GOVERNANCE

Contributors

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Governance is one of the key aspects of sustainable urban development, as good governance arrangements can contribute to more transparent, inclusive, responsive and effective decision-making.

The concept of governance is not clearly defined, but in general it refers to how society, or groups within it, organise to make and implement decisions. It often involves a continuous process of negotiation over the allocation of power and resources. In theory, governance makes no assumption about which actors are most central in the process, however, whenever it concerns a form of democratic governance, political institutions and elected bodies are always assumed to play a leading role (Pierre & Peters, 2012).

This building block specifically focuses on the governance arrangements for Sustainable Urban Development (SUD) strategies. In practice, this concerns **how relevant authorities and stakeholders decide to plan, finance, and manage a specific strategy**. Next to administrative bodies and agencies (local, regional, national, EU/supranational), governance arrangements may include a wide variety of actors and institutions, such as: civil society, Non-Governmental Organisations (NGOs), academia, community-based organisations, social movements, steering groups, and the private sector.

Governance of SUD strategies is closely related to urban governance. UN Habitat states that urban governance is the software that enables the urban hardware to function. **Effective urban governance is democratic and inclusive, long-term and integrated, multi-scale and multilevel, territorial, proficient and conscious of the digital age**. Specific to the territorial dimension is governance in metropolitan areas: the better governance arrangements are able to coordinate policies across jurisdictions and policy fields, the better the outcomes. The coordination of policies is especially relevant since administrative (local) borders often no longer correspond to the functional realities of urban areas (EC, 2011; OECD, 2015) (see Territorial Focus chapter).

This building block will focus on three central components of the SUD governance process, providing suggestions for dealing with the main associated issues at stake. The three components are:

- **multi-level governance**, referring to the coordination and alignment of actions (interventions) between different levels of government;

- **a multi-stakeholder approach**, referring to the inclusion of all relevant actors throughout the whole policy cycle;

- **a bottom-up and participatory approach**, referring to the use of community-led initiatives to encourage local actors' involvement and response.

It should be noted that while the general discussion of a multi-stakeholder approach also applies to the inclusion of citizens and civil society, the third component specifically focuses on the involvement of local communities.

MULTI-LEVEL GOVERNANCE

In this section we address:
How to build administrative capacity, and benefit from experiences available at different levels?
How to facilitate coordination between different levels of government, and avoid or reduce potential risks associated with the practice of gold-plating?

Multi-level governance refers to arrangements that include different levels of government (e.g. the local, regional, national, and supranational level). SUD strategy governance is inherently multi-level since it requires the involvement of the local level, as well as the regional and/or national level, depending at what level the managing authority (MA) is located. Obviously, the EU level is also structurally involved, though less so in the actual strategy governance process. In this respect, the European Commission mainly sets conditions and provides financial resources, while it tries to continuously improve the governance process using peer reviews and feedback from past programming periods.

So far, EU urban policy has mostly taken place within the context of the European Structural and Investment Funds (ESIF) (previously within the Structural Funds), whereby different instruments and governance arrangements for urban policy have been used across the four programming periods. An assessment of the urban governance dimension of operational programmes (OPs) **for the programming period 2007-2013 shows that funds were steered and managed almost exclusively at the regional or national level**, while the good practice governance instruments of the URBAN initiative remained largely unused. It was further observed that **relatively strong involvement of cities and local actors largely correlated with prior experience with national**

frameworks for urban policy development and planning, and thus the political willingness of higher administrative tiers to include local actors (Günter, 2011).

However, **coordinated approaches within a multi-level governance framework are needed to effectively tackle contemporary urban challenges.** Local problems should be dealt with locally, but coordinated at a higher level, to prevent unwanted consequences (externalities) occurring outside the borders of the local entities or from one level to another. What 'local' means depends on the challenge; some challenges may be best dealt with at (sub-) regional level, such as water management, while others such as public transport may be better addressed at the metropolitan level. A functional and flexible approach is needed that respects the principle of subsidiarity and can be adapted to different territorial scales as well (EC, 2011) (see Territorial Focus chapter).

