis of middle tier government	The Hungarian counties: elected / weak competence. The metropolitan self-government of Budapest: elected / strong competence
Composition of municipalities' total revenue	<ul style="list-style-type: none"> • Own source revenue: in Hungary municipalities are free to choose and levy among different types of local taxes (tourist, business, communal, property et cetera.) • Central budget: a majority of the financial resources derives from the central state • Local government assets / profits <p>Local governments independently manage their budgetary revenues. However the central government regulates the legal aspects of the state contributions.</p>
Citizen representation and participation	<ul style="list-style-type: none"> • Directly elected mayor • 79 local referenda between 1993-1999 and 32 between 1999-2000. No referendum may be held on municipal budget or tax. The result is binding if at least 50% of the citizens participate.
Urban development	Integrated urban development strategy (IUDS), a development strategy with strong territorial focus, basic prerequisite of gaining support from ERDF Funds
Neighbourhood urban regeneration	Based on the IUDS, integrated urban renewal, i.e. a combination of physical, economic and social interventions.
National and regional urban policies	No specific urban policy. Urban policy measures are considered to be an integral part of spatial development and consequently are seen as the responsibility of local municipalities and the government.
Spatial planning systems	In socialist period: regional economic planning (French model) – central After socialist period: more close to urbanism tradition (Mediterranean model) - local (rather sectoral planning dominates).
Polycentricity	Most important secondary city: 10% to 15% size of the capital city.

Programmes	<p>The revitalisation programme of the Magdolna Quarter (Józsefváros) in Budapest consists of two phases:</p> <p>Phase 1: Budapest-Józsefváros, Magdolna Quarter Programme I: an integrated social urban rehabilitation pilot project</p> <p>Phase 2: Magdolna Quarter Programme II</p> <p>Both phases are forming one integrated programme, but the two phases differ substantially in several respects: activities, financing, actors involved et cetera.</p>
Period	<p>1st phase: October 2005- December 2009</p> <p>2nd phase: August 2008- April 2011</p>
Area	Budapest, 8 th district (Józsefváros), Magdolna Quarter, approximately 12,000 inhabitants. Both projects focus on the same action area delineated with the same borders
Budget	<p>Phase 1:</p> <ul style="list-style-type: none"> • The main source of finance was the metropolitan government. In addition, a small part was co-financed by the district government of Józsefváros. The total amount was 855 million HUF (which was approximately 3.42 million Euros in that period). <p>Phase 2:</p> <ul style="list-style-type: none"> • Financial resources mostly derived from EU funding, which was incorporated into the New Hungarian Development Plan. The total amount was 2,100 million HUF (the equivalent of 7.98 million Euros in that period). <p>A total of 2,955 million HUF, approximately 1.4 million Euros, has been invested for the rehabilitation of the Magdolna Quarter.</p>
Issue	The Magdolna Quarter is a historically lower status area. Social residualisation speeded up after the change of the political system (1990). The general objective is to improve the quality of living in the neighbourhood, to generate economic growth and to strengthen local community cohesion.
Initiative for the project	<p>Phase 1 was one of the three social rehabilitation pilot projects launched by the metropolitan government of Budapest, the local government of Józsefváros and Rév8 company;</p> <p>The initiative for phase 2 was to continue with the activities of the 1st phase. Financing for social rehabilitation programmes from the New Hungarian Development Plan.</p>

The Magdolna Quarter Programme: Pioneering for Social Urban Rehabilitation

Eva da Costa

In 2005, the municipality of Budapest launched various pilot programmes in which urban regeneration plays a central role. For this, three socially disadvantaged areas were selected, among which was the Magdolna Quarter in the 8th district of Budapest (Józsefváros). The first phase of the Magdolna Quarter Programme was part of the larger rehabilitation strategy of the Józsefváros district and the Urban Development Programme for Budapest. The second phase of the programme had different financial resources, mainly originating from the New Hungarian Development Plan.

Objective: Social and Physical Upgrading of the Neighbourhood

Many residents in the Magdolna Quarter live in poor circumstances. Many of them (40-50%) are Romany families. The unemployment rate in the Magdolna Quarter is the highest in Budapest and there are few opportunities for education; the elementary school drop-out rate is above the average for the district. Furthermore, many criminal activities occur in the neighbourhood, such as the use of or trading in drugs. The worsening physical state of many tenement buildings and public spaces affects the liveability of the area. In 2004, the local government of Józsefváros launched an urban revitalisation programme for the Magdolna Quarter in cooperation with Rév8, the Rehabilitation and Urban Development Company of the Józsefváros district. During the two phases of the Magdolna revitalisation programme the approach was very integrated and aimed at upgrading the neighbourhood by combining social, economic and environmental measures.

The purpose of the first phase of the programme (2005-2009) is to improve standards of living in the neighbourhood through the rehabilitation of residential buildings (four tenement buildings) and public spaces. In addition, it stimulates social integration, fosters social cohesion and upgrades social diversity. The second phase continues to support these goals and addresses six specific objectives:

- Fostering quality education;
- Community development;
- Lowering the crime rate;
- Improving the living conditions of the residents;
- Generating a better quality of public spaces;
- Strengthening the economic potential of the quarter.

Approach: Integrated Sub-Programmes to Achieve Cooperation and Participation

Cooperation and participation were the core values of both phases of the Magdolna Quarter Programme. During the first period of the project, the main aim was to introduce an urban rehabilitation scheme to ensure the active participation of all residents living in this neighbourhood. In many fields involvement has been achieved, especially in the social housing and public space renewal sub-programmes. For this, it was very important carefully to create trust among the locals and to share responsibility in all the programme projects. The urban rehabilitation of the neighbourhood was very extensive in both phases and included numerous thematic sub-programmes. The programmes ran in

parallel; each sub-programme had its own objectives and approach. However, some of the activities in the programmes were closely related and therefore had impacts on one another. Public institutions and NGOs, such as national and local civic organisations, local residents and decentralised institutions (police, employment agencies et cetera), were responsible for the implementation of the sub-programmes through which different forms of cooperation existed. Some of the NGOs even carried out a programme directly. Rév8 coordinated the whole process and selected implementing actors based on their knowledge and experience. For these activities, Rév8 created a framework and tried to involve as many local actors as possible. The sub-programmes in each phase are organised differently, but complement each other. Public institutions and civil actors have participated in both phases of the regeneration progress. The far-reaching involvement of these actors could be illustrated by the high number of partners – more than 150 organisations – participating in the daily work during the implementation of social and physical operations of the project.

During phase 1, the following sub-programmes were achieved:

- The rehabilitation of residential buildings;
- Innovative Educating programme;
- Crime prevention programme;
- Employment and entrepreneurs programme;
- Community development programme;
- Mátyás Square Community House “Glove Factory”, GreenKeys project.

During phase 2, the reorganisation led to these sub-programmes:

- Quality education;
- Community development;
- Social and crime prevention;
- Building reconstruction with the participation of resident communities;
- Public area rehabilitation programme;
- Economic programme.

Results: A More Attractive Neighbourhood to Live in

Overall, most of the objectives of the two phases of the Magdolna programme have been met. The first phase in particular was successful. Thanks to this experimental phase, introduced and developed by the local government of the 8th district and Rév8, the living conditions in the neighbourhood improved, the long-term unemployment reduced, more affordable and sustainable housing was provided and the local cohesion was strengthened. However, due to a change in decision-making procedures of the local administration, which was part of the local district or government, during the second phase, some of the competences of Rév8 and the neighbourhood institutions were revoked. This obstacle is described in the Magdolna Case Passport (page 59). As a result, it was more difficult to achieve the goals of the second phase. For instance, the establishment of a tenants' association, which was supposed to manage the social housing sub-programme, was not achieved. Furthermore, the economic crisis, which started in 2008, slowed down the process to achieve the goals of the economic sub-programme. On the other hand, according to the results of an evaluation carried out in 2010, the implementing actors managed to achieve most of the goals.

Actors and Their Roles

This section identifies the roles and powers of the most important players in both phases of the programme and the barriers they had to overcome to achieve the corresponding objectives. Many different actors at various levels were involved in the Magdolna programme. The table below gives an overview.

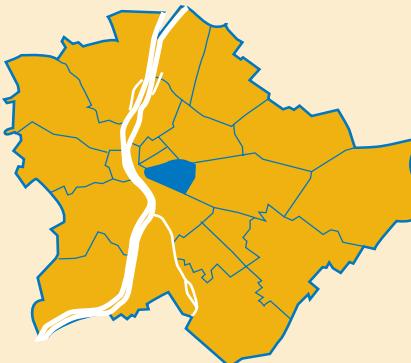
European level	Phase 1: a small amount of EU funding was involved through the Interreg IIIIB through the GreenKeys project for the public space rehabilitation sub-programme. Phase 2: use of ERDF and ESF funding incorporated into the New Hungarian Development Plan.
Transnational	n/a
National	Phase 1: no higher governmental levels were involved in phase 1, the programme was initiated by the metropolitan government of Budapest. Phase 2: The Hungarian Development Agency
Regional	Phase 1: Metropolitan Government of Budapest Phase 2: Pro Regio Central Hungarian Regional Development Agency (statistical region)
Local	Phase 1 and 2: <ul style="list-style-type: none"> • District government of Józsefváros • 4 relevant committees of the local government • Local administration of Józsefváros - Rehabilitation Office (replaced with the Strategic Office in 2010) 
Semi-public, private, citizen	Phase 1 and 2: <ul style="list-style-type: none"> • Rév8 Company (all through the way as a managing company, 100% owned by the local government of Józsefváros).
NGO	Phase 1 and 2: <ul style="list-style-type: none"> • The NGOs were involved in the various sub-programmes at different stages within.
Private	Phase 1: an engineering and a landscape design company were involved in the implementation process of the GreenKeys programme.
Citizen	Active involvement of local inhabitants living in the Magdolna Quarter, especially in the 1 st phase.
Other	Schools, employment agencies, research institutions, welfare institutions, universities, housing offices kindergartens, guardianship and child protection offices and local civic organisations and the Budapest police

Figure 1 shows the underlying structures and mechanism in play in the Magdolna programme. It shows the synergies between the actors involved in the first phase of the Magdolna Quarter Programme. It also illustrates the complexity of the two-tier local government system in Budapest, in which districts operate as individual cities. Districts have elected assemblies and their own local administrations. The second programme for the social rehabilitation of the Magdolna Quarter had different sources of finance and therefore different higher-level actors (national and European) were involved.

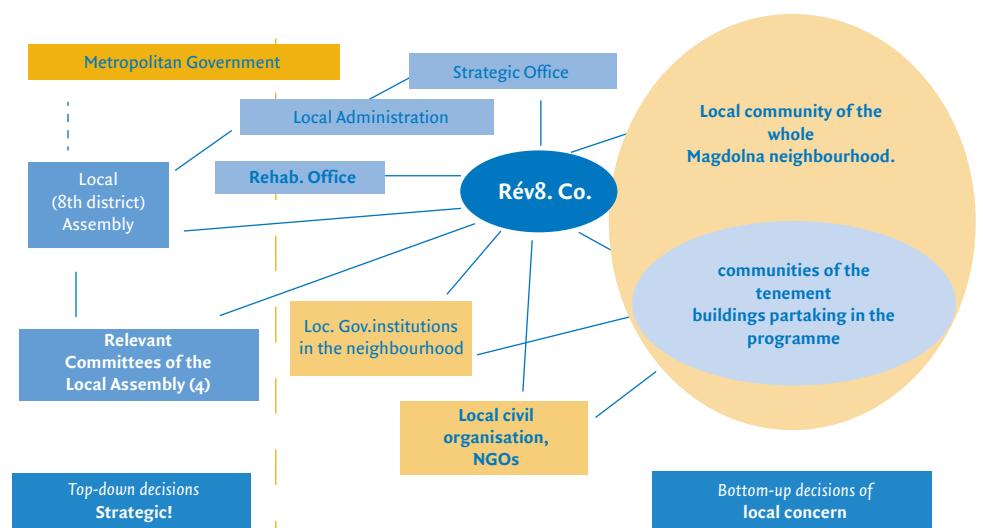


Figure 1 Underlying structures and mechanisms

Initiative for the Investment Programme: A Rehabilitation Office Preparing Decision-Making

Both the metropolitan government of Budapest and the district government of Józsefváros were the decision-makers throughout the whole process of the first programming period. Strategic decisions were made at the metropolitan level, while operational decisions were made at the level of the district government. Financial support was provided by the metropolitan government as part of the rehabilitation pilot programme and a smaller amount was co-funded by the district. In this case, the district government was the immediate beneficiary and therefore the metropolitan government can be identified as the main financial actor of the programme.

Not only were the district and the metropolitan government involved in decision-making, but also four relevant (thematic) committees of the local government. The members of these committees are selected from the elected representatives of the district assembly. In other words, the district government (assembly) and the committees had a leading position and thus fulfilled their commissioning roles. The local administration of the district was not entitled to make decisions as it prepared – together with Rév8 – the materials for the decision-making levels. Furthermore, the local administration was comprised of several administrative units or departments, such as social related issues and

education, and had its own Rehabilitation Office. The role of the Rehabilitation Office (nowadays the Strategic Office) determined the position of Rév8 in this respect, as it was a mediator between Rév8, the departments of the local administration and the commissioning levels. To complete the whole picture, during the first phase of the programme Rév8 prepared certain materials for decision-making; these materials were reviewed and completed by the Rehabilitation Office and subsequently by the department(s) of the local administration. The committees of the district made the decisions about these initiatives and/or materials.

The execution of the programme was in the hands of Rév8; administration and implementation were equally core activities of the company. As mentioned before, Rév8 invited a wide range of actors to shape the different sub-programmes. These were NGOs, local and national institutions and local citizens. Their participation varied from preparation-related tasks to the planning and implementation of the sub-programmes.

Change of Roles and Financial Support: Phase 2 of the Rehabilitation Programme

After the pilot period (2005-2009), the metropolitan government terminated the programme and there were no other Hungarian resources available. In order to continue the social rehabilitation projects, Rév8 and the district managed to obtain funding from the New Hungarian Development Plan (NHDP), a national plan which stimulated the further development of Hungary and which is largely made possible by EU funding for the period 2007-2013. The NHDP is divided into three action periods of two years each, supporting six priority areas: the economy, transport, initiatives targeting social renewal, environmental protection and energy, regional development and tasks related to state reform. In addition, the plan contains fifteen operational programmes (OP), among which is the OP of Central Hungary. This particular programme covers the counties of Budapest and Pest and is integrated into the Regional Competitiveness and Employment Objective.

As the metropolitan government was not involved in the second stage of the project, the higher levels of governance changed. First, “Pro Regio Central Hungarian Regional Development Agency” monitored calls for applications for the first action period of the NHDP and evaluated the whole process for follow-up applications. Furthermore, it transmitted information to the Hungarian National Development Agency, which supervised the overall implementation of the NHDP. In general, the Regional Development Agency was the first contact point for Rév8 and the district of Józsefváros regarding decision-making competences. Thus, the agency can be seen as the commissioner during the second phase of the social rehabilitation programme. Naturally, the financial actors changed as well; they were during this period of the programme the European Union and the Hungarian State.

The organisations responsible for the executive, implementing and administrative tasks (Rév8 and the local administration) remained more or less the same, except for one important organisational reform in the local administration. After the local elections in October 2010, some political transformations occurred, meaning the replacement of the Rehabilitation Office with the Strategic Office. The Rehabilitation Office was simply an administrative team keeping close connections with Rév8, while the Strategic Office picked up more serious roles, due to the fact that it consists of consultants used by the vice-mayor of the 8th district and heads of the departments of the local administration. Thus, they have taken over decision-making competences which were critical for the role of Rév8 in terms of decision-making capabilities.

Monitoring and Evaluation: Using Residents’ Feedback

Since the pilot phase of the programme in 2005, a monitoring system involving feedback from the residents has been developed for all stages of the programme. The results of the questioning survey were quite optimistic. Overall, the inhabitants are satisfied with the changes in the neighbourhood due to a greater sense of safety and the decrease in the crime rate. However, no real breakthrough has been discovered. The feedback from these surveys was used for the next steps in the programme. At the end of the summer of 2011, after six years of the Magdolna Quarter Programme, an overall evaluation will be conducted.

Vertical and Horizontal Cooperation: Rév8 as Mediating Party

Both forms of cooperation formed an important part of the programme. Rév8 mediated between two cooperating groups: decision-making and executive. In terms of vertical cooperation, Rév8 kept connections with the local district through the local administration. The local district liaised with higher levels of governance such as the metropolitan government or, in the second phase, the Regional Development Agency. Horizontal cooperation took place through strategic group meetings for each sub-programme in which NGOs, public institutions, representatives of the metropolitan government (only in the first phase) and the local administration were invited. Rév8 organised these meetings and the implementing actors had the opportunity to influence the content of their respective sub-programmes. The members of these strategic groups were appointed by the special committees of the local district.

Financial Arrangements: Other Funding Possibilities

The metropolitan government of Budapest provided the lion’s share of the financing for the first phase of the programme, while the district government also contributed its own (smaller) share. Smaller amounts were also involved via EU calls and successful applications. These financial practices applied only to the relevant sub-programmes. For instance, the GreenKeys project – an initiative supported by the Interreg IIIB programme which promotes the development of urban green spaces – provided 11 million HUF for the renewal of Mátyás Square.

As the Metropolitan Government did not continue the financing for the second programming period, funding was provided by the NHDP. Approximately 70% of this plan is resourced by the ERDF and ESF. The remaining 30% of funding derives from the Hungarian State. The local government of Józsefváros was the official applicant to receive this money. In general, the tender was a complicated procedure with many regulations for which many types of documents needed to be submitted. Nevertheless, Magdolna was a special case and was therefore convincing.

Citizen Representation and Participation: Top-down, But Strong Involvement Citizens

The programme was very much based on top-down initiatives. Citizens were involved in all possible stages of the sub-programmes, right from planning to implementation. Plans and project proposals were also shared with the residents before the action started. In addition, citizens had the opportunity to take part in forums and group meetings. Their ideas and requirements were considered and integrated to the limits of feasibility. Moreover, citizens contributed to the realisation of the projects. For instance, tenants and citizens of the neighbourhood contributed to the renovation of several buildings in the neighbourhood.

Obstacles and Stimuli

A positive aspect of the Magdolna Quarter Programme is that it was revolutionary in Hungary and thus received much media attention. The actors involved were quite pioneering in developing strategic urban plans. At the beginning of the new EU budgetary period (2007) a new initiative was developed in Hungary, involving strategic urban thinking and strategic urban city plans. Thus, the Magdolna programme was well ahead of developing strategic urban plans for the application of the second phase for EU funding, while for other districts thinking in terms of action and participatory approach was quite new. Other Hungarian cities in the countryside tried to launch similar rehabilitation projects.

Secondly, local institutions and NGOs brought citizens and other local actors together. They created their own networks, which increased the participation of citizens and the effectiveness of the sub-programmes. In addition, the strategic groups were found to be very fruitful as they united higher- and lower-level actors.

However, the integrated characteristics of the project changed the integrative thinking of the local district, which has always been sector oriented. At first the local district had eight committees and had to abolish some of the administrations, which resulted in four committees. One of the issues was that while the Magdolna programme was very integrated, the local district retained the old structure, thinking in terms of a thematic approach. Certain issues required the approval of more than one committee and department of the local administration. This slowed down progress, since different interests and considerations needed to be harmonised.

Furthermore, due to the transformation of the Rehabilitation Office into the Strategic Office, Rév8 encountered administrative difficulties. The role of Rév8 was reduced; it changed from an initiator and strategic thinker to purely a manager responsible for implementation. In other words, it had lost some of its decision-making competences.

Finally, there was a certain lack of trust among the vertical and horizontal actors. As a mediator between the two groups, Rév8 needed to spend much time in collaborating and reaching a common agreement, though this differed per sub-programme.

The Magdolna Quarter Programme will not be continued into a third phase. The application for the second action period of the NHDP (EU funding) has been denied. However, the most crucial elements, such as educational and block community housing programmes, will be continued thanks to the financial support of the local district.

Suggested (Web) Resources

General information about the rehabilitation programme for the Magdolna quarter can be found at:

- www.rev8.hu
- www.nfu.hu
- kesztyugyar.blog.hu
- www-jozsefvaros.hu
- www.maneszota.hu

This text is based on an informative interview with and helpful comments of Zsuzsa Földi Ph.D of the HAS, Centre for Regional Studies, Central and North Hungarian Research Institute and Dániel Horváth of Rév8 Urban Renewal and Development of Józsefváros Plc.

Urban MLG Profile Romania

Case Passport Integrated Rehabilitation and Modernization of Rasnov Historic Centre

Subject	Categories
Political system	Republic, constitutional democracy. New member state (regionalisation is at too early a stage for one to be able to categorise Romania)
Tiers of government	<p>Romanian Parliament (legislative, elected body)</p> <ul style="list-style-type: none"> ● The Senate ● Chamber of Deputies <p>Central Government (executive, appointed body)</p> <p>Ministries</p> <p>Language Communities</p> <p>Romanian, Hungarian, German</p> <p>Counties (regional level)</p> <p>41 counties and the municipality of Bucharest</p> <p>Municipalities (local level)</p> <ul style="list-style-type: none"> ● 103 cities (including the municipality of Bucharest) and 217 towns ● 2861 communes (rural communities) ● Capital: Bucharest (1,93 million inhabitants)
Analysis of local level (size versus functional competence)	Medium/limited competence
Analysis of middle tier government	Elected/limited competence
Composition of municipalities' total revenue	44% of the income taxes are allocated monthly from the state budget to cities, towns and communes. In addition, 21% of the income tax is allocated from the state budget to the General County Finance Directorates with the aim of balancing the budgets from cities, towns and communes.
Citizen representation and participation	<ul style="list-style-type: none"> ● Elected mayor ● Elected Local Councils ● No binding local referendum
Urban development	Integrated area based development
Neighbourhood urban regeneration	Integrated urban renewal – incipient phase
National urban policy	The main legislation for territorial and urban planning activities is the Territorial and Urban Planning Act (350/2001). Activities in this field are co-ordinated at national level by the government, which sets up priority programmes, guidelines and sector policies in relation to the content of the governing programme.
Spatial planning systems	Land use management – incipient phase
Polycentricity	Top secondary city GDP 25% to 15% the size of the capital city

Programmes	Regional Operational Programme (financed through the European Regional Development Fund-ERDF and Rasnov local budget)
Area	The city of Rasnov
Period	September 2010 – December 2012
Budget	<p>The budget allocated for all the projects of the Brasov Growth Pole is 74 million euro (from ERDF as structural funds). The budget of the individual Integrated rehabilitation and modernization project of Rasnov Historic Centre is:</p> <ul style="list-style-type: none"> ● Total budget: 4.444.146 Euros which is distributed as follows: ● ERDF allocation: 3.499.579 Euros; ● The City of Rasnov: 93.787 Euros; ● VAT: 850.779 Euros (to be paid by the city of Rasnov and reimbursable)
Issue	Rasnov, a traditional old cultural and historic centre of Transylvania needs to improve its infrastructure and buildings in order to increase the quality of life of its citizens and become more attractive to tourists and investors.
Initiative for the project	<p>The City of Rasnov launched the project idea based on the community consultation process and on the technical experts' (urban planners, architects, business environment, service providers, developers) input. The city promoted the project idea and supported its inclusion, as an individual project with metropolitan impact, in the Integrated Development Plan of Brasov Growth Pole. The project was listed in the Integrated Development Plan of Brasov Growth Pole and 3.5 million Euros have been allocated to it.</p>

Rehabilitation of Rasnov Historic Centre: Revamping the City

Elizabeth Winkel

Rasnov is one of the fourteen communities included in the Brasov Growth Pole. The project will impact all the communities in the Brasov metropolitan area (population 411,000 inhabitants) by providing a pattern of rehabilitation and modernization of the historic sites as an engine for community revitalization and the promotion of tourism. Grants were allocated to the Brasov area in order to rehabilitate the city as part of its focus on restoring the tourist industry. Part of the financing for this project came from the Urbact II programme entitled Jessica 4 Cities (J4C). This programme is aimed at promoting sustainable investment, growth and jobs in Europe's urban areas. Other cities which received funding from this programme are: Tuscany (Italy), Greater Manchester (UK), Porto Vivo (Portugal), Poznan (Poland), and Athens (Greece). The Rasnov Historic Centre is in Brasov and received part of the more than four million euro budget intended for all the rehabilitation projects in the Brasov community. Other projects in Brasov involved in this large-scale process are the rehabilitation of a business centre, the rehabilitation of Patria cinema as a cultural centre and philharmonic orchestra, the extension of parking capacity and construction of the public transportation terminal in Poiana Brasov, which is the tourist resort. The rehabilitation of Rasnov Historic Centre consists of tackling four streets and providing them with lighting, utilities, traffic signs, renewing telecommunication cables, as well as small bridges for better access to individual houses. Also an underground car park on two levels was added to the city centre. All in all the city is to be revamped in order to make it more attractive to its citizens and visitors.

Objective: The Modernization of the Urban Infrastructure

The overall goal of the project is the modernization of the urban infrastructure as a basis for community revitalization, tourism development and sustainable economic development. This is done by:

1. Supporting and promoting community revitalization through developing a large public space in the historic central square of the city, available for community events and recreation (600 square metres of pedestrian area, 500 square metres of green areas, architectural lighting for the historic buildings, bicycle lanes and parking facilities for 100 bicycles, 100 underground parking spaces, an underground road, access and facilities for the disabled, facilities for open air shows such as a stage, lighting, and audio/video equipment);
2. Improving the traffic flow in the historic area of the city by building the underground car parks (under the pedestrian area, on two levels, 100 spaces), providing access to the public areas from the adjacent streets by repairing and improving the road quality (at least three of the rehabilitated streets have facilities for disabled people), providing alternative, environmentally friendly means of transport (100 bicycles and four kilometres of bicycle lanes, encouraging public transport, including tourist public transport, redirecting heavy polluting traffic outside the historic public area by redesigning the traffic scheme for the city centre);
3. Improving the public services provided to citizens by providing high quality and energy efficiency public lighting in the area, installing a modern water and sewerage system, underground facilities for cable communication, electric power, heating, and at least four kilometres of underground infrastructure;

4. Increasing the economic and tourist capability of the city by attracting new and diverse businesses into the historic centre (at least 30 new businesses are to be located in the historic area) and providing good quality services and facilities for tourists. The aim is that this will increase the number of tourists visiting the city of Rasnov by 30% a year;
5. Promoting the traditions and the cultural and historic assets of the community of Rasnov and of all the historic sites of Brasov metropolitan area. The goal is to increase tourist flow in the Brasov metropolitan area by 25% in the first year.

Approach: Several Actors Involved

External experts have been awarded contracts by the managing authority, which controls and manages the projects, to carry out the rehabilitation of the historic centre. The experts are in charge of the evaluation process, but also of financial reports, planning, and cost benefit analysis. These experts report back to the Romanian government and/or the city of Rasnov. The actors involved in the implementation of the project and its goals are:

- The City of Rasnov (City Council and the City Hall executive body): has identified the need for the project as a basis for sustainable development of the community and inserted it into the Local Strategic Development Plan;
- Experts: urban planners, architects, historians have supported by data and their expertise the technical package of the project (building and intervention restrictions applied to the historic sites, facade rehabilitation procedures and regulations, planning the urban endowments);
- Business environment: local businesses and their associated structures, the Brasov Chamber of Commerce, investors in the Brasov metropolitan area- interested in starting new businesses or expanding existing ones in the historic centre, where the flow of people will be beneficial to financial profit;
- Service providers: providers of gas, electric power, water and sewerage systems will be requested to build their infrastructures underground in accordance with national and European provisions. The rubbish collection and processing provider must modernize its services and adjust to a larger number of consumers;
- Developers: realty property operators, tourist accommodation providers, tourist agents, cultural organizations, service and goods providers relating to the tourist industry, SMEs, and universities – will provide the human resources and the economic development expertise to redesign the economic profile of the community;
- Local schools and citizens' associative structures: will organize community events in the new public spaces and actively involve children, the youth, people with disabilities, the elderly, women, and all ethnic groups in community life;
- Universities: can organize events and implement projects to promote the history, culture and traditions of the area.

Results: In Progress

The rehabilitation project started in September 2010 and will end in December 2012. The desired outcome is described under the objectives of the project. However at this point it is difficult to describe results when the project is in full operation.

Actors and Their Roles

This section identifies the roles and powers of the most important players in both phases of the programme, and the barriers they had to overcome to achieve these objectives. Many different actors at various levels were involved in the rehabilitation of the Rasnov Historic Centre. The table below gives an overview.

European level	European Commission
Transnational	European Regional Development Fund (structural fund)
National	National: the Romanian Government: <ul style="list-style-type: none"> • The Ministry of Regional Development and Tourism – the Managing Authority for Regional Operational Programme • The Ministry of Finance • The Authority for Structural Funds Coordination under the prime minister's authority
Regional	Regional Development Agency – Region 7 Center Regional Semi-public: Brasov Metropolitan Agency, Growth Pole Office
Local	The City of Rasnov
NGOs	The Chamber of Commerce, the Industrial Parks Association, The Estate Agents' National Association
Semi-public, private, citizen	Local and regional businesses
Other	Schools, cultural organizations, universities, associative structures of citizens to promote the local spirit and traditions

The project management team and the experts' support group shouldered the burden of the work during the project development phase. The service providers, businesses and developers have the main role in the project implementation. The civil society, schools and universities have a major role in the post-implementation phase, when the structures created by means of the project have to be animated with community activities and events.

Initiative for the Investment Programme: Focus on Tourism Development

The city of Rasnov is free to develop policies in support of its community but there is a set approach and pattern for strategy planning and for integrated development within Romania, to which they have to adhere. The policies that Rasnov develops have thus to keep to the criteria set by national regulation. Rasnov has chosen to focus on tourism development within its historic and cultural city. The rehabilitation of the historic centre will be beneficial in reaching this goal.

The investment for the project is managed as follows:

1. The European Commission transfers the money from the European budget based on Romanian government programmes;
2. The Ministries develop the National Strategic Plan and the financing programmes for achieving the strategic plan. These programmes are:
 - Regional Operational Programme – managed by the Ministry of Regional Development and Tourism;
 - Sectoral Operational Programme- Economic Competitiveness – managed by the Ministry of Economy;
 - Sectoral Operational Programme – Environment – managed by the Ministry of the Environment and Forestry;
 - Sectoral Operational Programme Transport – managed by the Ministry of Transport;
 - Sectoral Operational Programme Human Resources – managed by the Ministry of Labour and Social Security;
 - Sectoral Operational Programme Administration Capacity – managed by the Ministry of Internal Affairs and Public Administration;
 - National Programme for Rural Development implementing the Community Agricultural Policy – managed by the Ministry of Agriculture;
 - Programmes for Territorial Cooperation: Transnational and Inter-regional – managed by separate structures under the Ministry of Regional Development and Tourism.
3. Each programme is managed by a managing authority which is subordinate to the ministry in charge of the programme;
4. Each managing authority supervises the programme's implementation at the regional level through the Regional Development Agencies. Romania has eight development regions. The development regions are not government levels, but intermediate organs between the local governments and the ministries. They are in charge of monitoring the structural funds operation at the regional level;
5. Each Regional Development Agency is subordinate to the managing authorities and to a steering committee with elected leaders representing the local governments from that specific development region.

Vertical and Horizontal Evaluation: Top-down, Bottom-up and Horizontal Cooperation

Project approval is a bottom-up process (figure 1). The implementation of the project is a rather horizontal process between different actors (figure 2). The financing of the project is a top-down process (figure 3).

Financial Arrangements: Many Levels, Much Bureaucracy

Many actors were involved in the rehabilitation project and several layers had to be passed through before decisions were made for Rasnov Historic Centre. Kristina Creosteanu is a member of the expert group. She is developing the application form for the local Rasnov government. Elena Nan is a public servant in Rasnov; she is in charge of the public procurement for the project. According to Creosteanu and Nan the multiple levels and many actors are not efficient. Nan is constantly fighting against this, as working in this manner results in a great deal of bureaucracy and waste of time. In this case rehabilitation has not officially started or the due date has already been postponed. This is

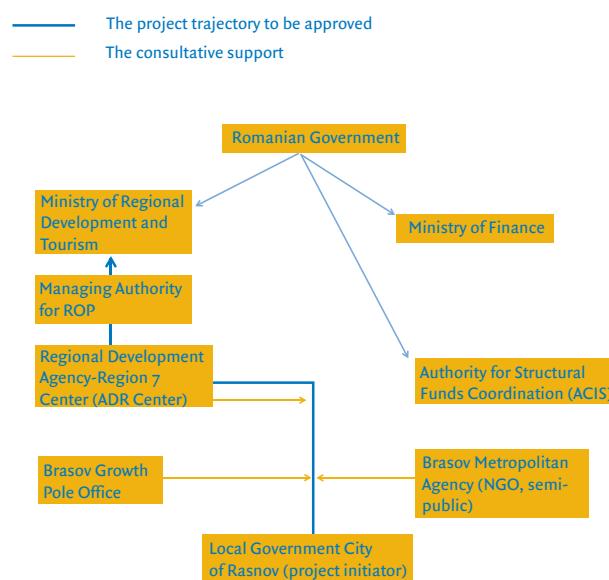


Figure 1 Project approval – e.g. for a project application under Regional Operational Program Axis 1-Growth poles

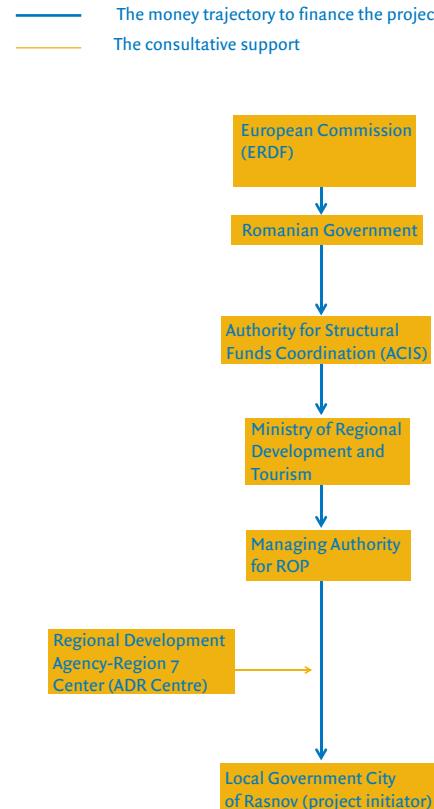


Figure 3: Project financing

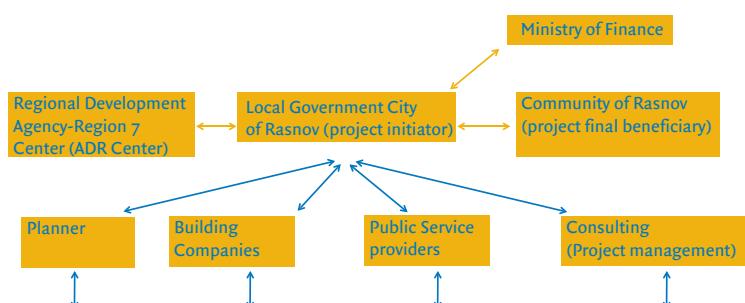


Figure 2 Project implementation

due to the high levels of bureaucracy. The application form for grants or project approval is around 200 pages or more in Romania, making it tedious. Part of the application form is concerned with the financial arrangements for the project. This was managed by the following actors:

European Commission

- Manages the European budget and provides the money for Romania in accordance with the European budget allocations;
- Controls the money use through OLAF – European Anti-Fraud Office.

Romanian Government

- Decides which national programmes will use the money from the European budget based on the national strategic plan;
- Coordinates and supervises the ministry's activity including the use of the European funds;
- The Authority for Structural Funds Coordination is directly subordinate to the Prime Minister as of March 2011.

Authority for Structural Funds Coordination

- Represents the national body in charge with coordinating the EU assistance;
- In charge of European funds management and their allocation to national projects, according to national programmes;
- European funds distribution and overall control;
- The Authority for Structural Funds Coordination changed the subordination from the Ministry of Finance to the Prime Minister as of March 2011.

Ministries operating structural funds (under ROP and SOPs)

- In charge of administering and supervising the money allocation for each ROP axis and SOP axis on specific projects;
- Contracting the money allocation on each individual project through the Managing Authority.

The Managing Authorities under Ministries operating structural funds under ROP and SOP axes

- The contracting body representing the financing authority for allocating money to the beneficiaries;
- Have the direct control over the project's money use;
- Supervise and monitor the project's implementation and the operation of the project's budget.

Project beneficiary (financing applicant)

- Responsible for managing the project budget;
- Manages the European funds according to European and national regulations;
- Provides the co-financing for the project;
- Provides financing for non-eligible costs of the project;
- Provides financing for the VAT and follows the procedures for having it reimbursed when the project is implemented.

Monitoring and Evaluation: European Monitoring of Rasnov Historic Centre

Before the implementation of the project a European official will visit the project. While the project is being implemented, reports are sent to the local and national governments as well as to Europe. Once the project has been realised someone from Europe will visit again. The involvement of Europe in local projects is important because this is ultimately where integrated development takes place. So if Europe wants to learn more about this subject it must pay close attention to what is happening locally.

Citizen Participation: Everyone Is Invited to Public Hearings

The municipality of Rasnov, the experts, the developers and some of the businesses are keeping to their roles in the project. However better project promotion (information campaign, promotion strategy with the support of travel agents, active media exposure of the project steps) in the community and in the whole Brasov metropolitan area would help all the actors to become more interested and participate more actively in the project. Community support is important in this respect. It is difficult to promote project ideas to the community because the opinions and needs among the different groups within the community are so diverse that it is difficult to focus all of them in a single project or to get everyone excited about a single idea.

The experts, the service providers, businesses and developers have participated in the decision making process through public hearings and focus groups organized by the municipality. Yet, businesses and developers have little experience of partnership with the local government. The new law on the public-private partnership was passed by the Romanian Parliament in November 2010.

The local government organised public hearings during the planning process to which all the actors were invited. The mayor and the members of the city council invited citizens from Rasnov to participate in the project by sharing their ideas about the rehabilitation project. What was important to them? What would they want to see in their historic centre? What should the agenda or special events look like? Unfortunately they did not participate in large numbers, but good ideas did come out of these public hearings, such as an area where children can learn about Brasov and Romania's history, but also a specialised area for senior citizens. These ideas were included in construction plans.

Obstacles and Stimuli

Unfortunately multilevel governance within Romania cannot be changed at this moment as it is a structure which has been in place for a long time and is not subject to debate. It was set up by the state structure and there was no consultation of local governments when the development regions were created, it was a geographical and political decision how to organise the country. There are eight development regions, of which Rasnov is number seven. However the counties within these eight development regions do not necessarily have much in common; one is poor, the other is rich, one is large, the other is small. Just recently however the President proposed a change in the Romanian territorial structure. The idea is to reconsider the territorial structure to create regions with common development issues or cities with a similar economic structure or focus. So the intention of the President is to change the political and governmental structure of Romania. More changes have been made in recent years. Due to the economic crisis but also because there was a desire to have fewer people and fewer layers within the government, the number of civil servants in recent years has decreased. Other barriers include:

- Local governments have strategic development plans for 10-20 years, but they are formal and not real strategic documents setting out community development trends with concrete steps;
- Because the real strategic plans are missing, no mature projects are available for financing;
- The local governments as well as the central government look to finance their projects with grants rather than finding other financing sources such as revolving funds, bank loans or others. They are not yet thinking about making the projects profitable;
- The responsibilities of different authority bodies for project financing sometimes overlap;
- As the structural funds absorption rate is not satisfactory (3%, absorption rate according to the European Commission Report mentioned in the letter of EC president Jose Manuel Barroso to the Romanian Prime Minister on June 23, 2011) the Ministry of Finance was excluded from the process and at present the Authority for Structural Funds Coordination-ACIS is directly subordinate to the Prime Minister;
- There are too many layers of administration between the original funder (the European Commission) and the final user of the money (the applicant);
- The financial mechanism is ponderous, very bureaucratic. Reimbursement procedures take a long time, leading to payment delay;

- The project budget has to be managed very strictly and in a very transparent way in order to manage the project and the reporting process.

The Application Guide

The application guide consists of 145-200 pages. Creosteanu and Nan argue that it takes a week to read the guide and then the application form still has to be filled out. Not only is the guide too extensive, but there are some contradictions between its chapters. For example in one chapter it is said that contributions can be made in kind, so that pieces of land can be given by private owners or city municipalities as green areas that people can make use of or people can volunteer their time. But in another chapter it is said that donations in kind are not allowed; everything should be financed with money from the application budget. This makes the whole process of application confusing, which means that incorrect information is disseminated at all levels; this information is corrected at a later stage, which again needs to percolate through all the levels. In short it can be said that the level of bureaucracy is extremely high, and above all this results in a waste of time and delays. The United Kingdom (UK) and Romania exchanged knowledge and ideas on project development. One of the questions was about the application guide for the projects. For comparison, the UK's guide consisted of twelve pages. The difference was that in the UK project teams fill out an application form, but on the project they have enough mandate to operate creatively and autonomously. Unfortunately this is not exactly the case for Romania.

Suggested (Web) Sources

EUKN Romania:

- http://www.eukn.org/Romania/ro_en

This text relies on an informative interview with and helpful comments by Kristina Creosteanu and Elena Man

Urban Profile Germany

Case Passport The Poet Quarter in Duisburg

Subject	Categories
Political system	Federal republic
Tiers of government	<ul style="list-style-type: none"> • Federal/ national • Federal/ regional states: 16 including the independent city-states Berlin, Hamburg and Bremen. <p>439 Administrative districts supra-local tier</p> <ul style="list-style-type: none"> • Urban districts (323): intermediary level • 116 Cities independent from district administration, outside district boundaries. <p>Local level:</p> <ul style="list-style-type: none"> • Municipalities and cities: about 14,000
Analysis of local level (size versus functional competence)	Small / strong competence, substantial powers have been allocated to local authorities.
Analysis of middle tier government	Elected strong competence
Compositions of municipalities' total revenue	Local governments financed by "joint taxes system": approximately 15% assigned to local authorities.
Citizen representation and participation	<ul style="list-style-type: none"> • Directly elected mayor leading the council • Länder level: petitions, ensuring referendum (for new legislation) and people's initiative (influence on parliamentary agenda) • Local referendums: except for local budget issues. The "Bürgerbegehren" allows citizens to commence a referendum for which a qualified majority is required.
Urban development	Integrated urban development
Neighbourhood urban regeneration	Integrated urban renewal, Socially Integrative City (Soziale Stadt) programme
National and regional urban policies	Increasing policy attention to cities. The most important laws regarding spatial planning in Germany are the Federal Building Code and the Regional Planning Act.
Spatial planning systems	Comprehensive integrated approach (German model)
Polycentricity	Top secondary city GDP larger than capital city

Title	Collaboration with Housing Companies in Neighbourhood Management – The Poet Quarter in Duisburg.
Period	A cooperation agreement between the housing company Evonik Wohnen and the City of Duisburg has been established in 2004. The project will be finalized in December 2011, but will most probably be continued with long-term strategies, mainly due to the intensified partnership with Evonik Wohnen.
Area	The Poet Quarter (Dichterviertel) in Duisburg, one of the four quarters in the neighbourhood Obermarxloh situated in the northern part of the city of Duisburg. The quarter has 5,641 inhabitants.
Budget	<p>In total, for the neighbourhood management in the Poet Quarter € 132,500 has been allocated in 2010 and 2011, mainly deriving from the national funding programme "Urban Restructuring". In addition, € 190,800 has been allocated for Labour Market Projects.</p> <p>Remaining Cost Units</p> <ul style="list-style-type: none"> • Public hand (Urban Restructuring & City of Duisburg): € 70,000 • Evonik Wohnen GmbH: € 30,000 • EG DU: € 30,000 co-funding for labour market projects • Annual contribution (2009-2011) ESF "Local Strengths" € 33,000
Issue	In the last ten years, Duisburg has become a shrinking city (population drop from 538,940 to 488,218 between 1992 and 2010). Upgrading the social situation and physical aspects of deprived neighbourhoods is one of the main strategic objectives of the city. With an unemployment rate of 18.1%, the quarter ranks city-wide 104th out of the 108 quarters. More and more residents (especially population groups with a higher income) migrate to a different neighbourhood. For this reason, the vacancy rate of the quarter is above the city average.
Initiative for the project	Within the framework of the overall urban development strategy of the city, the municipality and the private housing company Evonik Wohnen GmbH (of Evonik industries), one of the largest private-sector housing companies in Germany, joined forces in setting up a neighbourhood management programme.

The Poet Quarter in Duisburg: A Matter of Public-Private Partnership

Eva da Costa

Over the last two decades the city of Duisburg has gained much experience in developing integrated action plans in its most disadvantaged neighbourhoods. The city created an overall urban development concept in which the residents are actively involved. Interdepartmental working teams (housing, education, statistical et cetera) of the city of Duisburg were established in order to create a strategic framework to improve the economic, physical, social, infrastructural, structural and environmental situation in the neighbourhoods. Furthermore, the city mostly depends on funding deriving from the region of North Rhine-Westphalia (Ministry for Economic Affairs, Energy, Building, Housing and Transport of the State of North Rhine-Westphalia); mainly in the framework of the federal programmes "Socially Integrative City" (Soziale Stadt) and the "Urban Restructuring West" (Stadtumbau West).

Objective: Establishing a More Positive Image for the Dichterviertel

The city of Duisburg has seven city districts, 46 neighbourhoods (3,000-21,000 inhabitants) subdivided in 2006 into 108 quarters (130-16,000 inhabitants). Seven of these neighbourhoods are in direct need of integrated development: Bruckhausen, Beeck, Hochfeld, Laar, Marxloh, Hochemmerich Mitte and the quarter Dichterviertel. The EG DU Entwicklungsgesellschaft Duisburg mbH (EG DU), a development agency which has two shareholders: the City of Duisburg and the Bürgerstiftung Duisburg gAG (a foundation run by local citizens) is responsible for the overall coordination and implementation of individual action plans adapted to the situation of these seven neighbourhoods. Since 2007 the EG DU became actively involved in the project "neighbourhood management" of the Poet Quarter. The three partners Evonik Wohnen GmbH (a private housing company), the Municipality and the EG DU conform to the following central objectives:

- The stabilisation of neighbourhoods;
- The reduction of apartments vacancies in the neighbourhood;
- The reduction of housing emergencies and social problems;
- An improved image of the neighbourhood;
- A stronger connection of existing tenants with their neighbourhood;
- The acquisition of new tenants.

Approach: A Cooperation Agreement to Improve Social Conditions in the Quarter

Cooperation, participation and networking are the key assets to improve the housing, social and living conditions of the quarter. The contractually strategic fixed partnership between the municipality and the private housing company (later on also the EG DU) made it possible to develop a specific neighbourhood management programme for the Dichterviertel focussed on one strategic aim: "the stabilisation of social structures in the Dichterviertel quarter". In other words, by using one common vision related to social policy and activities, these individual actors developed together structures for a professional neighbourhood management. This social cooperation structure was based on work-



ing groups to promote civic participation, a neighbourhood office as a contact/ service point for the citizens and a neighbourhood manager for building up project partnerships and local networks. All these implementing bodies contributed substantially to reach social cohesion in the neighbourhood and to activate citizens in various sub-projects. Also, all activities have been organised in a self-sustained way to be implemented even after the public funding period (the urban restructuring funding period has ended in 2010 and 2011). The above mentioned working groups were organised among the following categories:

- Residents participation;
- Children, youth, culture and sport;
- Language and education.

Results: Social Stabilisation and Reducing Vacancy Rate

Since the strategic partnership and its underlying organisational structures, the percentage of residents moving out of the quarter has been decreased. The activities conducted in the framework of the neighbourhood management improved the image of the quarter and reduced the vacancy rate from 2 to 3% (since 2006). The quality of living in the neighbourhood has been upgraded and residents are more satisfied. The neighbourhood office was frequently visited by residents, also with a migration background. Additionally, many inhabitants participated in the working groups by means of language, culture, youth and sports related activities. Also, the establishment of a neighbourhood man-

ager communicating directly with citizens prevented developing conflicts and thus diminished social disorder in the quarter. Finally, the partnership between the municipality and the housing company was strengthened. As a result, Evonik Wohnen decided at the end of the cooperation phase (December 2009) to extend the partnership until the end of 2011 and it will most probably be continued after that period.