Within the context of SUD, this raises the question of decentralisation and the sharing of power between the different administrative levels. The issue at stake is how a multi-level framework can best be set up. This is basically a political decision and relates to administrative capacities and the experiences at the different levels of government.

How to build administrative capacity, and benefit from experiences available at different levels?

Article 7 of the ERDF regulation 2014-2020 requires that **local authorities (LAs) be responsible for tasks relating to the selection of operations**. However, if desired, MAs may also delegate more tasks. The proposed regulation for post-2020 also stresses the alignment and coordination of interventions between different levels of government, maintaining strategy governance as a key complementary feature of sustainable urban development.

Learning from data

A survey distributed amongst MAs concerning the SUD strategies for 2014-2020 allowed MAs to indicate the distribution of responsibilities between MAs and UAs. Respondents could choose from 16 pre-defined tasks[17]. Results show that **throughout the whole policy cycle, MAs**

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[17]   Respondents could select one or more of the following tasks: developing strategies, developing an implementation plan, approving strategy, verifying selection procedures, defining selection criteria, preparing project calls, launching calls, providing information to beneficiaries, checking eligibility, assessing the quality of operations, final verification, signing grant contract, financial management (check and financial control), monitoring and reporting and evaluation.

have 5 more tasks on average than LAs[18]. Only in 62 out of 775 strategies do LAs have more tasks than MAs (this is the case in Denmark, Greece, and Finland, France, Italy, Latvia, the Netherlands, Poland, Slovenia, and the United Kingdom). Of course, it can be debated to what extent the 16 tasks are of equal importance, and whether the allocation of tasks 'on paper' reflects the allocation of tasks in practice. Nonetheless, these findings suggest that **task delegation to LAs within the context of SUD strategies is limited and that MAs are dominant**[19].

One reason given for the dominance of MAs (regional or national) is **concern over capacity at the local level**. For example, for the SUD strategy in Liepaja (LV) concerns over limited capacity at the local level have led the MA (in this case, the Ministry of Finance) to be responsible for the overall implementation of the OP, including the SUD-ITI. The MA approves the internal selection procedures for project applications by LAs and it monitors the process by participating as an observer in a municipal commission. All project applications ultimately have to be verified by the MA before they can be accepted. Also, the MA can perform spot checks at the local level. Although this may be necessary at first, **limited or supervised delegation can also be instrumental to capacity-building,** paving the way for increased delegation of tasks for the next programming period.

Furthermore, **technical assistance**[20] **is available to help implement Commission-funded programmes and projects**. Such financial support can be used to pay for preparation, management, evaluation, monitoring, audit and control[21]. Specifically, MAs can examine the use of technical assistance to

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[18]   Most MAs (17%) are responsible for 7 (out of the 16 pre-defined) specific tasks within the strategy process, whereas a large majority of MAs have responsibility for 7 to 16 tasks (88%). On average, an MA is responsible for 10 tasks, often related to approving the strategy, verifying the selection procedures, final verification, signing the grant contract, financial management, and evaluation. Furthermore, the most LAs are responsible for 6 tasks (24%) whereas a majority are responsible for between 1 to 6 specific tasks (83%). On average, a LA is responsible for a total of 5 tasks, often including developing strategies, developing the implementation plan, preparing project calls, collecting applications, and assessing the quality of operations.

[19]   For a similar analysis please see Van der Zwet et al. (2017).