Actors and Their Roles

European level	ERDF and ESF funding within the Operational Programme of the State of North Rhine-Westphalia The ESF programme “Local Strengths”
Transnational	The URBACT project RegGov “Regional Governance of Sustainable Integrated Development of Deprived Urban Areas”
National	Federal government programmes “Urban Restructuring West” (Stadtumbau West) and “Socially Integrative City” (Soziale Stadt)
Regional	North Rhine-Westphalia (Ministry for Economic Affairs, Energy, Building, Housing and Transport of the State of North Rhine-Westphalia), programmes “Urban Restructuring West” (Stadtumbau West) and “Socially Integrative City NRW” (Soziale Stadt NRW)
Local	<p>City of Duisburg</p> <ul style="list-style-type: none"> ● Department for Urban Development and Project Management; ● Department for Social Affairs and Housing.
Semi-public	EG DU Entwicklungsgesellschaft Duisburg GmbH (Development Agency Duisburg)
Private	Evonik Wohnen GmbH (Ltd.)
NGO	Existing institutions and migrant organisations

Initiative for the Investment Programmes: A Bottom-up Participation Model

As mentioned before, neighbourhood-based integrated action programmes for the city of Duisburg had been developed in the framework of the Operational Programme of North Rhine-Westphalia, namely in four neighbourhoods (Bruckhausen, Marxloh, Hochfeld and Beeck) and a neighbourhood management plan for the Dichterviertel quarter (smaller scale strategy). Integrated local action plans for two other neighbourhoods (Laar and Hommerich Mitte) still need to be approved for public funding within the Socially Integrative City programme. In order to understand the neighbourhood management structure of the Dichterviertel, the overall situation how integrated urban renewal in Duisburg functions must be explained. The mechanisms described in figure 1 briefly demonstrate the bottom-up mechanisms for each neighbourhood from the neighbourhood level to municipal level and ensures an active involvement of residents in the decision-making process. Each neighbourhood has its own round table and neighbourhood council.

- Round table (neighbourhood forum): consists of residents and neighbourhood organisations. The chairman of the forum is a member of the neighbourhood council;
 - Neighbourhood council: consists of local politicians elected by the district council (in Duisburg each district has its own district council with a district mayor) and residents. The council brings in interests of the neighbourhood to the supervisory board;

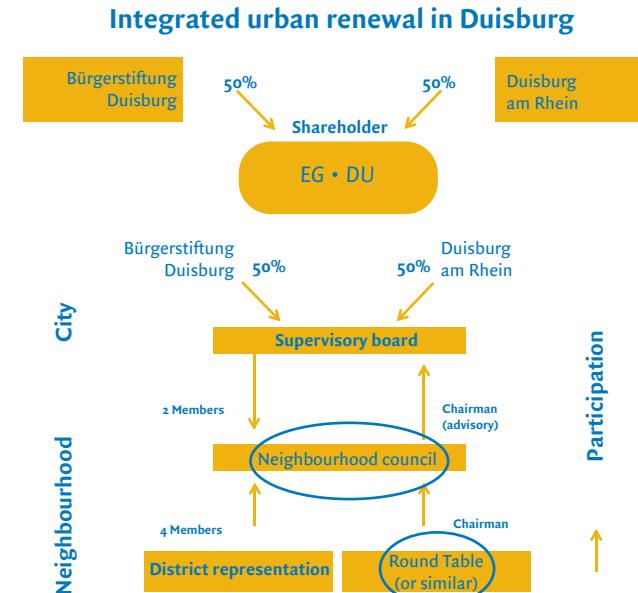


Figure 1

- *Supervisory board*: advises and supervises EG DU's management. Representatives of the Bürgerstiftung and of the Municipality's City Council take seat in this board. One of the City's representatives is directly appointed by the Lord Mayor;
 - The interdepartmental working team “city-wide neighbourhood development”: a unit (only within the municipal administration) managed by EG DU responsible for optimising the use of public funding, mostly deriving from the “Socially Integrative City” and “Urban Restructuring West” programmes, as working basis for the further process.

Comparable is the neighbourhood management structure of the Dichterviertel quarter (representing the smallest operative unit of EG DU). However, the participative construction of this quarter distinguishes itself from other neighbourhoods due to the close partnership with a private housing company and the formation of a steering group. The following organisational bodies represent the quarter:

- **Strategic Steering Group:** is comprised of the “neighbourhood management” group: EG DU, the municipality and Evonik Wohnen;
 - **Neighbourhood advisory council:** (comparable to neighbourhood councils in other neighbourhoods): is composed of residents and local politicians gathering every six weeks. The unit is responsible for the overall implementation; the promotion of projects developed in the neighbourhood and coordinates the neighbourhood office;
 - The “Network Dichterviertel”: (comparable to round table) an association involving all lower and upper levels of governance: residents, delegates of several municipal departments, social institutions, NGOs, the district council and the City Council. They meet two to three times a year to set revised objectives for the upcoming year.

The neighbourhood office and the neighbourhood manager are important players in regards to the implementation of activities. The neighbourhood manager can be seen as the intermediate body. He or she is the most important key person of the quarter and connects citizens to higher level actors in the neighbourhood. Furthermore, the quarter manager develops an annual progress report in which all targets and project results of the working groups are described. Additionally, he or she is responsible for starting new partnerships (with institutions, NGOs et cetera). The neighbourhood office is mainly comprised of EG DU staff, also the neighbourhood manager is part of the EG DU.

Vertical and Transnational Cooperation: Strengthening the Local and Regional Level

Within the scope of urban development and neighbourhood regeneration, German municipalities must develop an integrated Local Action Plan in order to retrieve funding from the Regional Operational Programme of North Rhine-Westphalia (NRW). These area based plans should not only establish networks within neighbourhoods, but also stimulate municipal interdepartmental cooperation and coordination. In general, there are three main funding programmes provided by the federal state and the region:

- **Socially Integrative City:** urban renewal programme mainly based on integrated development and regeneration of deprived urban neighbourhoods;
- **Urban Restructuring West:** a promotion programme specifically developed to tackle the impacts of demographic change and economical structural changes in old German cities;
- **Attractive City Centres:** specifically developed for neighbourhoods, districts, towns and cities to revitalize their centres into attractive places for people to work and live in.

The city of Duisburg is involved in the “Socially Integrative City” and “Urban Restructuring West” programmes, and takes part in the regional city network “Socially Integrative City NRW” organised and financed by the Ministry for Economic Affairs, Energy, Building, Housing and Transport of the State of North Rhine-Westphalia. The network Socially Integrative City gathers 35 of the 52 municipalities. At this monthly meeting, cities have the opportunity to network with players of regional and national level, participate in workshops, develop regional projects and create common policies.

Furthermore, the Municipality was the Lead Partner of the URBACT RegGov (Regional Governance of Sustainable Integrated Development of Deprived Urban Areas) programme. Nine European cities participated in the network and developed comprehensive local partnerships and development strategies for neighbourhood regeneration. Additionally, the city partakes in the German Austrian URBAN-Network, which ensures an active exchange of experiences and know how on urban renewal activities between the cities funded by the EU community initiative URBAN.

Horizontal Cooperation: A Public-Private Partnership Based on Historical Links

Looking at the example of the Dichterviertel quarter, the whole neighbourhood management programme was based on horizontal cooperation, that is to say the partnership between the municipality and the private party Evonik Wohnen. Historical links of the quarter brought the two distinctive partners together. The Poet Quarter is still characterised by worker settlements of the coal and steel industries built in the beginning of the 20th century. The housing company Evonik Wohnen is for a large part the institutional owner of these settlements. In addition, the number of vacant buildings and unrented flats increased in the quarter. As result, Evonik Wohnen recognised from an entrepre-

neurial perspective the need to join the municipality in their quarter activities and started its own image campaign. Also, other important players such as migrant organisations had the opportunity to influence decision-making in the “Network Dichterviertel” and to collaborate in activities of the working groups.

Financial Arrangements: PPP Projects as Determining Factor

All actors constituting the partnership (EG DU, municipality and Evonik Wohnen) financially supported the operative neighbourhood initiative. However, the Urban Restructuring of West Germany, initiated by the federal government was the main financial resource. Involving the housing company was a precondition in order to receive this funding, as it is based on a Public Private Partnership principle. The funding period of the Urban Restructuring has ended in 2010 and only residual funds from the programme are being used to support the promotional campaign of the quarter. Currently, public funding for Labour Market Projects are new elements of co-funding. In addition, financial support was made available from the ESF programme “Local Strengths” which financed five projects in the quarter based on social and professional integration of youngsters and women. Finally, a budget has been allocated by the City Council by means of neighbourhood budgets to implement smaller scale projects. The neighbourhood advisory council decides on the spending of this budget.

Monitoring and Evaluation: A Small Scale Monitoring System

The Department for Statistics of the Municipality uses qualitative (based on expert assessments) and quantitative (based on small scale social indicators) analysis to monitor the status of social deprivation in neighbourhoods. These statistics are obtained from internal municipal administrative and survey data or from federal and regional statistical offices (such as the Federal Employment Agency, the NRW Statistical Office). In general, ten indicators are used on quarter level and 30 on neighbourhood level divided into several thematic areas such as: social affairs, building/dwelling population, education and economy/ labour markets and others.

At the moment the city of Duisburg is exploring methods how to create a more comprehensive and transparent monitoring system and in this respect exchanges views with the city of Nijmegen (Reg-Gov URBACT partner). Also, the EG DU has set up a specific interdepartmental working group to continuously observe deprived neighbourhoods and quarters. Using a transparent procedure and a small scale neighbourhood monitoring system, EG DU identifies future need for action in urban renewal.

Citizen Participation: Direct Links between Politicians and Residents

The overall strategy of urban renewal in Duisburg has a strong focus on citizen participation. Tenants can influence decision-making bodies through every step of the way. Residents of the quarter Dichterviertel take part in the neighbourhood advisory council, neighbourhood office and the “Network Dichterviertel” and thus have the opportunity to directly communicate with district politicians and representatives of the City Council.

Obstacles and Stimuli

The bottom-up cooperation model of the Dichterviertel demonstrates how to effectively create a stronger sense of motivation and responsibility among all important actors. Participation started from the beginning by setting up a neighbourhood office, round table and neighbourhood council. This intensified partnerships between the public sector and the local communities and resulted in a harmonic communication structure.

Also, the city-wide development concept implemented on a smaller scale (neighbourhood or quarter level) was the basic precondition to implement successful integrated strategies and opened up possibilities to apply for public funding. The overall approach of integrated urban renewal in Duisburg is also applicable to other cities. Hence, the reason why the city of Duisburg collaborates not only in regional networks, but also in transnational programmes such as URBACT.

Furthermore, the contractually fixed agreement between the municipality and the housing company Evonik Wohnen, forced both parties – from an entrepreneurial and public perspective – to manage long-term neighbourhood projects and develop a central objective.

In Duisburg and even in Germany such partnerships are quite unique; housing companies are not closely connected to city, national and regional governments. Usually these housing corporations are big global enterprises, which are short-term profit-oriented and have no interest in long-term investments such as neighbourhood regeneration. Therefore, it is important to realize such cooperation agreements at an early stage.

Suggested (Web) Resources

General information about the Duisburg neighbourhood management case and promotional programmes for urban development in Germany can be found at:

- The URBACT RegGov website: www.urbact.eu/reg_gov
- The EG DU Entwicklungsgesellschaft Duisburg mbH: <http://www.eg-du.de>
- The City of Duisburg: www.duisburg.de
- The website of Evonik Wohnen: www.evonik-wohnen.de
- EUKN Germany – E-library: Urban development in Germany: http://www.eukn.org/Germany/de_en

This text relies on an informative interview with helpful comments of Mrs. Brigitte Grandt, Project Manager for the RegGov project at the EG DU Entwicklungsgesellschaft Duisburg mbH.

Subject	Categories
Political system	Unitary state consisting of three devolved nations.
Tiers of government	 <ul style="list-style-type: none"> • Central UK Government • Devolved Scottish National Government • 32 Unitary Councils
Analysis of middle tier of government	Elected, with a strong competence
Analysis of local level (size versus functional competence)	Despite the city being the provider of important services such as housing, education and social services, its position is undermined by limited discretion and access to higher levels of government.
Composition of municipalities' total revenue	Local government has a very limited right to levy tax. Increases in council tax are currently frozen. The main local source of revenue is the Local Authority Grant made available by the central government.
Citizen representation and participation	<ul style="list-style-type: none"> • Each local authority in Scotland is governed by a council, which consists of councillors who are elected every four years. • These elected members are headed by the Leader of the Council, typically the leader of the largest single political grouping in the council. • National referenda can be organised, for instance on independence issues.
Neighbourhood urban regeneration	Integrated urban development – a mix of physical and economic interventions.
National and regional urban policies	National policy and local urban policies
Spatial planning systems	Comprehensive integrated approach (German model) – multilevel
Polycentricity	Top secondary city's GDP is 15% to 10% the size of that of the capital city

Title	Joined up for Jobs: Edinburgh's Jobs Strategy
Period	2002 saw the launch of Joined up for Jobs in Edinburgh. The strategy was subsequently awarded "City Strategy Pathfinder" status within the framework of the Cities Strategy in 2006, which is part of the national employment policy as rolled out by the UK Department for Work and Pensions. This programme will run until 2013.
Area	Edinburgh
Budget	The combined expenditure of all partners involved is estimated at around £ 20 million (22.95 million) per annum.
Issue	The strategy aims to make sure that the planning and delivery of all services which help unemployed people in Edinburgh are " <i>demand-led, client-centred and joined-up</i> ". This is necessary because the different funding streams, targets and criteria which apply to the various public agencies and service providers create fragmentation.
Initiative for the project	The initiative in the project was taken by the City of Edinburgh Council. It identified that the delivery of services to the unemployed is complicated and fragmented and wanted to ensure the best outcomes for the city from the funding coming into it. In particular, the inclusion of the most disadvantaged groups in the city in its economic prosperity (Edinburgh is one of Europe's largest financial centres) was defined as a goal.

Edinburgh's Jobs Strategy: Joining up

Tina Kelder

Edinburgh's jobs strategy is entitled "Joined up for Jobs", which is already telling in respect of the level of governance involved in its implementation. This strategy was launched in 2002, and was awarded the status of "City Strategy Pathfinder" within the City Strategy of the Department for Work and Pensions (DWP) of the UK government in 2006. The City Strategy in general aims to tackle worklessness in the most disadvantaged communities across the UK, many of which are in major cities and other urban areas. The strategy came to an end in March 2011.

Objective: Demand-led, Client-centred and Joined-up

The strategy was based on the idea that local partners can deliver more if they combine and align their efforts behind shared priorities, and are given more freedom to try out new ideas and to tailor services to local needs. Within this framework, the City of Edinburgh has set the following four local goals:

1. An 82% employment rate for the City by 2011;
2. A 3% stretch on the forecasted reduction in people claiming Incapacity Benefit, Income Support for Lone Parents and Jobseeker's Allowance by May 2009;
3. Reducing the gap in the claimant count rate between the most deprived areas and the city average by 2011;
4. Reducing the percentage of the population claiming Incapacity benefit to 5.6% by 2011.

The vision for realising these goals is to do this in a Demand-Led, Client-Centred and Joined-Up fashion, by creating a partnership between a plethora of providers.



Approach: Re-creating Coherence through a Jointly Owned Partnership

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

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

The Jobs Strategy underwent a step change in 2006, when the Edinburgh consortium was successful in its bid to become a pathfinder for the DWP City Strategy initiative. This formalised the partnership's strategy, while the main elements remained as they were. The original partners were then joined by:

- The Association of Further Education Colleges;
- Skills Development Scotland;
- The Edinburgh Community Health Partnership (NHS).

These are the key players in Edinburgh in the field of employment policy, which are funded from different sources and from different geographical levels of government. A symptom of this fact has become that the delivery of services to people who are unemployed is fragmented and complicated. It is not uncommon for organisations not to complement each other, or even to pull in different directions.

The function of the Jobs Strategy is to restore coherence and common purpose to these diverse activities, given the fact that they are funded from different sources. By sharing ideas and resources among the partners, it is expected that more people can be helped into employment for the same cost.

Results: A More Coherent City Strategy, while Additional Steps Are to Be Taken

The economic downturn, depressed demand for labour and a rise in unemployment present a far more challenging environment for welfare to work activities than anything experienced to date. However, the way in which the partnership functions has proved resilient, even in this context. The four local goals summarized above were formulated in 2007, just before the economic crisis happened: the downturn has caused several of the indicated measurements to move in an opposite direction.

When one takes into account the keywords "Demand-Led", "Client-Centred" and "Joined-Up", it is felt that the pattern of delivery in the city is more joined up. Provider organisations (of which about 80 are active in the city) report the benefits of a coherent city strategy:

- Spending decisions by public agencies have become much better aligned;
- The partnership now has well-developed systems for jointly assessing projects to be funded by budgets which it controls;
- There is an infrastructure which supports co-operation between providers including a website, an on-line directory, a forum, an electronic noticeboard, and Caselink, a beneficiary database which is also a management information and programme management system for funders.

However, the system is still not "Demand-Led" or "Client-Centred", while the "Joined-Up" element can still be improved significantly.

Actors and Their Roles

The following table indicates the main partners to the Jobs Strategy:

European level	ESF funding
Transnational	n/a
National	Department of Work and Pensions (UK) Jobcentre Plus
Regional	The Scottish Government Scottish Enterprise The Edinburgh Community Health Partnership (NHS) Careers Scotland Skills Development Scotland
Local	The City of Edinburgh Council The Association of Further Colleges
Semi-public, private, citizen	The Capital City Partnership The Edinburgh Chamber of Commerce Several service providers
NGO	Many providers of unemployment services are NGOs

Scotland became a devolved legislature within the United Kingdom in 1999, following a referendum on that issue in 1997. While economic development was devolved to the Scottish Parliament, benefits and labour market programmes were not – in fact labour market policy is exceptionally centralised in the UK. Recently, the UK government has started to pursue two specific strands of policy: devolution linked to improved coordination by public agencies and centralisation linked to increased marketization, from which additional “value for money” is expected.

In the planning of the day-to-day delivery of unemployment services, this leads to the following, interrelated tensions:

1. Between competition for contracts and coordination in delivering employment services;
2. Between centralised commissioning and localised planning and alignment of targets and funding.

Initiative for the Investment Programmes: A Local Initiative Centrally Adopted

Edinburgh City Council has been the commissioning actor, which fact has put active engagement with fragmented service delivery to the unemployed on the agenda. In order to restore coherence in this field, the Jobs Strategy was initiated.

The rationale for the partnership model included the complexity of issues to be tackled, which required a multi-agency approach. Furthermore, (quasi) state agencies at a variety of spatial scales with responsibilities in fields of employment and skills and education and training have become plentiful, while, due to public procurement, a mixed market in service delivery (involving public, private and voluntary sector providers) has been developed. With about 80 organisations delivering services in

Edinburgh, it took a long time to explore what it would mean in practice to work in a joined-up way, and what the barriers to actually doing this were.

The Jobs Strategy Group is the executive organ. This group comprises all the key actors in the field of unemployment services, and its decisions are made jointly by those actors. This means that it is a “neutral” group: the City Council is not asking the other partners to execute its agenda. Instead the Group is a place where the city council is but one of the partners, as are the local branches of the organisations funded by the UK or Scottish government. The existence of this group, which has the competence and funding to take initiatives, has been valuable in developing trust and stimulating cooperation.

Initially, there was no separate financing actor for the Joined up for Jobs Strategy, the aim of the strategy was to coordinate existing funding, thereby maximizing outputs. Thus, financing was mostly bottom-up, though all institutions were eventually supported by the policy of the Scottish or UK government. Since the Edinburgh strategy was promoted to City Strategy Pathfinder status, additional budget lines have become available for the use of the local partnership, a factor which was a central driver in building cooperation among the partners.

Main sponsors of the City Strategy have been:

City of Edinburgh Council	–	designed the strategy
Scottish Enterprise	–	designed the strategy
Department for Work and Pensions (DWP)	–	very little influence
EU (ESF Article 6, EQUAL)	–	very little influence
Scottish Government (to CCP)	–	very little influence

As becomes clear from the table above, the EU and the central governments funding the strategy played a very small role in its actual design and implementation.

Implementation of the Jobs Strategy is achieved by the partners in the Jobs Strategy Group – in a more coordinated manner than was the case before they aligned their services. Additionally, the Joined Up For Jobs Partnership Forum was established alongside the Joined Up For Jobs Strategy in order further to promote partnership working and develop new mechanisms to deliver the Joined Up For Jobs strategy. The Partnership Forum holds regular meetings, which are open to all organisations providing employment, employment support and training in the Edinburgh area.

Monitoring and Evaluation: Success of the Partnership Model

The results in terms of a reduction in the number of benefits claimants are relatively easy to measure, and are being monitored closely.

The actual results of the partnership model are less tangible and harder to assess. Being “Client-Centred” is a complicated concept: despite the efforts made, it remains the case that the services of the different agencies are often seen by unemployed individuals as fragmented and separate. It can still be the case that a person is being serviced by six different organisations, instead of receiving one

joined-up service: the role of case management and the decision concerning the organisation which should have responsibility is not yet regulated.

Being “Demand-Led” has proved to be difficult as well: there are not enough methods of capturing and responding to the needs of employers. A problem that is encountered is that employers seem not to be aware of their own wishes either, which is serious. The involvement of the Chamber of Commerce does not undo this issue, as that body cannot be taken clearly to represent the views of a large number of employers. Ways of involving employers directly have started to be explored and discussed in the last year of the strategy.

It is felt though that as regards the “Joined-Up” element of the strategy, great progress has been made. A main administrative problem is that the different agencies follow different timescales in their decision making processes, an issue which is being addressed in the strategy. Furthermore, several partners felt that the biggest challenge had been to understand the role of each partner, its relationship to the other partners, and the various initiatives. As stated before, spending decisions are now much better aligned, and joint decision-making procedures are becoming mature.

Most importantly, however, policies other than the City Strategy which the DWP pursues (in particular the Commissioning Strategy which reinforced centralising trends) can be seen as hampering local coordination.

Vertical Cooperation: Supporting Local Solutions and Strengthening Central Commissioning

As part of its reforms, the UK government initiated the two strands of policy introduced above (marketisation and localisation). This created serious tensions at the local level: the agencies which central government funds locally lack the discretion to be able to cooperate within this local environment. UK or Scottish organisations which have a local manager bind that manager by the targets that are set nationally (about which very little can be done) and by operation processes which are decided nationally. Contracts to sub-providers are decided upon nationally, which are hardly sensitive to the local context.

Thus there is a contradiction in the governance of unemployment services: on the one hand the UK government supports local solutions to these issues, while at the same time denying this flexibility to locally based central government services. This in its turn means that the responsibility for making decisions about the joined-up coordination and the deployment of activities cannot be as joined up as it should be.

Another point in vertical coordination is that the strategy is based on the area of the local authority, which could be judged as too limited because the labour market is larger than that. The areas which the government agencies manage are much larger than this local geography, and this creates difficulties in integrating the two geographical levels.

Horizontal Cooperation: Trust between the Key Service Providers

At the local level, the strategy has been successful in bringing together the relevant actors. Over the course of the strategy (which has been in place for nearly ten years) additional partners have been in-

volved, creating a tightly interwoven network. All partners are active members of the network, though the active involvement of employers is necessary to develop the strategy further.

At the local level, the UK and the Scottish governments do not take part in the decisions to be made. They provide support for the Strategy itself through the Pathfinder status and provide funding, but the actual work programme is decided upon locally. However, organisations which are directly founded by these governments or are part of them (for instance Jobcentre Plus or Skills Development Scotland) do take part in local coordination. This makes it impossible clearly to separate vertical from horizontal coordination and leads to the tensions described above.

Citizen Representation and Participation: No Direct Consultation

In a formal sense, citizens are represented through the democratic processes of the Council – which has taken the initiative for this Strategy. Furthermore, numerous consultations, seminars, evaluations and focus groups are organised with providers and groups speaking for beneficiaries.

There is, however, almost no direct consultation with citizens. Citizen groups or volunteer organisations do have mechanisms at their disposal for proposing projects and for funding these, although these possibilities vary from year to year. Most volunteer organisations however seem to have become focussed on their role as service-providers and as contractors, rather than as clear advocates for their groups within this system – leading them to miss out on the available opportunities.

Obstacles and Stimuli

A first stimulus at the start of the project was the determination of the administration of the city level council and a particular individual at the start who made sure that the strategy took off. Political adoption of the strategy gave it standing right from the beginning.

Another stimulus was the support the UK government provided when it awarded “City Strategy Pathfinder” status to the direction which had been taken by the Jobs Strategy Group. This support created the further trust of a number of agencies that the work being done within the framework of the Strategy was relevant, and led to the active involvement of additional partners. This status provided additional budget for the use of the local partnership as well, which was a central driver in building cooperation among partners to the point which it has got to.

The fact that the Jobs Strategy Group is a neutral organ (without one of its members setting the agenda) has been very important in creating trust, and in the ability to make joint spending decisions. An important, “soft” factor was a general belief among the partners that services really needed to be coordinated, and that improving the delivery of these public services was an important goal.

There were obstacles also in the way of realising the Joined-Up, Client-Centred and Demand-Led services. Although the support of the UK Department for Work and Pensions has proved valuable, the centralised processes and contracting (upon which no local influence was allowed) made the tasks of joining up all services much more difficult. Thus, the following tensions, which led to many practical problems in the local context, are significant:

1. Between competition and coordination in delivering employment services;

2. Between centralised commissioning and localised planning and alignment of targets and funding.

Another obstacle which was important specifically when it comes to realising a “demand-led” provision of services was that the current methods for capturing and responding to the needs of employers are insufficient. This issue is currently under discussion within the partnership, but this has not yet led to results.

Suggested (Web) Resources

- Crighton, M., I. Turok & C. Leleux (2009), Tensions in localising Welfare to Work in Britain’s Cities. *Local Economy* vol. 24 no.1, pp. 46–67.
- Website Joined Up for Jobs
<http://www.joinedupforjobs.org.uk/>
- Capital City Partnership
<http://www.capitalcitypartnership.org/>
- EUKN E-library – Topical Knowledge Dossier Local Economic Development
<http://www.eukn.org/Dossiers>
- Get on Edinburgh – linking people with skills and job support
<http://geton-edinburgh.04454150987.v74.lon.host8.biz/>

This text relies on an informative interview with and helpful comments by Matthew Crighton and Kate Kelman.

Urban MLG Profile Belgium

Case Passport Brussels-Capital Region Action Plan against Poverty

Subject	Categories
Political system	Federal state, federal parliamentary democracy under a constitutional monarchy.
Tiers of government	<p>Federal government The Senate Chamber:</p> <ul style="list-style-type: none"> • Flemish parliament • Walloon parliament • Parliament Brussels-Capital Region • Parliament of the French language Community • Parliament of the German language Community <p>Regions: Flemish, Walloon and Brussels-Capital Region</p> <p>Language Communities: Flemish (merged with regional government), German, French</p> <p>Provinces: 5 Flemish region; 5 Walloon region</p> <p>589 Municipalities 308 Flemish region; 262 Walloon region; 19 Brussels Capital Region</p>
Analysis of local level (size versus functional competence)	Small/strong competence
Analysis of middle tier government	Elected/strong competence
Composition of municipalities' total revenue	The regions are responsible for the municipal fund and provide a non-earmarked income (approximately 20% of the total revenues). The main source of finance derives from autonomous local taxes (40% of revenues), federal tax (income and properties).
Citizen representation and participation	<ul style="list-style-type: none"> • Appointed mayor • No binding local referendum
Urban development	Integrated area based development
Neighbourhood urban regeneration	Integrated urban renewal
National urban policy	Urban policy programme set up for large cities by the federal government: Federal Urban Policy.
Spatial planning systems	Between land use management (British model) and comprehensive integrated approach (German model)
Polycentricity	Top secondary city GDP 50% to 25% size of capital city

Title	Collaboration by the Brussels-Capital Region in the Belgian National Social Inclusion Action Plan and the supplementary Social Protection and Social Inclusion Strategic Report.
Period	<p>National Action Plan for Social Inclusion (NAPincl): 2008- 2010</p> <p>Brussels Strategic Action Plan Poverty-Reduction: 2009-2014. The operational action plans last two years each, and each supports the common Brussels poverty reduction policy of 2009-2014.</p> <p>Both action plans will continue until the objectives have been met.</p>
Area	Brussels-Capital region, 19 municipalities and 724 statistical districts
Budget	It is impossible to give a clear picture of the total amount spent in the Brussels Action Plan due to the institutional complexity; each institutional player (regional, communities) has its own financial resources and objectives.
Issue	The poverty risk rate is particularly high in Brussels. More than 25% of the Brussels population lives below the poverty line. Tackling poverty demands the implementation of an ambitious policy and the creation of strong transverse, vertical, as well as horizontal alliances.
Initiative for the project	The Regions and Communities of Belgium in 1999 signed a cooperation agreement with the Federal Government to pursue policies to fight poverty. The collaboration by the Brussels Capital- Region in the NAPincl (and in the Social Protection and Social Inclusion Strategic Report) is in line with this agreement.

Brussels-Capital Region: Collaborating for Social Inclusion

Eva da Costa

In 2002, the Brussels-Capital Region decided to participate in the National Action Plan for Social Inclusion (NAPincl). As early as in 1999 an agreement to combat poverty was signed at the national level with the Regional Governments and Language Communities. After the European top conference in Lisbon in March 2000, each EU Member State decided to draw up a National Action plan for Social Inclusion, which is one of the five instruments of “Open Method of Coordination” (OMC). Thus, Belgium developed its NAPincl - which is aligned to the guidelines of the European Union- with the purpose of increasing economic growth, stimulating employment and reducing poverty.

Objective: Developing a Common Policy to Improve Social Quality

The Brussels action plan against poverty aims to improve the social quality of the Capital Region, as the highly populated districts in Brussels live in poor circumstances and the number of recipients of welfare benefits or income support has increased. For this purpose, the four governments in Brussels (the two language Community Commissions, the Common Community Commission and the Brussels-Capital Region) joined forces better to fight poverty through a multi-dimensional approach.

This ambitious action plan should not merely result in economic prosperity, but also advance the well-being of the inhabitants of the Brussels region. Economic, social and cultural rights should be guaranteed for each Brussels citizen and for this purpose the four institutions developed a multifarious and participatory prevention policy towards the most vulnerable citizens. The Brussels governments created a common framework by setting 34 long-term strategic objectives to be met in 2014 based on employment, housing, education, welfare, health, family, security and culture.

Approach: A Transverse Policy-Making Structure to Combat Poverty

There are two different plans for the Brussels-Capital Region: a long-term strategic plan for 2009-2014 and a two year funded action plan for 2010-2012. The strategic plan includes the 34 strategic objectives and sets out how the four governments in Brussels are trying to achieve one common policy for poverty reduction. The complete action with an overview of the respective budgets is described in the two year action plan.

Each governmental institution of the Brussels region has its own competences, policy domain, budget and administration. However, these governments have developed mutual objectives to fight poverty. Given the cross-cutting nature of poverty measures and the institutional complexity of the Brussels region, the action plan must be implemented by means of an intersectoral, inter-institutional and intergovernmental approach. Figure 1 demonstrates the sectoral approach. By sharing good practices and forming partnerships, the Brussels institutions anticipate eliminating the considerable concentration of poverty in its districts.



Figure 1

Results: Acknowledging the Need for Poverty Reduction

Since the establishment of the NAPincl, Brussels has nominated certain actions to be included in the Belgian Social Inclusion Action Plan (part of NAPincl). Rulings have been made, a large number of services (certified and/or subsidised) are provided for citizens and many actions are carried out, especially for helping homeless people. These initiatives are structured in such a way as to offer long-term support to Brussels residents. It is not possible to describe the objectives achieved briefly because of the complexity of the task and its need to be cross-cutting and multidimensional. Services are increasingly familiar to the very poorest and their territorial coverage is improving. However, there is still much to be done, especially in the poorest neighbourhoods. It is true that the NAPincl collaborative measure still needs to be perfected, but it does contribute to raising awareness, bringing together and involving all levels of power in the fight against poverty.

Actors and Their Roles

European level	The NAPincl is an element of the European Open Method of Coordination and is also part of the “European Platform against poverty and social exclusion” which contributes to Europe 2020 in this sense.
Transnational	n/a
National	With regard to NAPincl: Ministry of Social Integration and the Ministry of Social Security
Regional	<ul style="list-style-type: none"> • The Brussels-Capital Region • The Joint Community Commission • The French Community Commission • The Flemish Community Commission
Local	Public centres for social welfare: OCMW in Flemish or CPAS in French
NGOs	Platforms of citizens' associations, Brussels Forum for the fight against poverty, the associated social services sector, mental health sector, homeless centres et cetera.

Initiative for the Investment Programmes: 4 Separate Governments Cooperating Together

As mentioned before, four regional governments the Brussels-Capital Region and three Community Commissions operate independently in the Brussels region, and thus have different roles to fulfil in the Brussels action plan for poverty reduction. Also, the French and Flemish communities and the federal state exercise powers on Brussels territory. These regional actors have relatively a lot of power and policy freedom. Below an overview has been given of each governmental layer with respect to its competences, policy domains (as described in figure 1) and implementing actors solely reflected in the Brussels Poverty (action) report.

The Community Commissions in Brussels (French and Flemish)

In response to the cultural disparities in Belgium, three separate Language communities have been established, all defending the cultural and individual interests of Flemish, German and French-speaking populations. Their competences have been extended from merely cultural affairs to personal matters (in which the federal government has only a few competences, such as national disease prevention rules), namely health care and personal welfare, education and the use of languages.

To meet the specific needs of Brussels and to exercise the Community competences in Brussels, three new institutions were established in 1989:

- The Flemish Community Commission (VGC);
- The French Community Commission (COCOF);
- The Joint Community Commission (GGC/CCC).

The COCOF and the VGC were initially devolved structures of the French and Flemish Communities, that is to say under their supervision and acting in an auxiliary role. In 1994, the competences of the COCOF were extended: the French community transferred a set of competences to the COCOF, which can consequently act autonomously, chiefly in the area of curative healthcare and personal welfare matters, without prejudice to its legislative power. The Flemish Community has not transferred competences to the VGC, which means that it does not have any legislative power.

The Brussels Community Committees have created their own implementing “uni-community institutions” focussing on culture and sports, education, social cohesion, family, welfare and health. However, several unilingual services, such as hospitals and social services, must be open to everybody.

The Joint Community Commission (GGC/CCC)

The GGC/CCC is responsible for personal matters in which the other two communities do not have competences in the Brussels-Capital Region. These matters concern, on the one hand, measures applying directly to individuals and, on the other hand, institutions which, because of their organisation, are not attached exclusively to one of the communities. These bilingual institutions are either public institutions which are bilingual by definition, such as the CPAS welfare centres and public hospitals, or private institutions which have not opted for any community.

Finally the GGC can be perceived as a coordinating body between the French and Flemish communities in Brussels. Thus, they achieve consistency between the communities concerning personal policy matters.

The Brussels Capital-Region

Apart from the three Language Communities, Belgium has three regions which resulted from the economic diversity in Belgium: the Flemish, Walloon and Brussels-Capital Region. In general, the regions have competences regarding economic and employment policy. Furthermore, it has decision-making power over territorial aspects such as the environment, spatial planning, energy supply, housing and mobility.

By means of their respective competences, these actors contributed to the Brussels Poverty Reduction Action Plan. Owing to this decentralised and complicated structure it is difficult to define individual positions as each actor holds these within its own functional sphere. In other words, the four institutions in Brussels have their own parliaments, governments, administrations and budgets. However, these institutions are usually governed by the same people; that is to say the same members of parliament and ministers “wearing many hats”. To coordinate and implement poverty policy in Brussels, these four governments signed a collaboration protocol. Representatives of the Ministers of the Brussels-Capital Region and the different administrations meet in inter-cabinet permanent working groups to develop the bi-annual action plan combating poverty. The GGC is responsible for the coordination of the action plan and chairs these working group meetings. The Health and Social Observatory, the Research Centre of the GGC, functions in this respect as a Secretariat.

Vertical and Horizontal Cooperation: Inter-Cabinet Working Groups

As mentioned before, the NAPincl coordinates the actions of each Belgian region (Flemish, Walloon and Brussels-Capital Region) and Language Community to stimulate social inclusion. These federal actors meet four times a year in the “Information and Practices Exchange Network”, organised by the Federal Public Service for Social Integration. For this, two working groups have been established: a group which compares the regional action plans and a group which elaborates on indicators to understand which methods each region is implementing. These indicators are subdivided into several themes, such as housing, home care, employment, child poverty et cetera. The topic of poverty is accorded a more scientific approach in these indicator meetings, especially regarding how one can

measure poverty adequately. Each governmental layer participates in these working groups, as do players from the field such as NGOs and public welfare centres (OCMW or CPAS). In addition, strategies to meet the objectives of Europe 2020 are also discussed during these federal gatherings. In general, no hierarchy exists and due to the involvement of all these political levels, there is no binding character; cooperation is more based on the exchange of practices and methods captured in the Social Protection and Social Inclusion Strategic Report.

As regards the Brussels Poverty-Reduction Action Plan, inter-cabinet permanent working groups have been set up and are organised by the Health and Social Observatory, as described in the section on “the initiative for the investment programmes”. Representatives of the Brussels-Capital Region and the colleges of the three Community Commissions meet monthly to create an integrated coordinated umbrella policy for combating poverty. The creation of the action plan was an accomplishment in itself; it was a complicated and time-consuming process to reach an agreement between these tiers of government. Reaching a mutual understanding among different policy makers all belonging to different governmental institutions (multi-actor) and working in diverse policy domains (multi-sectoral) was challenging. On the other hand, the meetings were perceived to be effective and successful.

In addition, NGOs and the OCMWs/CPAS had the opportunity to provide input on the action plan at round table meetings, which take place twice a year. The OCMWs/CPAS are situated in each Belgian municipality and are funded by the federal government and the municipalities. These welfare centres depend on national laws and provide social security payments, but have the ability to implement their own policies.

Financial Arrangements: Separate Budgets and Supporting Objectives

Each strategic objective and its supporting actions in the Brussels Poverty-Reduction Action Plan has a separate budget. Depending on the nature of the action/policy domain and competences, the Brussels institutions invest in their respective strategic objectives. In other words, each institutional player invests financially in line with its own resources and its objectives. Therefore, it is impossible to give a clear financial picture and to calculate the total amount invested in this action programme (2010-2012). There are also several types of subsidies, many of which are available for only a short period.

Monitoring and Evaluation: An Annual Social Barometer

To analyse the state of poverty in the Brussels region, the Health and Social Observatory of the GGC has developed a Poverty Report. The annual Social Barometer forms an integrated part of the Brussels state of poverty reports and it contains a set of poverty indicators. Important factors such as at-poverty-risk, the unemployment rate, low income, level of education, social welfare, social integration and participation, excessive debt, labour market, the housing situation and the demographic context are taken into account. Overall, measuring these indicators is challenging. For instance, it is difficult to determine whether a poverty increase results from either policy measures or the economic situation. These indicators are mainly calculated upon the results of surveys such as the Labour Force Survey, or administrative data deriving from the Crossroads Bank for Social Security, the Public Planning Service for Social Integration and the Directorate-General for Statistics and Economic Information. Despite collaboration with these statistical offices and the comprehensive survey, certain data such as detailed information on housing or education among adults are unavailable.

For the NAPincl different sources of data and sets of indicators are used, such as the EU-SILC system, a large scale survey on income and living conditions which allows comparisons between the EU Member States. However, due to its large scale, the survey has limited representativeness for measuring the poverty risk in Brussels.

Citizen Representation and Participation: Service Platforms and Alliances

According to the action plan, citizens are essential players for collecting knowledge and insights on poverty. Service platforms and federations are particularly in demand to collaborate in the participative process, as are all the voluntary associations. Mobilisation is organised through each regional authority. These associations for the poor are also involved in drawing up the biannual reports on the state of poverty and are invited to take part in the federal meetings for the NAPincl. However, the decentralised and multifaceted governmental structure of the Brussels region does cause complications in organising political and public debates.

Obstacles and Stimuli

The National Action Plan for Social Inclusion encouraged regions to draw up long-term action plans, and it thus brought attention and awareness to poverty related issues. This stimulus factor also made it possible to develop common objectives and to put cultural differences aside. The “Information and practices exchange network” of the NAPincl created links between the national and regional social inclusion plans, and thus stimulated knowledge exchange, and therefore new effective solutions or methods of measuring poverty were introduced.

The diversity, the large number of actors involved and the cross-cutting nature of the Brussels Poverty-Reduction Action Plan make the plan very integrated and thus give each poverty problem special attention. Also, the inter-cabinet permanent working group meetings and the round table discussions have a very open debate culture and thus create more partnerships effectively to combat poverty. It is also essential to create one common policy vision, as it has been proved that the independence of each Brussels institution has put great pressure on the welfare and health care sector.

On the other hand, the complexity of the institutional framework in the Brussels-Capital region makes it very difficult and time-consuming to create one common policy document. In the Brussels region there is too little tradition of working together; policy makers usually refer to their own language community and approach. The introduction of the NAPincl and the Brussels action plan in 2002 was in many senses exceptional. Moreover, due to institutional fragmentation and the division of closely related policy domains it is very complicated to oversee the decision-making competences of each actor.

Finally, it is challenging to find a reference person to collect and centralise information within each administration. In practice, each actor has been accustomed to divide each responsibility or task and to subdivide policy domains within its own administration. Therefore, it is difficult to find one person who has access to all administrations in a government and is specialised in all policy domains. It is important to reach the right people with the proper knowledge to create synergies between the governing actors.

Suggested (Web) Sources

- General information on the Brussels Strategic Action Plan Poverty-Reduction can be found at www.observatbru.be
- General information on the National Action Plan for Social Inclusion can be found at <http://www.mi-is.be/en/anti-poverty-policy/national-action-plans>

This text relies on an informative interview and helpful comments by Annette Perdaens, Administration Manager, and Sarah Luyten, Scientific Assistant, both working with the Brussels-Capital Health and Social Observatory, Common Community Commission.

Urban MLG Profile Belgium

Case Passport Walloon Plan for Air and Climate

Subject	Categories
Political system	Federal state, federal parliamentary democracy under a constitutional monarchy
Tiers of government	<p>Federal government The Senate Chamber: <ul style="list-style-type: none"> • Flemish parliament • Walloon parliament • Parliament Brussels-Capital Region • Parliament of the French language Community • Parliament of the German language Community Regions: Flemish, Walloon and Brussels-Capital Region Language Communities: Flemish (merged with regional government), German, French Provinces: 5 Flemish region; 5 Walloon region 589 Municipalities 308 Flemish region; 262 Walloon region; 19 Brussels Capital Region</p>
Analysis of local level (size versus functional competence)	Small/strong competence
Analysis of middle tier government	Elected/strong competence
Composition of municipalities' total revenue	The regions are responsible for the municipal fund and provide a non-earmarked income (approximately 20% of the total revenues). The main source of finance derives from autonomous local taxes (40% of revenues), federal tax (income and properties).
Citizen representation and participation	<ul style="list-style-type: none"> • Appointed mayor • No binding local referendum
Urban development	Integrated area based development
Neighbourhood urban regeneration	Integrated urban renewal
National urban policy	Urban policy programme set up for large cities by the federal government: Federal Urban Policy.
Spatial planning systems	Between land use management (British model) and comprehensive integrated approach (German model)
Polycentricity	Top secondary city GDP 50% to 25% size of capital city

Title	Plan Wallon de l'Air et du Climat (Walloon Plan for Air and Climate)
Period	The plan was initiated in 2008, and will run until 2012. A related plan will be implemented from 2012 until 2020, with a view to extending the process until 2050.
Area	The Walloon region in Belgium.
Budget	The budget for the plan is 200 million Euros.
Issue	The Walloon Plan comprises two complementary objectives: <ol style="list-style-type: none"> 1. To minimise the greenhouse effect as much as possible, while also adapting to the expected effects of climate change; 2. To improve the quality of the air.
Initiative for the project	The plan was initiated by the Walloon Region in order to respond to the requirements outlined in the Kyoto protocol, which Belgium has committed itself to. The Belgian goal is to reduce its greenhouse gas emissions by 7.5% in relation to emissions in 1990 by 2012. As a result of burden-sharing between the regions, the Walloon region needs to reduce its emissions by 7.5%. Within "20-20-20", the EU Climate and Energy Package, there are requirements relating to emission reductions as well.

The Walloon Plan for Aid and Climate: A Link in a Chain

Tina Kelder

The Walloon Region in 2008 implemented its Air and Climate Strategy, consisting of 100 integrated measures to achieve emissions reductions and better air quality.

Objective: Achieving a 7.5% Emissions Reduction in the Walloon Region

The Walloon plan for Air and Climate (Plan Air Climat) is part of the effort Belgium has pledged to deliver in the light of international agreements such as the Kyoto Protocol. The plan also relates to European legislation captured in the “20-20-20” package. The Walloon plan pursues two goals:

1. Minimising the greenhouse effect as much as possible, while also adapting to the expected effects of climate change;
2. Improving the quality of the air.

In total, Belgium is obliged to reduce its greenhouse gas emissions by 7.5% in relation to emissions in 1990 by 2012. However, the protection of the environment, and the atmosphere in particular, is a regional competence. For this reason, the three regions negotiated burden-sharing in order to achieve the federal goal. Through this negotiation, Wallonia is bound by a 7.5% emission reduction (see table 1).

Table 1 Emission reductions in the three Regions

	Belgium	Wallonia	Flanders	Brussels
CO ₂ emissions (kt CO ₂ eq)	135.873,736	50.683,318	83.370,00	4.225,00
Reduction compared to 1990 (%)	-7.5%	-7.5%	-5.2%	+ 3.475%

Within the Walloon Region, all key players were involved in the elaboration of the Plan Air Climat. These stakeholders met in thematic working groups covering specific areas. In this way, representatives of business associations were invited to participate in the working group concerning the section on Industry. This logic was applied to each domain, resulting in a plan and measures agreed upon by the ministries as well as the stakeholders involved.

Approach: 100 Measures in Nine Domains

In order to realise the goal of 7.5% emission reduction, the plan proposes 100 measures which provide a coherent action plan to preserve the environment as well as public health, while at the same time ensuring economic and social development of the Walloon Region.

The planned actions cover nine subjects:

1. Regional management of emission reduction technologies;
2. Reducing the negative impact of global warming;
3. Agriculture and forestry;

4. Industry;
5. The residential sector;
6. The public and tertiary sector;
7. Transport;
8. Waste management;
9. Energy production.

Results: Actively Involving Specific Target Groups

Currently, the 100 measures included in the Plan are being implemented. The Walloon Agency for Air and Climate (AWAC), the body responsible for the implementation of the plan, monitors the spatial distribution of several substances (among which are heavy metals and micro-particles). Through the various measures of the plan, the Agency aims to mobilise different target groups:

- The public sector: by proposing good practices in the office, upgrading public buildings, or by introducing specific legal instruments supporting the plan;
- Enterprises: by means of energy audits or tax credits;
- Citizens: for instance through advice on renovation, by encouraging the use of public transport or by advising on waste management.

The Plan Air Climat also means to capture new knowledge on (technical) procedures leading to sustainable development.

Actors and Their Roles

This section identifies the roles and powers of the most important players involved in the Plan Air Climat:

European level	European Directives in the field of Energy Efficiency and Sustainability are part of the driving force behind the Plan Air Climat.
Transnational	Climate initiatives in transnational organisations, such as the United Nations, are closely linked to the goals formulated in the Plan.
National	La Commission Nationale Climat The Belgian Interregional Environment Agency
Regional	<ul style="list-style-type: none">• The Walloon Region by means of several relevant ministries (among others, the Environment, Agriculture, Mobility, Sustainable Development, Research, Transport, etc.).• L'Agence de l'Air et du Climat (The AWAC is part of the Walloon Region)• The French Community
Local	All municipalities are free to contribute to those measures for which they foresee good results.
Semi-public, private, citizen	<ul style="list-style-type: none">• 90% of Walloon businesses• Société Wallonne du Logement• Société Wallonne de credit social• Walloon public employment and training services• SOFICO, Walloon agency for infrastructure development
NGO	n/a

Initiative for the Plan: Central Services in Dialogue with Key Stakeholders

The Public Service of the Walloon Region (Service Public de Wallonie) was the commissioning actor for this action plan. In order to achieve the 7.5% reduction goal that the Walloon government has set itself an implementation strategy needed to be elaborated. From the start, the Prime Minister stood firm behind the Plan, which ensured that the sectoral departments took the development of the plan serious.

The Walloon Agency for Air and Climate (AWAC) became the executive actor: this agency played a central role in developing the action plan. Initially, the agency only established the main structure of the plan. These ideas were further discussed in various expert working groups, consisting of government officials as well as representatives of organisations specialising in the area under discussion. These working groups have improved the proposed measures, and have included additional ones to reach a final plan consisting of 100 steps. Within the development of the Plan Air Climat, all actors in the Walloon administration as well as the wider stakeholder community have been involved in a constructive manner in decisions regarding the plan right from the start.

The Service Public de Wallonie was, apart from the commissioning actor, the financing actor as well. The Walloon government allocated a budget to the various ministries involved so that they could implement the measures with which their respective administrations were concerned. As the budget for the activities planned within the framework of the plan was already allocated until 2012, the financial crisis has not affected its implementation.

The various Walloon Ministries are the implementing actors bringing the various measures included in the Plan Air Climat into practice. As the measures cover nine different spheres of action, several administrations can be involved: measure 83 for instance concerns encouraging a modal shift to rail, and car sharing for journeys longer than 40 km – issues in which the ministries of Mobility and Transport are involved. Measure 26 focuses on the granting of aid to promote the development of an agricultural biogas sector, which touches on the competences of the ministries of Energy, Agriculture and New Technologies. This joint approach to measures creates a synergy between different administrations, and ensures an integrated strategy. Governments have various tools at their disposal with which to implement these measures, among which are governmental decrees, tax incentives and subsidies.

Apart from the actions the several administrations of the Walloon Region are initiating, the other actors that were involved in the working groups were also engaged in achieving the measures laid out in the plan. Those actors that drafted the plan (governmental as well as other partners) were asked to report to the AWAC regularly on the progress of the various measures they had supported.

Since the plan was instituted in 2007, the AWAC has kept track of its implementation.

Monitoring and Evaluation: Updating Measures Based on Their Practical Results

The ministry of the Environment has the final responsibility for the implementation of the plan. The procedures in the implementation of the Plan Air Climat are monitored every six months. This report concerns the viability of the measures included in the plan: if a measure proves too costly, the administration may reconfigure its implementation to a more optimal balance. Thus, the plan is flexible enough to evolve according to real needs and circumstances.

The Plan Air Climat consists of two types of measures. On the one hand there are those that can be quantified. For these measures, the amount of CO₂ that has been prevented from being released into the atmosphere can be estimated. This is the case with, among others, measure 36, in which energy audits with individual companies are being promoted. On the other hand, there are non-quantifiable measures as well. The results of these measures are “soft” and cannot be directly evaluated. These include, for example, all measures that stimulate public awareness but which do not directly reduce emissions, or the density of specific particles in the air.

Specific reporting on air quality values is being carried out in a European context. In order to maximise the effects of measures taken, the Walloon region is participating in an international network with over 100 measurement stations distributed throughout Europe.

Vertical Cooperation: Wallonia as a Link in a Chain

International law, and European law in particular, played a central role in the development of the Plan Air Climat. By means of this plan, the region can play a proactive role in reinforcing the process of climate action – despite its small size. In international bodies though, such as the United Nations, regions have no legal status. Consequently, some aspects of the policy require cooperation agreements between the Federal State and the other Belgian Regions. Belgium as a State reports regularly about its climate policy to the European Union and the United Nations.

In the context of climate policy there is thus regular collaboration with the Flemish Region, the Brussels-Capital Region and the Federal government. Ministers of the French Community are also involved in the plan regarding their specific competences, for instance relating to awareness raising activities.

The municipal level is involved in the plan by means of several measures. For example, measures 54 to 56 relate directly to the municipalities: these mean to promote energy audits in public buildings, to support energy advice within the communities, and to support energy saving investments in schools. In order to achieve measure 54, a call for projects was organised, within which municipalities could apply for a subsidy to organise such an audit. In this way, municipal participation in the plan is organised on a voluntary basis.

Within the private sector “sectoral agreements” have been signed which formalise the partnership between the region and a group of companies of the same type. 90% of industrial firms are working with the Walloon regional government as part of a sector agreement. The mechanism is simple: every company executes an audit and initiates a series of actions based on the advice in the audit in order to consume less energy and to pollute less. In return for the investments made by the company, the region reduces certain taxes to which the company is liable. Through this measure, companies acquire the financial means to invest in technologies that can allow Walloon industry to innovate.

Horizontal Cooperation: An Integrated Approach

Several ministries work together on achieving the measures formulated in the plan, which ensures an integrated approach to realising emission reductions and ameliorating air quality. These governments report their progress to the AWAC, by which progress on all measures is coordinated.

The ministries cooperate with each other through practical arrangements tailored to the specific measures at hand. Contacts are organised by e-mail and telephone, so that communication lines are short and direct. Contacts between the AWAC and the individual administrations are also smooth, yielding quick responses to requests of various kinds.

Citizen Representation and Participation:

According to the law, a public inquiry must be held during the development of a plan. The public was consulted after the approval of the draft plan by the Walloon Government. This consultation resulted in different opinions and inputs, which have been analysed and incorporated into the plan wherever this was possible. The democratic anchorage of the plan lies in the mandate that the ministries enjoy as a result of public elections.

Furthermore, the plan envisages citizens as a specific target group in terms of creating awareness, and is encouraging individuals by means of several measures to assume an active role in achieving it.

Obstacles and Stimuli

The implementation of the Plan Air Climat is open to all stakeholders. A stimulus was that this allowed the government to incorporate different views and knowledge into the realisation of the plan, and provided a starting point for a dialogue with many different stakeholders. Furthermore, it ensured engagement with the plan before it had even started.

Another stimulus is that the plan is flexible: every six months the measures that do not seem to live up to expectations can be adapted. This flexibility promotes commitment in the partners involved.

A final strong point is that the plan has singled out two topics (emissions and air quality) and used these as a means to integrate a wider range of actions. By this method, the policies of several ministries have become partly integrated and have reinforced each other.

An obstacle to using an open type of planning procedure is that it requires careful management: it is easy to lose coherence within the plan, or deeply to disappoint and subsequently alienate important stakeholders from the process. Involving many stakeholders also means that it will be necessary to strike compromises, while preventing the plan from losing its original vitality.

Another conceivable obstacle is that communication based on short, personal lines of communication is vulnerable to a reshuffling of personnel. This was experienced over the course of the project, and regaining a functioning communication system required specific attention.

Suggested (Web) Resources

- Website Plan Air Climat
<http://airclimat.wallonie.be>
- Website EUKN: further reading on Urban environment
http://www.eukn.org/E_library/Urban_Environment
- L'Agence Wallonne de l'Air et du Climat (2007), Plan Air Climat: Respirer Mieux, C'est Vivre Mieux

This text relies on an informative interview with and helpful comments by Aurélie Cuvelier, working with L'Agence Wallonne de l'Air et du Climat.

Urban MLG Profile Cyprus

Case Passport Development Plan Review Process of the Larger Urban Areas in Cyprus

Subject	Categories
Political system	Centralised Unitary Country with strong but un-integrated local authority level
Tiers of government	<p>National Regional (LAU1): 6 administrative districts Local Level (LAU2):</p> <ul style="list-style-type: none"> • 353 Communities • 33 Municipalities 
Analysis of local level (size vs. functional competence)	Small/ small competences, local authorities dependent on central government
Analysis of middle tier of government	Appointed/ weak competence. District Officer (senior civil servant) appointed by Government to coordinate activities of all Ministries in the District; under the Ministry of the Interior
Composition of municipalities' total revenue	<ul style="list-style-type: none"> • Main source of revenue for municipalities: taxes, fees, duties. Smaller percentage derives from state grants and subsidies • Source of revenue communities: state subsidies, taxes and fees from residents in the area. Receives state services through District Offices.
Citizen representation and participation	<ul style="list-style-type: none"> • Directly elected mayor; Municipal Council (policy-making body) elected separately • Communities: residents elect the Community President and Community Council • Citizen participation through trade unions, professional chambers, volunteers' organisations and human rights groups • Referenda held for specific reasons at national and local levels
Urban development	Integrated urban development is the main concept driving national urban policy and strategic development planning
Neighbourhood urban regeneration	Integrated urban renewal is the main concept driving the few regeneration projects, most notably in Nicosia
National urban policy	Urban policy is defined in spatial development plans, such as Local Plans and Area Schemes, in accordance with the provisions of the Town and Country Planning Law
Spatial planning systems	Land use management (British model) – central
Polycentricity	Top secondary city (Limassol agglomeration) 79% of the size of the capital city (Nicosia agglomeration)

Title	Urban Agglomeration Development Plan Review Process
Period	2008: publication of review guidance report 2011: draft publication 2012: final publication
Area	The four main urban agglomerations of Cyprus (Nicosia, Limassol, Larnaca and Paphos) and the various municipalities and communities they comprise.
Budget	There is no specific budget; each actor is responsible for its own operational costs.
Issue	Each agglomeration has its own area-specific spatial development plan, known as the Local Plan. These plans are to be reviewed and updated as required by the Town and Country Planning Law. The plans should provide an improved governance framework which will facilitate a more substantial degree of citizen participation.
Initiative for the project	The practice was initiated by the Department of Town Planning and Housing, in response to requirements set by the Minister of the Interior and the Planning Board. The entire process was begun by the publication of a development plan review guidance report, known as the Minister's Report.

Urban Agglomeration Development Plans in Cyprus: A Participative Review Process

Eva da Costa

A new practice has been introduced regarding the review of all urban agglomeration spatial development plans, as required by law. The four larger urban areas of Cyprus share a common structure, which provides the necessary framework to facilitate the uniform application of development control standards, as well as a number of common strategic goals, stemming from the national strategic reference framework. For this, coordination procedures have been set up which involve all lower and upper levels of governance. At the same time, it was recognised that each development plan needs to be customised to local conditions in order to address the various uniquely different specificities of each urban area.

Objective: A Common Plan Review Process

According to spatial planning legislation provisions in Cyprus, development plans, as applied today, have been published and amended at various stages to ensure orderly development in the interests of, for instance, health, welfare, historical and architectural characteristics, the selection of purposes for specific sites et cetera. Development plans are kept under constant review and are the subject of a review report published from time to time.

The latest such report was published in 2008 and included a reference framework of national and European strategic level documents, among which are notably the Leipzig Charter and the 2007 Territorial Agenda. The report includes the following:

- An analysis of problems and challenges besetting the island's four main urban agglomerations;
- An elaboration of their future perspectives and role;
- A list of strategic goals, which included a set of general, spatially related overarching goals, as well as additional objectives relating to:
 - environmental aspects: landscape, natural and cultural heritage;
 - socio-economic considerations;
 - infrastructure, services of general interest and education.

Overall, the purpose of this iterative process of plan review is to ensure and facilitate the continuous updating of development plans to the extent and degree that differentiations of facts and figures require their amendment, as well as the adaptation of their provisions to changing conditions and trends. In addition, following the transposition of EU Strategic Environmental Assessment acquis into national legislation, development plan approval may also require a relevant evaluation, subject to agreed procedures.

Approach: Step by Step Involving All Actors

Procedures for the preparation and review of urban agglomerations' development plans are naturally more intricate than those followed in the case of smaller municipalities or groups of rural communities. Figure 1 illustrates this comprehensive procedure involving all actors step by step.



Figure 1 Procedures for local plan review

As already mentioned, the process begins with a report published by the Minister of the Interior (steps 1 to 3). This is followed by open community meetings, where local responses to the report and proposals are publicly discussed and noted in a transparent manner (step 4).

The next stage includes open calls for written consultation, in which any concerned individual or body can submit written comments and suggestions. Also in this respect, public hearings are organised. Furthermore, at this stage, an ad hoc Joint Board is established for each particular development plan, the members of which include representatives of local authorities, public bodies, organised citizens' groups, NGOs and other interested stakeholders (steps 5 to 7).

In addition, for the preparation and review of these development plans, the Minister has delegated his authorities to the Planning Board, taking into account the amendment of the Law and all of the outcomes of the steps described above (steps 8 and 9).

The publication of a draft of these development plans is followed by a similar procedure of submission (within four months) and examination of justifiable objections (steps B1 to B6), which also involves the Planning Board. After this procedure, the final publication (that is, until its next review) of the revisions of the plans can be ensured.

Results: More Transparency and Participation

Since the establishment of the practice, the Ministry of the Interior has already reached a draft decision on each of the four urban agglomeration development plans. Thus, all stakeholders have provided input into their respective development plans. After plan proposals had undergone a Strategic Environmental Assessment (SEA), the plans were re-evaluated by the Planning Board and will soon be approved by the minister and published. Following this first publication, an opportunity is provided to any individual or body to file objections to any of the published provisions. After this four month period of objection filing, the Planning Board will meet again to examine the objections filed (steps B2-B3); objections will also be assessed, in parallel, by ad hoc Objection Evaluation Committees, appointed by the Minister in accordance with specified procedures. This objection assessment must be completed within a fourteen month period. The four plans will therefore most likely be completed in 2012. On the whole, this practice has brought much needed upgrading of the planning system's governance framework, especially concerning transparency and participation, while strengthening the integrated and place-based approach.

Actors and Their Roles

European level	The EU reference framework for urban development policies
Transnational	n/a
National	<ul style="list-style-type: none"> ● Council of Ministers ● Ministry of the Interior ● Department of Town Planning and Housing
Regional	The four urban agglomerations
Local	Communities and Municipalities and their unions
Semi-public, private, citizen	Private housing companies, citizens, local entrepreneurship etcetera.
NGO	National and local special interest groups, trade unions

Initiative for the Investment Programmes: Top-down with Bottom-up Elements

Although the practice is basically a top-down initiative, as is required by law, it also includes significant bottom-up elements: most notably, the institution of Joint Boards, the open calls for consultation procedure and the objections procedure. Each actor represents a specific authority or interest group and strives to achieve consensus with all other stakeholders in this sense. The actors are closely bound to their organisations and to one another to reach common ground. An overview of the most important actors and their roles is shown below:

1. Council of Ministers: has the final legal responsibility for publishing the final plan;
2. The Minister of the Interior: is the intermediate legal actor and is accountable for publishing the draft plan;
3. The Planning Board: a public body bringing together sectoral agencies, local authorities, professional organisations and special experts appointed by the president of the board. This body is responsible for the basic decision-making, taking into account all the opinions expressed by the public and stakeholders. The president and the vice-president of the board are appointed by the President of the Republic.
4. Department of Town Planning and Housing: is the technical advisor to the Planning Board. It provides research-based and practice-led evidence, but does not make the decisions;
5. Various central government ministries: provide the sectoral point of view, which is crucial for the integrated approach;
6. Local Authorities, including communities, municipalities and their unions: collect the local point of view at the national and regional level, which is essential for both the integrated and place-based approaches;
7. Professional organisations and national experts: umbrella organisations and selected individuals which provide, respectively, the professional and academic points of view;
8. Joint Boards: exemplify the area-based foundation of development plans. These boards are essentially a mirror of local society that will use the plans or be affected by them. The plan-specific Joint Boards include mostly local politicians (see point 9) and special interest groups. Usually a mayor or district officer is the president of such a board;

9. Local Authorities specifically involved in the territory under examination: are at the core of the entire process. These players are the main stakeholders with wide-ranging capabilities, since they are the elected representatives of the local population and can wield their political power, especially for issues close to local hearts;
10. National and local interest umbrella groups, citizens: are for instance, local entrepreneurship, trade unions, environmentalists, NGOs, professional associations et cetera.

Vertical and Horizontal Cooperation: The Key Components of the Procedure

All forms of cooperation took place. Vertical cooperation between the central and local levels of government and horizontal cooperation amongst local authorities was a key component of the entire process. Also, the general public and interest groups have the opportunity to interact with the Planning Board through the open call for written consultation and public hearings procedures. Furthermore, these actors participate in the informal community meetings organised by local authorities. Through Joint Board meetings, horizontal actors have the opportunity to interact with the Planning Board once again, an opportunity also provided at the objection assessment stage by way of Objection Evaluation Committee meetings that will follow the first publication of the development plan, leading to its finalisation.

Meetings of both the ad hoc plan-specific Joint Boards and the Planning Board took place about once a week until consensus had been reached in each case. Although one could argue for more streamlining, these meetings tended to become more and more efficient as further experience was gained by stakeholders. These local actors seemed better to understand and more adequately to address territorial issues, rather than pursuing personal and clan interests alone. At the other end of the scale, national level stakeholders have learned to pay more attention to local sensitivities, challenges and opportunities.

Financial Arrangements: Restricting Financial Interdependencies

There is no specific budget, because it is a procedure which still needs to be implemented. However, the development plan review process is entirely financed by the participating organisations with their own budgets. Most notably, the budget of the Department of Town Planning and Housing – which acts as the technical advisor and coordinator of the entire process – covers the costs relating to the preparation of documents, the collection and analysis of information, mapping, administration et cetera. At the same time, the Planning Board's budget covers other administrative costs, disbursements and the procurement of consultancy services for the preparation of studies on key issues. Similar costs are often covered by the local authorities involved, for carrying out their own studies to support or challenge emerging perceptions. Overall, all actors involved are financially independent of each other. Moreover, the overall transparency of the process is meant to restrict the development of financial interdependencies.

Citizen Representation and Participation: through Clearly Prescribed Procedures

Until recently (2007), the Town and Country Planning Law did not adequately specify procedures for promoting active public participation in the planning process. However, it did indicate how the public might influence the provisions of a development plan at two stages.

In the first instance, the public is involved at the plan-making stage through participation in the Joint Boards, as described above. This process is essentially consultative and its main objective is to inform the Minister and the Planning Board about opinions and suggestions. After its discussion and approval by the Planning Board, a development plan is published and deposited for the public's inspection (following the completion of the parallel SEA procedure, step 10 of figure 1).

This is the second occasion on which the public can influence the provisions of development plans. Local authorities, NGOs and any interested body or individual may at this stage within 4 months submit objections to any of the plan's provisions. These objections will be examined by the minister, who involves the Planning Board and plan-specific consultative committees. Finally, the minister's remarks on the objections are sent to the Council of Ministers for consideration and decision. The final version of the development plan will remain in force until its next amendment.

As a result of the 2007 amendment of the Town and Country Planning Law, there are now two additional processes of active citizen participation: the structured written consultation through open call procedures and public hearings. These are based on clearly prescribed procedures. In general, written consultation provides feedback from any interested individual or body. The public hearings are organised differently; a number of representative opinions resulting from the written consultation can be heard in public, and Planning Board members answer questions addressed to them.

Obstacles and Stimuli

Depending on the overall procedure of the agglomerations' spatial development plans, several obstacles and stimuli can be deduced. A first stimulus was the clear definition of the responsibilities of each actor. The obligations of a public official or board member were clearly defined through legal competences, administrative provisions and regulations. In addition, the entire governance framework of the planning system is known to all actors involved.

Cooperation between actors also took place relatively smoothly and efficiently. Although it is not unusual for disagreements to develop within vertical hierarchies (e.g. between central authorities and Municipalities) or between horizontally related entities (i.e. between sectoral agencies), these are generally resolved through mutual consensus due to the interdisciplinary structure of the main bodies involved (Planning Board / Joint Board).

Thirdly, with the 2007 Town and Country Planning Law amendments, the process has been rendered more transparent. The written consultations carried out by means of open calls, the public hearings and the right to submit objections, citizen representation and participation have been substantially upgraded by means of the requirement that Joint Board members sign declarations of "No Conflict of Interest". As a result, it no longer seems possible to hide important decisions to be made or to avoid public discussion.

From a critical point of view, citizen representation and participation could always be further improved. For example, more background information could be disseminated to citizens in order to raise their awareness and increase their involvement to more constructive levels. In practice, however, it has been found that the public is sometimes reluctant to respond to issues not directly affecting each individu-

al's personal interests and seems to be hesitant in supporting the hazy concept of the "common good". Another obstacle encountered in the practice is that, at times, some organisations tend to support very specific causes, and thus seem unable to see the wood for the trees in this holistic or integrated approach, while at other times some of the stakeholders' values and methods may be in conflict with a development plan's provisions or otherwise be threatened.

Finally, administrative frustrations may include the fear of litigation. In order to avoid the unexpected annulment of any decisions taken to court on the basis of "inappropriate administrative procedures" these were particularly safeguarded and followed. The success of the review process will be seen from possible court decisions after the 2012 definitive publication of the four development plans referred to in this case study.

Suggested (Web) Resources

- General information about the Urban agglomeration Development Plan Review Process can be found at www.moi.gov.cy/tph

This text relies on an informative interview and helpful comments by Ermis Klokkaris, Senior Planning Officer and Phaedon Enotiades, Planning Officer I of the Department of Town Planning and Housing.

Subject	Categories
Political system	Decentralised unitary country with strong local and regional level (especially municipalities have a strong competence)
Tiers of government	 12 provinces 418 municipalities
Analysis of local level (size versus functional competence)	Large/strong competence There is a trend towards decentralisation of tasks, especially in the social domain (social security, employment, welfare).
Analysis of middle tier of government	Elected/strong competence The competence of the provinces is largely limited to the "physical" domain (environment, mobility, spatial planning).
Composition of municipalities' total revenue	<ul style="list-style-type: none"> ● 20% consists of specific grants by the national government; ● 40% consists of general grants by the national governments; ● 40% is derived from municipal revenues (local taxes, properties and other revenues).
Citizen representation and participation	<ul style="list-style-type: none"> ● Appointed mayor; ● Occasional non-binding national referenda (e.g. on the new Constitution of the European Union); ● Occasional non-binding local referenda.
Urban development	Integrated urban development
Neighbourhood urban regeneration	Integrated (combination of physical, economic and social interventions) territorial (aimed at one specific area) urban renewal.
National urban policy	No general national urban policy (the former national urban policy, Major Cities Policy, was not renewed by the present cabinet). However, the specific Neighbourhood Policy remains and the approach will be expanded to other cities as well as to shrinking regions.
Spatial planning systems	Comprehensive integrated approach (German model) – multilevel There is significant reliance on a rational planning approach and public sector investment. Local authorities play an effective role in planning.
Polycentricity	Top secondary city's GDP's 80% to 50% the size of the capital city.

Programme	"Healthy Neighbourhood" ("Gezonde wijk") experiment (part of a broader approach to urban and district development)
Period	2008-2017
Area	40 deprived neighbourhoods in 13 cities. This case study focuses on neighbourhoods in the cities of the "G4" (Amsterdam, Rotterdam, The Hague and Utrecht). These are the four largest cities in the Netherlands.
Budget	<p>There is no set budget for this experiment, which is financed as follows:</p> <ul style="list-style-type: none"> ● Municipalities, together with public health organisations and other health related organisations finance activities to carry out the experiment. In some cases other funding is found, e.g. through housing corporations. Therefore, the available budget differs between cities/neighbourhoods ● The national government provides a relatively small annual subsidy for municipalities (circa € 100,000 in total) ● A budget of circa € 300,000 is provided by "ZonMw" (Care Research Netherlands/Medical sciences) for research (URBAN40).
Issue	The goal of the Healthy Neighbourhood experiment is to improve the health situation in 40 deprived neighbourhoods in the next ten years (end date 2017). To this end an integral health policy will be followed, aimed at participation, the living environment, prevention/lifestyle and care.
Initiative for the project	<p>The "Wijkenaanpak" (approach to urban and district development or, literally, "neighbourhood policy") was initiated by the former ministry for Housing, Planning & the Environment (VROM), together with municipalities, housing corporations and other ministries.</p> <p>The inclusion of a health experiment in the broader neighbourhood policy was initiated by the ministry of Public Health, Welfare and Sports.</p>

The Healthy Neighbourhood Experiment: A Multilevel Venture

Frans van de Waart

In the beginning of the year 2007 the national government selected 40 deprived neighbourhoods, which scored below average on numerous fronts (e.g. employment, education, etc.). In these neighbourhoods the “Wijkenaanpak” (approach to urban and district development or, literally, “neighbourhood policy”) was initiated by the former ministry for Housing, Planning & the Environment (VROM), together with municipalities, housing corporations and other ministries. Ministries and municipalities experimented together and there was no obligatory action plan; each municipality was able to follow its own approach and set its own goals adapted to the local situation.

Objective: Improving Health in Deprived Neighbourhoods

In the Netherlands there are significant differences in health between people with lower and higher socio-economic status (or SES, measured by education, income and professional level). People with lower SES on average live 6 to 8 years shorter and experience bad health for more than 16 years longer than those with a higher SES. In deprived neighbourhoods relatively high numbers of people have lower SES, and on average they are in worse health than the rest of the Netherlands (see RIVM, *Gezondheid in de 40 krachtwijken*, 2008, for details).

In 2017 all municipalities with deprived neighbourhoods and health gaps should be working on the achievement of “Healthy Neighbourhoods”. An integrated approach to improve the health of citizens in deprived neighbourhoods should be aimed at raising the health of these people in the direction of the urban average. On a national scale this implies that the percentage of people that sees itself as healthy should rise from 75% in 2007 (the start of the neighbourhood policy) to 83% (the national average) in 2017.

Approach: Integral Policies Aimed at Prevention, Reintegration and Stimulation

The long term local health experiment in The Hague entitled “Together in good health” (Meerjarenprogramma Samen Gezond) serves as a good example to describe the chosen integral approach of the Healthy Neighbourhood experiment. Highlights for promoting better health, which leads to greater participation in society, include:

- The prevention and reduction of obesity by introducing extra personnel to promote sport in schools (20 fte), the implementation of an integral approach in which municipalities, schools and local enterprises cooperate (JOGG method), the placement of four football pitches (“Cruijff courts”) and four playgrounds where children can play and get physical exercise;
- The reintroduction of twenty district nurses in cooperation with the bureaus for homecare and welfare; an integral approach to depression in cooperation with the municipal mental health services (GGZ), the bureau for welfare, Centres for Youth and Family (CJG);
- The reintegration into the community of beneficiaries of social security with mental health problems (e.g. Fit4Work), accompanied by scientific evaluation and cost-benefit research.

A covenant to reduce health inequalities was agreed upon by the municipal health services (GGDs) of the four largest cities (“G4”). Amsterdam, Rotterdam, The Hague and Utrecht in 2009. Health insurance companies were present at the signing of the covenant and agreed to participate, but did not sign it themselves.

Within the Healthy Neighbourhood approach there are numerous initiatives, varying from new forms of cooperation between parties in the care sector to health programmes and to playgrounds and sport facilities. The following list will give an impression of the range of results:

- thirteen out of eighteen cities participate in the Neighbourhood Policy on health (as mentioned before under “area”);
- New ways of working together between municipalities, health insurance companies, general practitioners, municipal health services, district nurses, bureaus for mental care and welfare and other local professionals;
- The agreement between national government, G4 and health insurance companies to reduce disadvantages in health in the cities which make up the G4;
- 21 out of 36 professional football clubs are engaged in activities to promote sport and physical exercise in local neighbourhoods;
- The Dutch institute for Sports and Physical exercise supports municipalities with research and advice on local sports policy;
- Local pilots to reduce infant mortality rates in deprived neighbourhoods. More space for children and the elderly to play and do exercise in the neighbourhood.

Results: A Slight Improvement in Health, More Research to Come

On the basis of research the following effects can be attributed to the activities carried out under the broader Neighbourhood Policy:

- Three years since the start of the experiment the health of people living in deprived neighbourhoods has improved slightly. The Dutch Central Bureau for Statistics (CBS) has come to this conclusion on the basis of the outcome monitor for the neighbourhood policy. Relative infant mortality rates have not been reduced, but the relative need for extra healthcare for infants was reduced by a greater degree in the 40 deprived neighbourhoods than in the eighteen target cities at large;
- The University of Amsterdam and the Amsterdam Medical Centre, in cooperation with the Institute for Public Health and Environmental Protection (RIVM) and the University of Maastricht, are carrying out a research project called “URBAN40”. This project measures the effects of investments in neighbourhood policy on the health of people in deprived neighbourhoods. The University of Amsterdam carries out additional experiments to find out which measures are most effective. Further analysis shows that neighbourhood action plans potentially improve the health of inhabitants. In neighbourhoods where social cohesion has grown stronger, physical inactivity has reduced. Neighbourhood differences in health are the result of the effect of the living environment on the health of its inhabitants. In nineteen neighbourhoods 1,500 people were interviewed and information was gathered on their Body Mass Index (the relationship between weight and height). The first results of this research are expected in 2013.

It is difficult to assess the exact contribution of the “Healthy Neighbourhood” experiment to these results. A four-year study in Amsterdam will try to assess the impact of the neighbourhood approach on the health of the inhabitants of the most western part of the city (Nieuw West).

Actors and Their Roles

European level	ESF (project “Creative urbans” in Amsterdam)
Transnational	n/a
National	Ministry of the Interior and Kingdom Relations Ministry for Public Health, Welfare and Sports (VWS)
Regional	n/a
Local	13 municipalities (larger cities, including the four largest cities or “G4”)
Semi-public	Housing corporations Social Services Municipal Health Services (GGD) Municipal Mental Health Services (GGZ) Municipal Sport Departments Municipal Spatial Planning Departments Bureau for Welfare Centres for Youth and Family (CJG) Homecare Institute for Public Health and Environmental Protection (RIVM) Universities (Amsterdam, Rotterdam and Maastricht) Regional Education Centres (ROC) Primary Schools Employment organisations
NGO	A large number of health foundations
Private	Health insurance companies, building corporations, retail companies, supermarkets
Citizen	Inhabitants of deprived neighbourhoods

On a national level the former ministry for Housing, Communities and Integration (WVI) and the former ministry of Housing, Spatial Planning and the Environment (VROM) were most important in initiating the broader neighbourhood policy. In the case of the Healthy Neighbourhood experiment the ministry of Public Health, Welfare and Sports (VWS) was also involved. On a local level there were a great many partners involved. For instance, in the city of The Hague there were more than 30 parties involved, among which were: three housing corporations, two health insurance companies, a hospital, three organisations for welfare services, homecare, the regional education centre, two institutions for mental health services and several municipal departments. In the course of the experiments new partners were involved in working groups and projects.

Initiative for the Experiment: Lobbying by the Minister

The inclusion of a health experiment in the broader Neighbourhood Policy was an important priority for the ministry of Public Health, Welfare and Sports. The ministry employed two tactics to achieve this. On the one hand (top-down) the ministry tried to persuade the ministry responsible for WVI to include the health experiment in the broader neighbourhood policy. On the other hand (bottom-up) the ministry tried to convince municipal health services of the importance of a neighbourhood health policy. This last part was not too difficult as the G4 were already in the process of formalising their existing working relationship regarding health inequalities, and were happy to cooperate with the national government on neighbourhood-related health policy. The lobbying by the ministry of Public Health, Welfare and Sports eventually resulted in the inclusion of health policy as a sixth pillar of the broader Neighbourhood Policy.

Implementation at the Local Level: a Leading Role for Cities

As the covenant on Neighbourhood Policy did not offer precise instructions on how to carry it out and did not provide set budgets, the municipalities and their partners enjoyed a fair amount of policy freedom in carrying out the health experiments. The different partners were free to participate, although several of them were subsidised by the most important financing parties (municipalities, national government or health insurance companies).

In the cities of the G4 the municipal health services played a leading and facilitating role. The role of the ministries involved was more informing, facilitating and participatory. At the outset tasks and roles were divided equally between different partners (public, semi-public and others). In practice the cities played a leading part and two years after the start of the experiments the parties agreed to formalise the leading role of the cities. This leading role led to the integration of fragmented policies and to the finding of extra financial means.

Vertical and Horizontal Cooperation: Relationships Based on Equality

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 district nurse, in which national government, municipalities, and organisations for homecare and primary care cooperated. The integral approach of Fit4Work, which was mentioned earlier, is an example of horizontal cooperation between different organisations on a local level and nationally.

Managers of the G4 municipal health services meet monthly. These meetings are generally efficient in the sense that there is no hierarchical setting, so mutual respect for the various inputs is vital, as is understanding of the necessity to deliver high quality and on time. The G4’s relationship is based on equality and each city has an equal contribution to the covenant. Other groups on a local and national level (for instance Fit4Work) meet regularly. Representatives from the ministries and the G4 meet ad hoc in different bodies. The relationship between G4 and the ministries is also based on equality, but focuses more on information exchange.

Financial Arrangements: Dependent on the Urban Context

Apart from a relatively small annual subsidy from the national government (around € 100,000), there is no set national budget for this specific experiment, although several ministries sometimes finance specific activities that lie within their own policy areas. In general municipalities, housing corporations and

other partners are expected to find financial means within their own budgets. In practice the available budget differs between cities and neighbourhoods. For instance: the city of The Hague has a budget of € 24 million for a five year period, whereas the city of Amsterdam has limited financial means and looks to its partners for financial support for each separate activity. In The Hague financial contributions were made by: the municipality, the ministry for Public Health, Welfare and Sports and the ministry for Social Affairs and Employment (SZW), health insurance companies and housing corporations.

When the experiment started in the G4, there was generally just a rudimentary arrangement between partners. After a while more specific financial arrangements were made. In the case of The Hague the experiment started out under a framework contract between the municipality and the housing corporations. This was gradually replaced by labelled project subsidies. The financial commitment of different parties enabled the G4 to continue with a firm and long term health policy.

Monitoring and Evaluation:

There is a Dutch saying that “to measure is to know”. In the case of health policy it is difficult to assess the exact contribution of the measures that were taken, because there are many other factors which can influence the health situation. Nevertheless, on the basis of figures from the Central Bureau for Statistics (CBS) and research by the universities and the Institute for Public Health and Environmental Protection (RIVM) we can assume that the investments in health policy have had a positive effect on the health situation in deprived neighbourhoods.

Citizen Representation and Participation: a Central Role for Local Wishes and Ideas

Instruments like group meetings, working group sessions, information sharing through newsletters, social media and websites have all been used to reach citizens and include their wishes and ideas. In the Fit4Work project and the broader approach to reducing socio-economic health differences citizen participation plays a central role. The elaboration of specific measures differs between cities and projects. In Rotterdam the principle of “social marketing” is leading. In some neighbourhoods inhabitants participate in organising jogging groups or in joint decision making on spatial planning for a healthier living environment.

Obstacles and Stimuli

Within the G4 there were different approaches, coalitions and circumstances in tackling the health issue in the four cities. Nevertheless there are a number of shared lessons to be learned. These lessons are described here in the form of observations and recommendations.

The timing of the start of the project is important. In this case the initiation of the broader neighbourhood policy was well on its way, when health was introduced as a sixth pillar of neighbourhood policy. If health had been included in the neighbourhood policy from the start, it is very probable that more cities would have participated.

An integral approach starts with a sharp (neighbourhood) analysis of problems and of the potential candidates for tackling these problems. The broad issue of health has many aspects, such as care, work, sports, physical exercise and education. This means policymakers were faced with a lot of “known unknowns” as well as “unknown unknowns”.

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 follow 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);
- Define on a neighbourhood level what inhabitants, professionals and politicians see as the most important problems. Specify 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;
- Recognise approaches that work and let go of approaches that do not. Try to focus on one or two concrete targets at a time and ensure that actions contribute directly to the goal.

A very basic lesson is that there are often more relevant parties than you can imagine. In this case the wide array of aspects of an integral health policy (such as care, work, sports, physical exercise and education) means that a large variety of organisations and people has expertise that can be useful for one or more activities within the project boundaries.

The municipal health service (GGD) was often (one of) the leading parties. Its specific expertise and experience enabled it to fulfil this role. But this expertise and experience were not always utilised to their full potential. Sometimes the GGD itself did not take enough initiative; sometimes there were other parties responsible. Apart from the role played by individual key figures in the GGD or in the municipal organisation, there was one other key factor. GGDs that are active in one municipality tend to have more specific local expertise and commitment, whereas GGDs that work for more municipalities tended to be less knowledgeable and less involved with the local community.

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

- A broad analysis among potential parties will provide additional expertise and experience;
- Investing in the social and professional relationship between partners will pay for itself. Partners that trust each other are also more willing to take (necessary) risks;
- Involving different partners in the project and getting partners to interact requires a permanent effort from the leading partner(s). You cannot trust other partners to find one another automatically;
- Make use of the specific expertise that the different partners possess to facilitate specific activities in the project. For instance, social services have specific expertise that can be used in an activity concerning participation or reintegration of citizens. Unwillingness, ignorance or unfamiliarity can lead to suboptimal cooperation and exchange of knowledge between partners;
- Ensure that all relevant parties write and execute a joint action plan.

Citizen participation:

- Listen to inhabitants and know their needs, wishes and expectations;

- Involve them from the beginning of the process;
- Formulate priorities together with the inhabitants;
- Translate individual demands into a collective supply;
- Help inhabitants to take initiatives;
- Ensure that inhabitants and clients get in touch with each other;
- Organise meetings or means of communication to link supply and demand.

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

- Implement new rules and instruments, but make sure their efficiency can be measured. This helps to convince other parties to get involved in the project;
- Always combine practice with research and evaluation. Only by measuring SMART can one learn and educate others;
- Good research takes time. Pay attention to successful achievements;
- Stay flexible and react to new opportunities and threats. The recognition of “waves of opportunity” (within the context of the project or outside) and the right timing are vital. Seizing (unexpected) opportunities to strengthen the project releases new energy and enthusiasm from all partners. Visible results (quick wins and measurable effects) are important to keep the flow of energy going.

This text is based on an informative interview with and helpful comments by Laetitia Kuijpers, project manager Healthy Neighbourhood at the Ministry of the Interior.

Subject	Categories
Political system	Decentralised unitary state
Tiers of government	<p>National 5 Regions 4 Employment Regions (Zealand and the Capital region are merged) 98 Municipalities</p> 
Analysis of local level (size vs functional competence)	Large cities as well as small towns have strong local competences.
Analysis of middle tier of government	Elected/weak competence
Composition of municipalities' total revenue	Local government has the right to levy tax, with income tax being the cornerstone of the financial system. An inter-municipal equalisation system is in place. Local taxes constitute about 60% of the local revenues.
Citizen representation and participation	<ul style="list-style-type: none"> The mayor is elected by and from among the council members; Specific issues (e.g. constitutional changes) require a national referendum; Municipalities are free to organise advisory referendums, but this rarely happens.
Urban development	Integrated urban development – a mix of physical and economic interventions.
Neighbourhood urban regeneration	Integrated urban renewal (combination of physical, economic and social interventions)
National and regional urban policies	National Urban Policy through the Danish Act on Urban Renewal and Urban Development which entered into force on 1 January 2004. In 2011, DKK 250 million (€ 31 million) was earmarked for urban development.
Spatial planning systems	Comprehensive integrated approach (German model) – multilevel
Polycentricity	Top secondary city's GDP is 50% to 25% the size of the capital city's

Title	Local Employment Councils (LEC) in Denmark
Period	The LECs are part of the multilevel governance of Danish employment policy, which have been implemented since 2007 (forerunners since 1999).
Area	Each LEC covers a municipality: 91 LECs ensure nationwide coverage.
Budget	The state funds specific projects initiated by the LECs with a total of 140 million DKK (approx. € 19 million) annually. Secretarial expenses are covered by the municipalities.
Issue	The LECs work in the field of employment policies. The work focuses on bringing unemployed and people on sick leave (back) to work and on preventing exclusion from the labour market.
Initiative for the project	LECs are mandated by law. They are rooted in a century-old corporative legacy, yet as collaborative boards they are newcomers to the local level. They respond to a tradition of stakeholder inclusion as well as to newer pressures to renew employment policies and make them more efficient.

Local Employment Councils in Denmark: Real Influence Fosters Real Commitment

Tina Kelder

From 2007 until 2009, the Danish way of dealing with employment issues was gradually changed into a new approach. As a result of these changes, Local Employment Councils (LECs) became a central feature of employment policy.

Objective: Active Employment Policy by Involving Stakeholders at All Levels

In 2009 the full municipalisation of active employment policy in Denmark was achieved. This reform created a multilevel governance system in which national government and the municipalities cooperate to provide active employment services to all unemployed. In this new system, local Job Centres are responsible for putting employment policies into practice.

The Local Employment Council advises the municipal council on employment issues. It also monitors whether the Job Centre delivers on the goals and performance measures set by the Ministry of Employment. It is important to note this advisory role: the Job Centres are not obliged to take into account any advice issued by a LEC. In a broader sense, beyond the scope of the Ministerial goals, the LECs identify emerging policy problems, produce ideas about their solution, fine-tune the use of employment policy instruments to the local context and provide legitimacy to the local employment policy.

Approach: Creating Networks of Local Stakeholders to Boost Cooperation

Even though the LECs are advisory organs, their existence and composition are mandated by law. Their formation thus is the result of political negotiations and legislation at the national level, and they consist of up to fifteen full members:

- One appointed by the Municipal Council (chair);
- Three appointed by the local associations from the Employers' Confederation;
- Five appointed by the local labour union confederations;
- Two appointed by the Association of Disabled People;
- One appointed by the Association of General Practitioners;
- One appointed by the Local Council for Integration of Immigrants;
- Up to two appointed by the LEC itself from relevant local stakeholders.

Not all LECs appoint "relevant local stakeholders". If they do, these members tend to represent educational institutions, trade organisations or unemployment insurance funds. Finding local members to sit in these councils can take an effort. Employers' representatives, for instance, will need to attend the meetings and prepare for them in their own time – while the labour union representatives are paid for their efforts.

As outlined above, these LECs are integrated in the formulation and implementation of Danish employment policy. In this function they assist the local Job Centre in meeting the Ministerial Goals in innovative and efficient ways. The LECs also enjoy a relatively small but none the less significant budget of their own, which they can deploy to develop their own projects. These typically involve local workplaces (public as well as private), educational institutions and rehabilitation services.

Results: Dependent on the Input and Collaboration of LEC Members

Success or failure for a given LEC rests on the joint ability of its members to collaborate with other local actors and institutions on two goals: 1) in helping and assuring that the Job Centre meets pre-set performance measures and 2) in meeting specific local ambitions.

Results may be measured both against the more general obligations of the LEC (giving advice to the municipal council and overseeing the work of the Job Centres) as well as on the more specific projects the LECs launch themselves. An evaluation of the results of the LEC on either account is lacking.

According to a survey dating from 2008, members of the LEC evaluated its contribution in positive terms, while managers of the Job Centres in a parallel survey were less convinced about the positive impact of the LECs (Bredgaard & Larsen 2009; Larsen 2009). Qualitative studies have also reported mixed results (Damgaard & Torfing 2010, 2011).

Actors and Their Roles

The table below provides an overview of the most important actors involved in Employment Policy in Denmark:

European level	n/a
Transnational	n/a
National	The Ministry of Employment The National labour Market Authority The National Employment Council
Regional	Regional Employment Agencies Regional Employment Councils
Local	Job Centres Local Employment Councils
Semi-public, private, citizen	Employers' Confederation Trade Union Confederations Association of Disabled People Local Council for Integration of Immigrants Association of General Practitioners Educational institutions Trade Organisations Unemployment insurance funds Rehabilitation Services
NGO	n/a

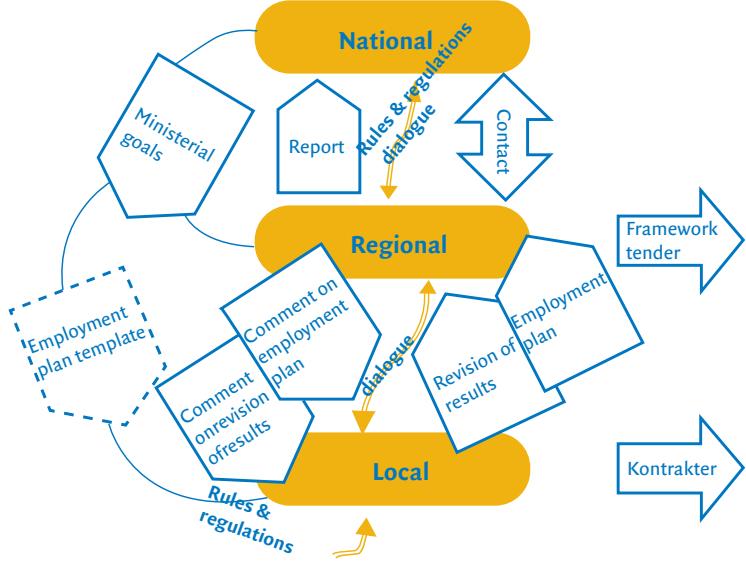
Initiative for the Investment Programmes: Centrally Formulated Goals

The commissioning actor for the LECs' actions and for their institutional set-up is the Ministry of Employment. This ministry announces three to four goals for national employment policy on an annual basis. These goals are operationalised and transformed into specific performance measures which each municipal Job Centre needs to adhere to: hands-off metagovernance is very important for the implementation of Danish employment policy. At the local level, one of the tasks of the LECs is to support the Job Centres in attaining these centrally formulated goals.

Vertical Cooperation: Central Goals in a Local Context

The process of operationalising the Ministerial goals into specific local performance measures is completed in a multilevel coordination process. A number of annual papers drive this annual cycle between the various governing levels:

1. **National policy goals**
The Minister of Employment announces a number of policy goals. The goals are worked into an Employment Plan Template that the municipalities by executive order are obliged to use.
2. **Local employment plans**
The municipal council (in practice the Job Centre) writes up an employment plan stating local goals and preset performance measures. The LEC comments on the plan. Comments are usually incorporated, or attached separately. The plan is sent to the Regional Labour Market Authorities.
3. **Regional comments on the employment plan**
Discussions focus mainly on weak sides of the Job Centres' performance as well as initiatives the Ministry of Employment wishes to stress, for example the implementation of a new method of dealing with certain kinds of unemployed.



4. Revision of results

An annual revision on the performance of the Job Centre is sent to the regional level.

5. Regional comments on the result revision, advising on how to improve performance.
6. Regional report to the national level
7. Annual contract between the national and the regional authorities

In this way, local authorities are forced to come up with ideas on specific issues. It should be noted, however, that some of these issues are not a serious problem in all municipalities, and then these central goals divert attention away from what would be logical from a local point of view.

This multilevel arrangement is matched by a governance network including key stakeholders in the field of employment policy. In this way, the Ministry of Employment is matched by the National Employment Council, the Regional Employment Agencies by Regional Employment Councils and the Job Centres by the Local Employment Councils (LECs) (see figure 2).

Horizontal Cooperation: Local Key Players from Different Institutional Backgrounds

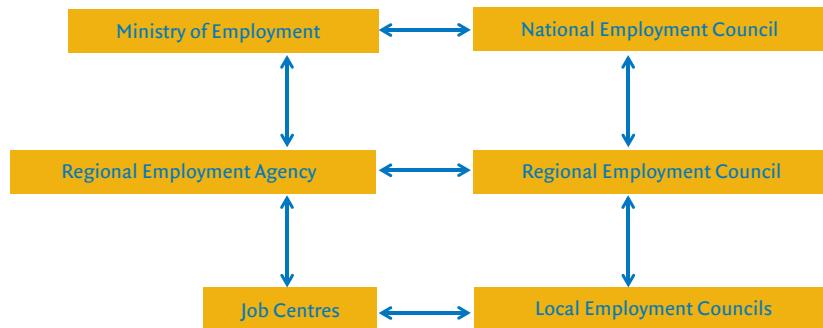


Figure 2: The Danish governance network on employment issues

The LECs themselves are networks of local stakeholders that boost cooperation between these actors. LECs meet typically 6-8 times a year for regular meetings and conduct one-two seminars (typically lasting one full day) a year. Frequently, local politicians attend the seminars. The director of the Job Centre participates in LEC meetings as an observer. Most LECs follow to some degree an annual cycle that fits the obligations to comment on the local employment plan and the resulting revision of the Job Centre.

It was mentioned that results and enthusiasm about the LECs vary between municipalities. What seems to be making a big difference is the capabilities of the local members of the LEC: they should have proper time and knowledge to develop solutions on, for instance, curbing (youth) unemployment or sick leave. This capacity is influenced by an issue mentioned before: employers' representa-

tives are not paid for the time they invest in the LEC, while union representatives are. This means union representatives have more opportunity to prepare for the meetings and report about them. Moreover, union representatives can seek support from the national union organisation to which they belong. Labour unions keep their local representatives informed and guide them through all types of training – while the employers' association has had to cut down on the support it offers its members. These latter organisations do support their representatives, but this is nowhere near the provisions unions supply. In short, for LEC members to be prepared and to be informed is vital for the impact of a LEC, and the different actors have varying opportunities for doing so.

Another issue influencing the functioning of the LECs relates to the way actors are coming to terms with tensions – resulting from the recent municipalisation of employment policy, the 2007 municipal amalgamation, and the different interests the actors have. Where the LECs work well as an advisory organ is where ideology does not interfere in the discussion, but where members of the LEC are able to work together on a pragmatic basis.

A third reason for a properly functioning LEC is if it finds a balance between the rules and regulations ordered by central government (and on which the Job Centre focuses primarily as adhering to these rules is very time-consuming) and on developing innovative projects within the manoeuvring space the LECs have been assigned through their independent budgets. These latter projects make LECs a good way of innovating employment policy: the councils work not only on employment policy issues, but for instance on sick leave as well. The LECs provide a balanced forum with local key players from different institutional backgrounds in which to have discussions on these topics.

Financial Arrangements: Designated Funds and Complementing Manoeuvring Space

Central government is the financing actor of a small fund for experimental and innovative projects launched by the LECs. Compared to overall spending on employment policies the project funding is trifling. Yet because the funding is not tied to legal entitlements such as unemployment benefits, sick leave pay or activation, it gives the LECs a small but real manoeuvring space regardless of the fact that the projects must meet specific requirements.

Implementation: A One-Stop Shop for All Unemployed

The Job Centre is the key implementing actor carrying out Danish employment policy either directly or by engaging private providers. This means that the municipality is a major player on the labour market and employment policy. This is a recent feature, as the full municipalisation of employment policy took place only in August 2009. This change, which has been a gradual process, created a one-stop organisational structure within the municipality. For the labour market organisations, this has been a radical modification: municipalities have for a long time focused on social policies, not on an employment policy agenda. This different approach to unemployment issues can lead to tensions regarding what course of action is decided upon.

The LEC is advisory in that process, though the final responsibility lies with the municipal council. The LEC further supervises the Job Centre in its performance and launches specific precautionary and innovative projects. The fact that the LEC is an advisory body makes its influence vary very much: in some municipalities it is very influential and constitutes a key arena for local development, while in

others it has no real say. In those cases LECs are but formal, compulsory boards that must meet, while the (bored) participants produce useless papers without anything real happening.

Monitoring and Evaluation : Tight Management by Objectives

In order to retain political control over the actions of the municipally based Job Centres, central government has introduced a tight system of management by objectives and performance measurement. This system provides a counterbalance to the devolution of power, as it prescribes that local Job Centres must meet Ministerial goals. An annual evaluation cycle is in place, and negative evaluations are followed by close regional monitoring and supervision and may eventually lead to the forced privatisation of services.

The regional labour market authorities, which answer to the Ministry of Employment, oversee the performance of the Job Centres, provide regional analyses of labour market developments and assist Job Centres in meeting their goals.

Citizen Representation and Participation: Hardly Any Democratic Anchorage

The democratic anchorage of LEC is provided by the mayor (or his substitute) who is a compulsory member and the chair of the LEC. However, public interest in what goes on in the LECs is negligible and, therefore, the LEC has hardly any democratic anchorage in the territorially defined citizenry, although people who want to find out about the LECs and raise a particular issue can do so.

To a large degree members of the LEC represent organised interests. Traditional corporate players such as the employers' and the employees' organisations control eight out of thirteen ordinary members and are often influential if and when the additional two full members are appointed.

Obstacles and Stimuli

In several cases, the Job Centres rely heavily on ideas and support from the LEC and its members to meet the performance indicators. Stimuli in the functioning of the LEC were:

- Real influence ↔ real commitment:
 - If Job Centres trust that they have the support of the LEC, the Job Centres are more prone to accept advice and suggestions;
 - If the LEC feels its efforts are taken seriously, its members are more prone to commit themselves, send high-ranking representatives and spend the necessary time on the work;
 - The funds for specific projects give the LECs real tasks and hence spark engagement. However if a LEC focuses on these projects only its value for the Job Centre decreases;
- High ranking members:
 - Organisations' commitment to the LEC is reflected in the rank of the representatives they appoint. Particularly important is the rank of the politician serving on the LEC as it is a signal of the willingness of the municipal council to pay attention to what happens in it;
 - High ranking representatives may commit their organisation in situ;
- Well-prepared members:
 - Discussions reach a higher level if members are well prepared. This requires support (e.g. information and training) from the mother organisation or support base;
- Conscious management of meetings:
 - Informal relations developing in a network setting may spark trust which simplifies decision making and implementation;

- Boring meetings prompt absenteeism;
- Visionary ideas of how labour market policies interact with local development in general:
 - Taking a broad view on what the LEC contributes attracts more high-ranking members than tying LEC contributions down narrowly to meeting Job Centres' pre-set performance indicators;
- The active handling of conflicts: external conflict management may at times be needed.

Besides stimulating elements, some obstacles in the functioning of the Local Employment Councils were observed as well. A first obstacle is that the Job Centre and the municipal council are not obliged to listen to advice given by the LEC. Being subject to strict performance management tied to economic sanctions if not met, the Job Centres find in some cases that the LEC is merely a superfluous council discussing non-essential issues and even at times hindering the Job Centres' efforts.

Furthermore, the mergers in 2007 of the municipalities (in some cases six or seven smaller municipalities into one bigger one) came at the same time as the mergers in the way of operating unemployment facilities. This double merger, having two systems run into the Job Centres at the same time as municipalities were merging, very much impeded collaboration in some cases.

Finally, many Job Centres are drowning in work, causing them to be preoccupied with attending to the rules and regulations. This makes them overlook the benefits of what is going on in the governance cycle of the policy document. Complementing steering by means of the rules & regulations with input through the governance network is a central challenge within the local Job Centre.

Suggested (Web) Resources

- General Information about the Danish employment policy can be found at
 - www.ams.dk
 - www.bm.dk
- Damgaard, Bodil & Jacob Torfing (2010), Network governance of active employment policy: The Danish experience. *Journal of European Social Policy*, vol. 20, no. 3, pp. 248-262m
- Damgaard, Bodil & Jacob Torfing (2011), The Impact of Metagovernance on Local Governance Networks. Lessons from Danish Employment Policy. *Local Government Studies*, vol. 37, no. 3
- EUKN E-library – Economy, Knowledge and Employment: http://www.eukn.org/E_library/Economy_Knowledge_Employment/Urban_Economy/Employment

This text relies on an informative interview with and helpful comments by dr. Bodil Damgaard, and the articles cited above.

Urban MLG Profile Sweden

Case Passport Local Investment Programmes (LIP) and Climate Investment Programmes (Klimp)

Subject	Categories
Political system	Decentralised unitary state with a strong local level
Tiers of government	<p>National 2 Regions 21 County Councils 290 Municipalities</p> 
Analysis of middle tier of government	Elected with strong competence
Analysis of local level (size versus functional competence)	Large cities as well as small towns in Sweden have strong competence.
Composition of municipalities' total revenue	Local government has the right to levy taxation, its main source of revenue (68%) being a local income tax. A General grant is in place to even out economic preconditions between local authorities.
Citizen representation and participation	<ul style="list-style-type: none"> • Some of the cities have mayors; in these cases, they have a mainly ceremonial function; • Very limited use of non-binding national referenda; • 105 non-binding referenda by municipalities between 1977 and 2006. Politicians commonly declare in advance that they will take into account the results of the referendum.
Neighbourhood urban regeneration	Integrated urban development – a mix of physical and economic interventions.
National and regional urban policies	National policy and local urban policies
Spatial planning systems	Comprehensive integrated approach (German model) – multilevel
Polycentricity	The top secondary city's GDP is 80% to 50% the size of the capital city's.

Title	Local Investment Programmes (LIP) and Climate Investment Programmes (Klimp) in Sweden
Period	The first LIP programmes were implemented between 1998 and 2008. The following Klimp programmes started in 2003, and the last programmes will be completed in 2012.
Area	The LIP programmes were implemented in 161 of Sweden's 290 municipalities. Klimp projects are being implemented in 126 local programmes, covering most of the major larger cities and municipalities in Sweden.
Budget	The Swedish Parliament earmarked SEK 6.2 billion (EUR 6.9 billion) in grants for LIP over the period 1998–2002. Between 2003 and 2008, Klimp funding of SEK 1.8 billion was granted (EUR 2 billion). The total investment generated by these grants amounts to around 25 billion SEK (EUR 28 billion).
Issue	The LIP programme aims to promote ecologically sustainable development, while Klimp promotes reductions in greenhouse gas emissions.
Initiative for the project	The LIP and Klimp programmes were decided upon by the Social Democratic Government as a way of achieving the transition to a more ecological and sustainable society.

Green Investment Programmes in Sweden: 1 + 1 Can Be 3

Tina Kelder

In order to facilitate the transition to a sustainable society, the Swedish LIP and KLIMP investment programmes were developed. These programmes invited municipalities and regions to elaborate a coherent approach to sustainable development.

Objective: Ecological Sustainable Development and Reduced Emissions

The Local Investment Programme (LIP) is one of several initiatives (but the largest in Sweden in terms of funding) promoting ecologically sustainable development. The efforts made within the programme are related to the 1992 United Nations Agenda 21, a global action plan for sustainable development. LIP was introduced at the beginning of 1997 by the Commission for Sustainable Development appointed by the Swedish central government.

LIP was designed to improve ecological efficiency at the local level, while at the same time providing jobs. In particular, LIP is geared towards seven environmental objectives:

- Reducing environmental loading;
- Increasing efficiency in the use of energy and natural resources;
- Promoting the use of renewables;
- Increasing re-use and recycling;
- Supporting biological diversity and cultural heritage;
- Improving the circulation of nutrients in ecocycles;
- Improving the indoor environment in buildings.

When the Climate Investment Programme (Klimp) was introduced, public debate had shifted from general environmental issues to more specific concerns regarding climate change. This is why the subsequent national Klimp programme had a narrower focus, promoting measures and projects that reduce greenhouse gas emissions.

Approach: Bottom-up Initiated Programmes within a National Framework

Both programmes have been organised along the lines of a national competition. Central government earmarked a budget to be allocated within these competitions, while the Environmental Protection Agency (EPA) provided municipalities with information about these programmes and organised conferences on how to apply for this funding.

It is important to note that local authorities were invited to develop a programme, a coherent strategy, for which they were given the competence to select those measures and projects that they expected to have the most beneficial effects on the environment or on climate change. In order to develop this so-called Climate Strategy from individual projects, the municipality had to work together with local stakeholders, thus creating new long term alliances as the programmes typically lasted three to four years. By means of this format, the local level enjoyed considerable freedom in developing a context-sensitive strategy within pre-set centrally defined parameters.

But, as happens with all competitions, not all the efforts to develop a programme could be funded. All proposals were submitted to the EPA, which thoroughly assessed the applications together with the Swedish Road Administration, the National Board of Housing, Building and Planning, and the Swedish Energy Agency. All programmes were awarded points depending on how well they demonstrated good climate strategies, overall perspectives, collaboration, the efficient use of funding and environmental effects. Those programmes that were awarded funding normally ran for four years, and received a grant that covered in general 30% of the costs of (mainly physical) investments.

The actual measures are implemented by the contracted stakeholders, the composition of which differs from case to case. Progress is being monitored by the regional state agencies, as well as by the “Chief Local Operator”, the “owner” of the programme and contact point for the EPA, which is usually the municipality. Examples of projects that have been realised include for instance the feeding of waste heat from a cardboard mill in Lindesberg into a municipal district heating network, and the second-largest solar heating facility in Europe in the municipality of Kungälv.

Results: Reduction, Substitution and Energy Savings

In general, the local programmes have reached their goals fairly successfully. However, in a number of cases there have been failures, and in some cases the measures have not been implemented at all. In those cases, the funding is reallocated to other projects. But in general terms the local results have been quite good, yielding a total CO₂ reduction of up to two million tonnes a year (on a total greenhouse gas emission by Sweden of 64 million tonnes in 2008), the substitution of fossil energy with renewables of 3.2 TWh per year (total energy use was 397 TWh in 2008), an energy saving of 3.3 Twh per year and the reduction of waste to landfill by 460,000 tons yearly.

These reductions in the Klimp programme have had an average cost for the government of approx 100 SEK (€ 10,20) per ton, which is a good result when compared to the EU Emissions Trading Scheme, where a ton costs SEK 150 (€ 15,30).



Figure 1 Governance Structure

Actors and Their Roles

The following table shows the structure of the multilevel effort that is being made in order to work on climate issues within the context of the LIP and Klimp programmes. The text below considers how the different actors realised their respective roles in this multilevel arrangement, and the subtleties they needed to respond to in order to make these national programmes as effective as possible.

European level	The EU is not involved – though many measures taken will contribute to the goals the EU has set for emission reductions and the replacement of fossil fuels.
Transnational	n/a
National	The Swedish Ministry of Environment The Swedish Environmental Protection Agency (EPA) The Swedish Road Administration The National Board of Housing, Building and Planning The Swedish Energy Agency
Regional	Regional County Boards: these keep track of the activities of the CLOs in their region, and report back annually to the EPA.
Local	161 municipalities (LIP) 126 municipalities (Klimp)
Semi-public, private, citizen	These vary strongly between the different programmes, but include for instance an electricity company, a public transport service, a sewage treatment plant and an indoor swimming pool.
NGO	Climate municipalities (Klimatkommuner)

Initiative for the Investment Programmes: Bottom-up Within a National Framework

The commissioner of both the LIP and Klimp programmes was the central government, which designated part of the national budget for these purposes. It was also responsible for the “competition” structure for allocating grants.

The Environmental Protection Agency was assigned the role of the executive: the actor finally deciding on the grants. As a result of the competition structure, this role brought with it several tasks related to justifying the choices of programmes:

- Several submissions were not awarded grants. When the programme was about to reach the implementation phase, the EPA held conferences throughout Sweden about which programmes were going to be funded. On these occasions, meetings were also held with candidates who did not get funding in order to discuss that decision. This feedback allowed for a chance to improve this proposal or provided input for future plans;
- Smaller municipalities tended to face problems in managing the application: it takes a considerable effort to describe the current situation regarding emissions. These municipalities had difficulty explaining their problems in the specific terms that were required. Special funds and web resources were designated to support these municipalities in producing a Climate Strategy;
- Unfunded projects should still benefit from the programme. The EPA evaluates all projects and programmes, and produces fact sheets on best practice cases: the agency takes responsibility for the dissemination of the results. In this way, non-funded programmes can still learn from funded initiatives.

The financing actor in the ultimate sense is the state. However, the EPA grants a lump sum to the Chief Local Operator (CLO), who enters into specific contracts with the local stakeholders. As the CLO is usually the municipality, this allows them a positive way to interact: they are the actor who offers the actual funding.

Implementation is fully dependent on the local (and possible regional) actors who have jointly developed the strategy and have entered into contracts with the Chief Local Operator concerning specific projects within the strategy. Without these actors taking up the opportunity the central government is offering, the budget for developing concerted actions on climate change would have no effect at all – showing that the success of the investment programmes really is a two-sided story relying on both top-down and bottom-up initiatives. Both LIP and Klimp in practice are a large number of bottom-up initiated programmes within these national frameworks.

The CLO enjoys a high degree of freedom in designing a local programme in cooperation with the local partners. CLOs were encouraged to include as wide a range of actors in the programmes as possible: one of the objectives of LIP and Klimp relates to strengthening local climate work and cooperation between various actors. During the four years of the programme, they need to work together. The regional authorities sometimes have contracts within these programmes as well. The CLO coordinates the activities of the local stakeholders active in the implementation of measures, and reports back to the EPA on progress and the final results of the programme.

Vertical and Horizontal Cooperation: A Closer Alignment

Vertical, horizontal and transverse cooperation occurred in the implementation of the LIP and Klimp programmes. Cooperation and communication between stakeholders have been an integral part of almost all programmes, facilitating primary horizontal communication at the local level. One of the goals of LIP and Klimp relates to stimulating local alliances. This communication was of a constructive nature, developing and implementing the actual projects and measures of which the programme consisted.

Vertical cooperation mainly involved coordination between central government, state agencies at the national and regional level, and the municipalities. Through these vertical linkages, information on planning and interim and final reports was shared. In many cases there was also transverse cooperation at the local level, as different stakeholders from different sectors started to cooperate more closely in the implementation of local projects – more closely than used to be common in many communities.

Financial Arrangements: Funding Based on Measurable Results

The national funding covered about 30% of the total investments planned within the programme. The remaining 70% were covered through the CLOs, which included a variety of public and private sources of funding. At the start of the programme, the EPA made 25% of the grant available, halfway through the programme 50% of the funding, and the last 25% was withheld until the CLO showed the results in the final report.

The EPA has a very scientific way of deciding on funding, and it has the effect that every programme has to live up to the same standards. If programmes have been able to reach 75% of the predefined goals, for example CO₂ emissions or the substitution of a specific amount of electricity by biogas, then the full grant is allotted. If results are below this threshold, part of the funding will be withdrawn. How much depends on whether it was because of a lack of effort, or whether there were external circumstances affecting the programme.

An important issue relating to financing the programmes was that it takes considerable effort, as well as expertise, to develop a proposal that is eligible for LIP or Klimp funding. Therefore, some funding was reserved for assisting the smaller municipalities which was intended to neutralise the disadvantage these municipalities might face in terms of quantitative and qualitative capacities.

Another issue relates to the principle of additionality: does the grant actually “trigger” additional investments, or is it replacing funds that would have been raised by other actors even without the grant? From a follow-up that has been done on the projects that failed to be awarded a grant, several had been followed through without state support.

Monitoring and Evaluation: Strict Mathematical Procedures

Within the LIP programme, it was noticed that it was difficult to measure what exactly had been achieved. During Klimp, there were much stricter rules on how to present and measure environmental effects – rules that also applied to the reporting of the results.

As already mentioned, some projects (partly) failed to meet the promised goals: on average a third of the funding was not used. There are many, mostly practical reasons for this: it is quite natural that during a four year programme not everything turns out according to plan. Companies involved can go bankrupt, the price of energy can affect the cost-effectiveness of the programme, or another authority may not approve of a development and refuse the necessary licences. In all, there are mainly practical reasons for more modest results, without being related to the quality of horizontal or vertical cooperation arrangements.

When results fall short of the projections, partners tend not to apply for the full grant. Even though this means the full budget is not dedicated to goals relating to climate change, politicians consider it an advantage that programmes really need to prove value for money, even if that means not being able to deploy the whole budget effectively.

Citizen Representation and Participation: No Structural Involvement

Citizen representation and participation are not a very strong factor in these programmes, although both are based on societal debates. The inclusion of an information project was a prerequisite to a successful proposal, so that the results of the programme were communicated to a wider public. These measures varied widely: a campaign for cycling for instance, theatres in school, or performances about climate change.

Citizens were not involved in a structured manner, but funding was awarded to different kinds of functional groups such as social housing. They could for example use funding to change the heating system, or to enable a car engine to switch to a new fuel.

Obstacles and Stimuli

Based on experiences with the multilevel governance of ecological efficiency and climate change, several important stimuli can be identified. A first stimulus is the “political adoption” of these programmes: in localities where politicians stood firm behind LIP or Klimp, local Climate Strategies tended to perform better.

Another positive aspect was that the programmes gave a lot of competence to municipalities in developing these strategies: it is at the local level that it is often clear what needs to be done, in what way, and by whom. Furthermore, it was the municipalities that distributed the funding to the stakeholders. This allowed the municipalities a very positive role in communication with (potential) project partners.

A third stimulus has been the “programme approach”: municipalities needed to develop a coherent strategy based on individual projects. This stimulated local cooperation, and a long term strategic perspective on ecological development and climate issues.

Finally, several environmental projects attracted media attention and prompted study visits, which in many cases led to the replication of good project results in other regions and even in other countries.

There were, however, obstacles in the way as well. The programmes strengthened the larger municipalities with high environmental ambitions, while they were less favourable to smaller municipalities with less experience with environmental projects. This issue has been met by reserving funding to assist the smaller municipalities in securing funding as well. Furthermore, these programmes could promote dependence on national subsidies: projects that fit into the central government’s programmes are promoted, while other good development possibilities may be ignored.

A second obstacle turned out to be that it is difficult to assess the environmental effect *ex ante* of a particular local programme. This means that at the beginning of a local programme big results may be expected – while at the end of the road not all the funds are effectively used in the individual projects. The anticipated results can be (much) less in reality.

A final obstacle was that it was difficult to filter out those proposals that were already economically viable without the need for subsidies. The LIP and Klimp programmes were also designed to kick-start investments in green technologies that are not economically viable today, but may be so in the near future – the subsidy should thus have a purpose transcending substitution.

Suggested Web Resources

- Swedish Environmental protection Agency
www.swedishepa.se
- EPA: Investment Programmes LIP and Klimp
<http://www.naturvardsverket.se/en/In-English/Start/Legislation-and-other-policy-instruments/Economic-instruments/Investment-Programmes/>
- EPA: Best Practice Examples
<http://www.naturvardsverket.se/en/In-English/Start/Environmental-objectives/Best-practice-examples/>

Conclusions: The Art of Working Together

Mart Grisel & Frans van de Waart

In the first chapter, Simon Güntner rightly described the concept of multilevel governance as “the art of working together”. Key to the concept of MLG is the understanding of how interaction takes place, what role different actors play, and what outcome it may produce in this specific setting. In other words, multilevel governance is all about the ways of coordinating activity between and across levels of government. There is no “one size fits all” solution that applies to all vertical and horizontal relationships that constitute the European political system. Different methods of governance will produce different results under different circumstances. The case studies have shown that finding the right setting, the right actors and the right approach for the achievement of targeted objectives is indeed an art. It is an art in the sense that it requires skills, knowledge, experience, techniques, tools, instruments, and some talent.

The first chapter tries to elucidate the concept of MLG by analysing its characteristics and identifying different views. By analysing the cases on the basis of the four chapters by Simon Güntner and Iván Tosics this publication tries to answer more basic questions such as: how does interaction take place? What outcomes does it produce? What have been the main challenges? How can we learn from these examples? To answer these questions the case studies have a strong focus on actors, roles and the relationship between the actors.

Presentation of Case Findings

From an MLG perspective and within our theoretical framework the case studies focused on the interaction between the various actors and their roles. For each project or programme the most prominent obstacles and stimuli were described. This chapter compares the case studies and analyses these against the background of the theoretical framework. The overall questions are: what are the obstacles and stimuli that affected the projects and programmes in the case studies? And can these be attributed to the factors or circumstances in our theoretical framework or against an MLG background?

These overall questions can be translated into quite straightforward basic questions that need to be answered:

- What are the challenges we have to face?
- Who is doing something about it?
- What helps and what does not help?
- Why do we need an urban MLG profile?
- What are the lessons to be learned?

What Are the Challenges?

Identification and Presentation of Problems

Projects and programmes usually start with the identification of a challenge, a need or a wish, and the presentation of that issue to the outside world. From an urban perspective this is a two-way process. On the one hand cities identify problems on a specific scale (neighbourhood, town/city, functional

- Priority Hungarian EU Presidency: Climate Change
http://www.eukn.org/Dossiers/EU_presidencies/Hungarian_Presidency/Climate

This text relies on an informative interview with and helpful comments from the Swedish Environmental Protection Agency.

urban region...) and present these challenges to higher levels of government if their involvement is required, financially or otherwise. This can be regarded as a bottom-up process. On the other hand challenges are identified and objectives defined at the regional, member state and European level that require implementation on a local level. This is more a top-down process. The Europe 2020 strategy is an example of this second type of problem identification and presentation. In formulating and implementing policies this two-way process leads to two very different types of multilevel governance.

How to deal with this two-way process is a key question asked in this publication. Each level of government and each player has its own unique expertise, experience and vantage point. The question is how to find the best combination of these qualities.

Looking at the case studies a clear distinction can be drawn between cases dealing with a policy directed at a specific neighbourhood or city (e.g. Antwerp, Rasnov, Edinburgh, Budapest and Duisburg) and cases dealing with national or regional policies (e.g. Sweden, Denmark, Netherlands, Wallonia and Cyprus). The case of the Brussels Capital region has elements of the two types of policy, in that both regional and municipal institutions are involved.

The first type consists of cases in which the area covered is an individual neighbourhood or city and there is a local initiating actor, often the city council. The second type consists of cases in which the area covered consists of more neighbourhoods or cities (sometimes covering the whole of a state's territory) and there is a regional or national initiating actor (often one or more ministries or the cabinet). Moreover, some projects of the first type are themselves part of a broader regional or national policy (for example, Edinburgh is one of several cities included in a national employment policy).

From an MLG viewpoint on the cases, the area covered and the corresponding roles for the actors involved in the project or programme exhibit major differences. Because of these differences comparisons between cases of the same type will be rewarding, while comparing cases of different types will be very difficult. For example, a comparison between Swedish national climate policy and the development of Spoor Noord in Antwerp will be very difficult. Yet, a comparison between the development of Spoor Noord with other neighbourhood or single city oriented projects in Rasnov, the Magdolna Quarter (Budapest), Brussels and Edinburgh should be more rewarding. That said, the distinction between national, regional and local programmes allows us to look at two different governmental levels at which the concept of MLG is put into practice.

Who Is Doing Something about It?

From Problem Identification to Implementation of Policies on the Ground

The case studies cover the entire policy process, starting with the initiative in tackling a problem, followed by the formulation of policies and resulting in their implementation on the ground. During the process a whole range of actors is involved in one way or another. At the local level municipalities, neighbourhood committees, semi-public organisations, businesses, schools, representative organisations, and citizens all play their distinctive roles. At higher levels of government it is equally difficult to get the whole picture. European institutions, national governments, ministries, agencies, NGOs and many different actors all have their discretionary, advisory and participatory competences.

The Handbook for Multilevel Urban Governance in Europe defines the roles of the distinct levels of governance based on the idea of common targets. The division of these roles is based on a cycle in which community needs and demands are communicated upward through the regional and national levels to the EU. At the EU level funding values, objectives and principles are formulated, which are subsequently operationalised further at the national and regional levels.

However, this seemingly perfect cycle is rarely found in the real world. Demands and needs of the community can be contradictory, unclear or unrealistic. Different levels of government can have different priorities and interests. Furthermore, political systems and division of competences between levels of government vary between member states, resulting in different governance modes. The case studies reflect these possible variations. In some cases the local, municipal level is responsible for formulating policies and implementing those policies in daily practice. In other cases it is rather difficult to establish a clear distinction between the roles of local and regional players, and in yet other cases the national level is taking the lead.

This means that there is no clear answer to the question "who is doing something about it?". Looking at the results of the case studies, the area covered by the project or programme is a good indicator of the level responsible for implementation on the ground. Another issue concerns freedom of policy and the financial dependency of the executing level. A comparison of the case studies, with an emphasis on the obstacles and stimuli encountered, will provide a more detailed picture.

What Helps and What Does Not?

Obstacles and Stimuli

Looking at the eleven cases it is difficult to make a mutually exclusive categorisation of obstacles and stimuli, since they often overlap and interact. Furthermore, what seems to be a positive factor in one case can appear to be a problem in another. Nevertheless, the following attempt at categorisation gives an indication of the range of factors at hand:

1. Complexity of the playing field: the number of government levels and the number of players at each level;
2. Division of competences between and across levels of government: functional competence and financial position;
3. Integrality of policy: the degree to which all relevant (sectoral) aspects of an issue are addressed;
4. Bureaucracy;
5. Involvement of citizens, semi-public and private parties;
6. Policy process: initiation, policy making, implementation, monitoring, evaluation.

The first two factors in particular are very much intertwined. In a complex playing field competences are divided between a larger number of players. This has consequences at both the horizontal and vertical levels. On the horizontal level players will often have connecting (or even overlapping) competences. On the vertical level a larger number of government levels is involved in a particular policy field (e.g. unemployment, social inclusion, neighbourhood development, climate policy). The complexity of the playing field and the division of competences are also very closely related to the aspects of integrality and bureaucracy. In a complex playing field with a more fragmented division of compe-

tences, optimal cooperation and communication are crucial for achieving integrality of policy and the minimisation of bureaucracy.

At this point we would like to make it clear that these notions are not about criticising, but about recognising complexity. There can be valid and logical reasons for choosing a more complex mode of governance. The question of how political systems in the different member states developed through history and whether it is necessary for these political systems to adapt to deal with modern day issues lies beyond the scope of this publication.

Complexity of the Playing Field

The number of administrative levels involved in tackling an urban issue can be an obstacle as well as a stimulus. In the Edinburgh case, for instance, the eventual involvement of the national level was important in creating further trust with additional agencies that the work being done within the framework of the local strategy was really relevant – while also providing a budget for the use of the partnership. The other side of the coin -being the centralised way in which the national government commissions its activities- is a major obstacle in realising a joined up effort for unemployment services: the influence of a single national body can generate two opposing policy directions.

When we take the number of levels involved into account, there is a continuum in the degree to which the different levels are steering and directing developments at the local level. The Brasov case in Romania can be said to occupy that part of the continuum in which the national level has a strong role. In the local context, however, national regulations were experienced as very restrictive, and impeding the implementation of projects to transform brownfield sites. In the governance structure of the Swedish environmental investment programmes, the national government also had a strong role in defining the framework of the programmes, but the local level enjoyed total freedom in implementing that framework in a context sensitive way.

While the Belgian political system ranks as one of the more complex in Europe, the three Belgian cases actually show very different ways in which MLG works in practice. In the case of Spoor Noord in Antwerp, parties at the local level enjoyed a large amount of policy freedom. The case of the Walloon climate policy illustrates the relatively strong power of the regional level compared to that of the national level. National Belgian climate policy in reality consists of three separate regional policies. It is the case of the Brussels social inclusion policy which fully reflects the complexity of the Belgian political system. In combination with the language communities, the regional level harbours many policy generating actors, each of which has its own competences that stretch from policy making to implementation on the ground. This complexity can make the development of one single and coherent plan difficult.

Since the beginning of the 1990s urban planning in Hungary has become a local responsibility, which makes the Magdolna Quarter Programme in Budapest an example of the other side of the spectrum. A local approach to developments is no panacea however: integrative thinking required the inputs of several committees and departments, which operated in a sector oriented manner. Creating a collaboration network, and the trust this requires between local actors, was of central importance. In the Swedish case, local actors were encouraged jointly to create a coherent and holistic Local Climate

Strategy, which could only be achieved by means of the inputs of as many local partners as possible: only when they cooperated could they succeed in securing a grant.

Thus, incorporating different governmental levels into a development project or programme can generate a bird's eye view of the issue at hand. It facilitates the sharing of available knowledge to contribute to the solution of a local problem. However, the more complex the playing field becomes, the more effort is required to secure cooperation and communication between different players and networks operating within that playing field. In other words, complexity can deliver benefits but there is a risk that projects will become too complex and difficult to manage. All players involved need to be aware of this trade-off and have to ask themselves whether the benefits outweigh the risks.

Division of Competences between and across Levels of Government

As stated before, the division of competences between and across levels of government is very much intertwined with the complexity of the playing field. The case studies enable us to draw some first conclusions

First, the horizontal division of functional competences between ministries or between regions can become an obstacle if competences are too fragmented or overlapping. In the Rasnov case a large number of ministries, authorities and agencies on a national and regional level were involved in the application for a European grant for a project that concerned the development of a single neighbourhood. The competences of these parties sometimes overlapped. In the previous years the division of competences between these parties had not proved particularly successful, and following an unsatisfactory ESF absorption rate the ministry of Finance was excluded from the process and replaced by the Authority for Structural Funds Coordination (ACIS) which is answerable directly to the prime minister. In similar cases dealing with neighbourhood development, like the Magdolna case, the role of the regional and national levels in the application procedure was not seen as a big problem.

In the cases of Brussels and Edinburgh a mix of vertical and horizontal divisions of competences resulted in a fragmentation in policy-making as well as in implementation on the ground. In the case of Brussels four regional governments (the region and three Community Commissions) operate independently in the Brussels region and thus have different roles to fulfil in the Brussels action plan for poverty reduction. Moreover the Flemish, Walloon and Joint Community all have a different set of competences.

In the Edinburgh case we have an equally diverse set of competences resting with parties from different levels of government. It is possible for an individual client in Edinburgh to be serviced by six different organisations. Moreover, it is interesting to see that in these complex cases the progress made in the cooperation between the players during the project as such is seen as an important result in its own right.

The vertical division of competences has an extra dimension, in that the hierarchical relationship involves content as well as finances. The urban MLG profile provides some basic notions on the financial relationship between government levels, especially the financial (in)dependency of the local level. In the case studies financial dependency of the local level on regional, national or European

funds varies from less than 5% (Netherlands) to over 90% (Rasnov, Magdolna). In the case of the Netherlands the very limited financial dependency led to discussion and cooperation on equal terms between the ministries and municipalities involved. Municipalities themselves and housing corporations were the main financial contributors. In the cases of Rasnov and Magdolna financial dependence was great and a refusal of funding would have meant the end of the project. One possible objection to European grants covering more than 90% of the costs of the project is that applicants are not stimulated to find other means of finance. Furthermore, not having to make a financial contribution themselves may have a negative effect on their feeling of responsibility for the project. It is not their taxpayers' money that is at stake. On the other hand it has to be taken into account that there are of course relatively poor areas in relatively poor member states.

Between these extremes of the spectrum, in the Swedish case individual grants for local and climate investment programmes (LIP and KLIMP) generally covered around 30% of the total costs for the programme.

Integrality of Policy

The complexity of the playing field and the division of competences between and across levels of government can make it difficult to overcome sectoral predispositions and address all relevant aspects of an issue, especially when dealing with overlapping and interacting issues like neighbourhood development, unemployment, social inclusion and health. The case studies show different approaches to achieving an integral policy. In the case of the Netherlands the municipalities focused on the direct – and financial – involvement of housing corporations and the participation of a broad range of semi-public and private organisations and citizens. One of the lessons in this case was that a broad survey among potential parties will bring additional expertise and experience.

An additional way to strive for integrality is to take the implementation of the project away from the often sector-oriented local administration and install a (semi)autonomous company which is given broad competences. In the cases of Antwerp and the first phase of the Magdolna project, autonomous companies enjoyed a large amount of freedom and were very successful as a result. In the second phase of the Magdolna case, a reorganisation of the local administration led to increasing interference by sector oriented committees within the administration with the activities of the autonomous company. This seriously hindered its activities.

Overall, in the projects at hand policy makers were very much aware of the need for integral policies. However the desire for integrality also presents a dilemma. Including related issues in a project to enhance integrality also means that the project becomes more complex and more difficult to manage.

Bureaucracy

For our purposes we will define bureaucracy as the successful and efficient implementation of the actions of an organisation. As with the previous categories of obstacles and stimuli, bureaucracy is not a "stand alone" issue. If a government structure is complex or procedures are complicated a larger degree of bureaucracy is unavoidable. On the other hand the quality of cooperation and communication within administrations can reduce or worsen the effects of these complexities.

It will not come as a surprise that in the case studies elements of bureaucracy emerged, where government structure was complex. In the case of Brussels, where many parties participated in the projects, we were not able to obtain a total cumulative budget for the project. Furthermore only some of the intended results could be measured in a SMART way. Another problem in these complex projects was that the parties involved design and implement their own measures with only a few people having a bird's eye view of the separate measures implemented by different parties.

This brings us back to the trade-off between the benefits delivered by a more integral and complex approach versus the effort required to achieve the necessary cooperation and communication between parties.

Participation of Citizens and Other Parties (Businesses, Schools, NGO's, et cetera.)

Citizen participation

Especially in the projects concerned with neighbourhood development citizen participation was integral. In the cases of Antwerp, Budapest and Duisburg citizens were involved at all stages of the project, from planning to implementation. The case of Rasnov is an exception, in that the broad consultation of experts, businesses, service providers, schools and citizen associative structures did not include the direct consultation of citizens.

In the other cases, with the exception of the Healthy Neighbourhood project in the Netherlands, the consultation of semi-public and private parties was emphasised. This approach was usually based on the presumption that citizens would not be interested in national or regional policies dealing with climate, unemployment or social inclusion.

The cases provide a multitude of modes for citizen participation, ranging from information sharing through newsletters and websites, to group meetings, forums, debates, working groups and festive activities, to opening neighbourhood offices and to hands on contributions in the implementation of the project. All these modes of participation serve distinct goals at the same time. They help to improve policies by taking advantage of the expertise and experience of residents and third parties, make it possible to find tailor-made solutions for residents' problems and create local support for the implementation of the project.

Participation of semi-public, private and other parties

In all the case studies governments and administrations reached out to third parties to get them to participate in the projects. Their participation varied from modes of consultation to direct cooperation. An example of direct cooperation is the case of Duisburg, where the city of Duisburg and the private housing company of Evonik Wonen formed a strategic partnership to improve social conditions in the Poets' Quarter. In the case of the Healthy neighbourhood project in the Netherlands semi-public housing corporations also cooperated with the local government and even made substantial financial contributions.

In both the German and the Dutch cases the interests of administrations and housing companies were very much aligned. In other cases, like the rehabilitation of the Rasnov historic centre, local

businesses and other parties had everything to gain from a robust neighbourhood development project. From the experiences in the cases we learn that local administrations, and higher levels of government for that matter, will benefit from finding like-minded partners.

Policy Process

Replacing the angle of actor analysis with a chronological or process angle, the case studies also produce valuable lessons and insights. These lessons on the execution of a project “from start to finish” are by no means revolutionary, but the case studies show how important it is to take them to heart.

We will not repeat all the recommendations we received from all our contacts for the cases, but the following points give a good indication:

- Finding a motivated, capable, multidisciplinary team;
- Formulating SMART targets and monitoring targets;
- Starting participation very early in the process;
- Creating new partnerships in neighbourhoods;
- Managing the project budget very strictly and in a very transparent way in order to simplify project management and the reporting process;
- Being very specific about each actor’s role, responsibilities and benefits;
- Formulating a clear communication plan concerning the project’s implementation and the promotion of its results.

Why Do We Need an Urban MLG Profile?

The Puzzle Called Reality

The concept of MLG – whatever precise definition is used – is by no means an exact science. However it is possible to specify circumstances and conditions that are relevant for the chances of success for bringing MLG into practice. What sets this particular attempt to realise urban MLG apart is the fact that it provides a cocktail of equal parts of politics and urban development. Furthermore it recognises that there is no single European reality and charts relevant differences between member states.

In all it contains a number of related observations that help to explain and predict what problems may arise in specific projects and programmes. By taking these observations into account from the start of the project timely measures can be taken to overcome problems before they seriously affect the outcomes of the project. In this sense the urban MLG profile is very much in line with the call of the Belgian presidency to invest in the exchange of knowledge.

Needless to say the design of an “urban MLG profile”, like the one in this publication, is highly arbitrary and can never be exhaustive. The design in this publication must be seen as an(other) attempt to get to grips with the many parts that make up the puzzle of reality. Grips that should enable us better to predict, prevent and tackle practical as well as more theoretical problems. The valuable chapters by Güntner and Tosics give an idea of the range of relevant issues in governance as well as in urban development that influence MLG processes. Charting these issues and connecting them is a formidable task for scientists and researchers from very different disciplines. Nevertheless it is nec-

essary to work on an integral picture of the background against which projects are carried out – the profile – if projects are to produce successful integral policies for the problem at hand.

What Are the Lessons to Be Learned?

How to Bring MLG into Practice?

The contributions by Güntner and Tosics provided a broad picture of the concept of MLG, changes over time in European politics, differences between member states and urban development in Europe. The case studies covered concrete projects and programmes. In discussing obstacles and stimuli we encountered many circumstances that influence the chances of success – or failure – of multilevel governance. At this point we would like to summarise, in a nutshell, the most important lessons that can be drawn from the case studies in combination with the contributions by Güntner and Tosics:

The need to differentiate and find tailor made solutions

- There are no “one size fits all” solutions when it comes to MLG issues;
- Differences between and within member states in governance and urban development should be recognised and addressed.

Enable parties involved to play their legitimate roles

- Stimulate cooperation and communication between and across levels of government;
- Let third parties – public, semi-public, private – and citizens participate in the design of policies as well as implementation on the ground.

The need for integral policies

- Promote a multidisciplinary approach and be aware of the pitfalls of one-sided sector-oriented policies (for instance the “waterbed effect”);
- Be aware of the trade-off between the benefits of complexity (involvement of many actors and inclusive policies) versus the extra efforts needed to secure cooperation and communication.

The need for an open mind and mutual respect between and across levels of government

- Actors at all levels of government should avoid the struggle of a competition for competences and focus on joint efforts to achieve common goals;
- Parties should be wise and flexible in exercising their competences and base their use on “a need to know” and “a need to act”;
- Accountability and control should be functional and not lead to unnecessary bureaucracy.

The Need for an Open Debate on Multilevel Urban Governance

We are aware of the fact that opposing opinions on MLG exist and that the opinions expressed in this publication will not be shared by all readers. Nevertheless the contents of this publication can be useful at all levels and for more than one purpose. The case studies, as well as the chapters by Güntner and Tosics, provide ample food for thought for any practitioner of MLG. It is hoped that this publication will succeed in triggering the alternative and even opposing views on MLG that are necessary for a genuinely open debate.

One: A Reference Framework for People Involved in Politics across Europe

In general it is the intention that this publication in combination with the Handbook will be used as a reference framework by politicians, civil servants and non-governmental actors across Europe. As a matter of fact it should be interesting for anyone with an interest in politics in general and multilevel governance in particular. This publication provides more practical recommendations on running projects and programmes, as well as more governance-related lessons and experiences. In this way it can enable policy makers to learn from the experiences of others, raise awareness of politicians (on all levels) and contribute to an open minded and constructive debate on urban policy from an MLG viewpoint.

Two: Input for the Design of New Instruments and Use of Existing Ones by Member States and the EU

As stated before, this publication does not reveal new instruments, tools or mechanisms for MLG. However, the case studies provide valuable lessons that should be taken into account by member states and the EU in the design of new instruments or the implementation of existing instruments for integrated urban development. There is an overwhelming number of declarations, covenants, reports, white papers and other valuable documents that are relevant when designing new instruments. Apart from Europe 2020, the Leipzig Charter and the Toledo declaration, which were already mentioned in the introduction, there is the Fifth Cohesion Report, the Covenant of Mayors and the White Paper on MLG by the Committee of the Regions, to name but a few. Some of these documents specifically address urban development; others – like for instance the White Paper on MLG – follow a more generic approach.

While these documents definitely have their own added value, it is both complementary and necessary to base new instruments on experiences with MLG in the context of urban development. This publication and the Handbook can help to design instruments for the implementation of these proposals that meet the needs of practitioners on the ground.

Furthermore, on the presumption that MLG involves all levels of government it seems logical to involve local and regional actors (policy makers, civil servants or others) “hands on” in the making of new instruments.

Three: Future Discussions on MLG in Europe, Including the Design of a New Cohesion Policy

Recent debate in Europe, in particular on forms of “soft law” (e.g. Open Method of Coordination and the cooperation within UDG) and the design of the new cohesion policy are ultimately a debate about MLG. How does interaction between actors take place? And what outcomes does it produce? It is about working together and finding the right forms of cooperation. In the recent past, the social OMC in particular has been very successful in structuring cooperation between different levels of government. On the other hand the plans for an urban OMC were a lot more controversial.

At the time of writing the design of the new Cohesion Policy is at stake and the urban dimension of the new cohesion policy is undoubtedly a hot topic. Güntner vividly described the transitions from the early “Urban Pilot Projects” to “URBAN I and II” to mainstreaming in operational programmes. His considerations, together with the more practical notions in the case studies, should be taken into account when drawing scenarios for a new Cohesion Policy. Should the present mode of mainstream-

ing, through operational programmes, be continued? And if so, how can it be made more efficient? Alternatively, scenarios for a return to more URBAN-like programmes can be explored.

Looking at the case studies a more hybrid model might be considered. In the conclusions the identification and presentation of challenges and problems was described as a two-way process.

On the one hand cities identify problems on an urban, city or neighbourhood scale and present these problems to higher levels of government (if necessary). On the other hand regions, member states and EU institutions identify challenges and define objectives that require implementation on a regional and local level. This two-way process leads to two very different types of multilevel governance. Following this line of reasoning a hybrid model for a new Cohesion Policy might consist of Operational Programmes (initiated by member states), which function side by side with specific programmes (initiated by regions, cities/municipalities, transnational alliances, or other parties).

Moreover, the idea of a more hybrid model for the new Cohesion Policy is not a new one. Other documents, like the OESO report on “Cities, climate change and multilevel governance” and the Europe 2020 strategy, have also hinted in this direction.

Towards an “Urban Method of Coordination”

Of Instruments and Attitude

In cooperation with the Urban Development Group (UDG), the Trio Presidency has been working on a roadmap for Urban MLG. The “Multilevel Urban Governance Conference” in Liège on 2 December 2010 was a major milestone in the elaboration of that roadmap. As stated in our introduction it is crucial that multilevel urban governance must respond to the need:

- For integrated urban policies on all levels of government;
- For a unified European approach facing common challenges;
- To develop integrated strategies with common perspectives, goals and targets;
- To develop a common method with a coherent set of instruments.

This publication, together with the Handbook, provides a solid base for the design of methods and instruments for multilevel urban governance. Another valuable contribution in this regard is made in the report entitled “Towards an urban OMC” by Vranken and Tosics. This report sketches the challenges present-day Europe is facing: globalisation, climate change, energy problems, growing polarisation, ageing society and growing migration. Building on experiences with forms of the open method of coordination (OMC), in particularly the social OMC, the authors subsequently come up with suggestions for the development of an “urban OMC”.

In the view of the Trio Presidency the specific needs and wants of cities and urban areas across Europe warrant the design of what might be called an “Urban Method of Coordination” (UMC). This UMC should be built on the following elements:

- This publication and the Handbook, for both their theoretical and practical perspectives on governance and urban development in Europe;
- Recent experience with OMCs, especially the successful Social OMC;
- The proposals in the Leipzig Charter and Europe 2020 and other leading documents.

Postscript: The Need for a Common European Method of Multilevel Urban Governance

Furthermore this UMC requires the cooperation and commitment of all levels of government. Moreover, the participation of semi-public and private parties, as well as the active involvement of citizens, is essential for the design of integral policies and their implementation on the ground. To achieve these goals the following four step cycle should be leading:

- Setting common objectives: building on the goals of the Europe 2020 strategy and the Leipzig Charter;
- Integrated planning and implementation: through general strategies and action plans;
- Monitoring: using benchmarks and specified indicators;
- Evaluation to generate new insights to be put into practice via mutual learning, exchange of knowledge and experience.

These challenges truly call for a masterpiece in the art of working together: a masterpiece not by an individual artist, but by the whole guild of practitioners of multilevel governance at all levels.

Confronted with the complexity of challenges that cities are faced with in a globalising world, urban policies have undergone many important changes in the last two decades.

Recognising that these changes (climate change, demographic changes, migration, ageing, socio-economic polarisation et cetera) are interlinked and need multi-dimensional strategies, urban policies have been evolving in the direction of *Integrated Urban Development*.

Another trend in contemporary urban policymaking is the focus on sustainability. Whereas once Sustainable Development was chiefly a matter of global ecological objectives, the urban dimension has come into the picture with the Aalborg Charter of European Cities & Towns. Many cities have since adopted an Agenda 21 that combines ecological, economic and social targets.

Still more recently, a new concept has entered the theoretical framework of urban development: *Multilevel Urban Governance*. The Leipzig Charter for Sustainable European Cities (2007) stated clearly that every level of governance (local, regional, national and European) has a responsibility for the future of our cities. The current decentralisation processes in many European countries and the repeated calls for strengthening the urban dimension in European and national policies have made the coordinated involvement of different levels of government in urban development strategies indispensable.

The choice of Multilevel Urban Governance as the central theme of the Belgian Presidency of the European Council is in line with the Leipzig Charter and the Toledo declaration of the Spanish presidency, which called upon member states to develop instruments for a multilevel approach towards urban governance. At the Multilevel Conference in Liège the publication of a *Handbook for Multilevel Urban Governance* was announced. Two weeks later, at their meeting in Ghent, the Directors-General responsible for the administration of urban policy asked for concrete examples of multilevel governance in practice. This publication, produced by the European Urban Knowledge Network, delivers a concrete response to this demand.

The cases presented in this publication show a variety of approaches: some top-down, others bottom-up or rather hybrid in form. Some start the process with a clear definition of priorities and targets, while others are more ambiguous in their objectives. In his article on the difference between member states, dr. Iván Tosics draws a typology of multilevel government systems in EU countries. A great diversity exists between classic unitary countries and countries with strong local and regional levels. The elaboration of methods and instruments for Multilevel Urban Governance must take these institutional differences into account.

Despite the obvious disparities, we must avoid Multilevel Urban Governance being reduced to a “container-concept”, a noble intention that fits every kind of collaboration. A common framework,

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containing the key elements and essential steps for coordinated urban development – whatever the circumstances – has to be developed to carry out the multilevel objective of the Leipzig Charter.

What are these key elements of a coordinated multilevel approach?

- First, relevant actors have to agree upon common objectives. These can vary from the translation of overall objectives, like the key objectives of the Europe 2020 strategy, to concrete targets at the local level;
- Secondly, the agreed objectives must be turned into coordinated strategies and action plans which facilitate cooperation between the different levels of policymaking;
- A third step is the monitoring and evaluation of actions and the fulfilment of the presupposed objectives. Indicators that cover local, national and European realities can be used to measure the performance and impact of these actions. To monitor urban strategies on a common basis, use could be made of the Reference Framework for European Sustainable Cities as a comprehensive and truly intra-European tool;
- The fourth step is oriented to evaluating the practices of Multilevel Urban Governance, by encouraging mutual learning through the pooling of knowledge and exchange of practices. The use of European networks like EUKN and URBACT, or the setting up of peer reviews, as is the case with existing applications in the Open Method of Coordination, can be appropriate ways of achieving this mutual learning.

This EUKN publication on Multilevel Urban Governance is appropriately called “The Art of Working Together”. Developing integrated policies on the basis of consensus between different tiers of government indeed requires a reasonable amount of talent. Yet what is the value of a talented artist who does not possess any knowledge of the techniques and tools necessary for producing a work of art ?

Goodwill, conviction and empathy are not sufficient elements for the successful development of multilevel governance. What is also needed are sound instruments and methods to facilitate the process of cooperation, of building something together.

I hope that both publications presented in this box, this EUKN publication with its focus on good practices and the Handbook offering different methods and instruments, will now lead to the development of a common European method to bring about the much-needed practice of Multilevel Urban Development.

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