[20]   Technical Assistance is available to help stakeholders implement Commission-funded programmes and projects. Under the European Union's cohesion policy such financial support can be used to pay for preparation, management, evaluation, monitoring, audit and control. See also: https://ec.europa.eu/regional_policy/en/policy/what/glossary/t/technical-assistance

[21]   EU rules place a limit on the proportion of funding from the operational programmes that can be allocated to technical assistance. If technical assistance is initiated by or on behalf of the Commission, that ceiling is 0.35% of the annual provision for each fund. If technical assistance comes from the Member States, the ceiling is 4%. See also: https://ec.europa.eu/regional_policy/en/policy/what/glossary/t/technical-assistance

strengthen the institutional capacity of local authorities. The support can take the form of workshops, training sessions, coordination and networking structure, as well as contributions to the cost of participating in meetings regarding the preparation, implementation, monitoring and evaluation of the strategy[22].

When capacity or experience with the implementation of EU-level projects is strong, a wide range (or even a majority) of tasks can be delegated to the LA. This is illustrated by the example of The Hague in the Netherlands, where the city authorities have extensive responsibilities in terms of management and implementation. Sustainable urban development under Article 7 ERDF de facto implies that LAs are designated as intermediate bodies (IBs)[23], given that they are responsible for tasks relating, at least, to the selection of operations. However, The Hague has had the status of IB since 1994 and its (largely delegated) responsibilities not only include project selection but also monitoring and financial management. However, the example of The Hague appears to be rare, which can arguably be related to **'delephobia', that is fear of losing control over the process at higher administrative levels (Tosics, 2016)**.

Learning from practice

THE WALBRZYCH (PL) AGGLOMERATION SUD STRATEGY

A proactive approach from the local authority can increase the number of tasks which are delegated. For example, the Walbrzych agglomeration (Poland) is the only Polish IB with full responsibility for SUD integrated territorial investment (ITI), whereas others depend on MAs to varying degrees (e.g. to conduct project calls, formally and substantially assess projects, sign contracts with beneficiaries and/or carry out financial control).

The Walbrzych agglomeration is located in the Dolnoslaskie region in South West Poland. The area covers 1748 km2, of which 18% comprises urban territories. The strategy covers 22 municipalities that have been selected based on functional municipal links within the Dolnoslaskie region, as well as formerly existing structure in the Walbrzych agglomeration.

Using ITI as an implementation mechanism entailed a long process of negotiation between the agglomeration and regional and national

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[22]   See also: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0240&from=EN

[23]   In general, IBs are understood as bodies that have one or more tasks delegated to them by MAs. It is uncertain whether minimum requirements for delegation will be part of the regulation for the programming period 2021-2027.

authorities, since the use of ITI was obligatory in the functional areas of regional capitals, but optional for other territories. Thus, strong lobbying from the agglomeration was required to show that its territory was qualified. In the end, the Dolnoslaskie region implemented three ITIs: one around its regional capital at Breslau, and two around important FUAs, of which the Walbrzych agglomeration is one.

The agglomeration considered it important to take full responsibility as IB in order to build local capacity, to ensure decision-making on the local level and to be able to choose the most appropriate projects for the territory's development. In order to obtain full ITI responsibilities, it was necessary to prepare a separate system of cooperation with the MA, since the delegated tasks are different from the other two regional strategies. Having been accepted as IB, the administrative challenges are substantial, given that the IB has to implement the strategy throughout the process all on its own. To ensure sufficient capacity and manage the implementation process, the IB applied for additional funding from the regional operational programme's technical assistance budget, to employ and train more people (offering jobs to formal employees of the MA with EU funding management experience).

Both the IB and the MA consider the SUD-ITI to bring substantial added value. A key contribution lies in changing the approach to territorial governance in the region, and in Poland as a whole. In Poland, three distinct levels of sub-national public administration exist – regional, district and local – but there is a lack of robust frameworks for forming partnerships across these tiers. However, the SUD-ITI strategy has created such a framework and provided incentives for an integrated approach to territorial governance. The MA values the formation of inter-municipal associations and welcomes their representatives as observers of the regional operational programme monitoring committees. Also, the delegation of sub-tasks to sub-regional authorities has been instrumental in raising awareness of building responsibility for implementing cohesion policy in a broader range of partners, and boosting administrative capacity. For these reasons, there are growing calls to establish domestic regulations and structures to ensure that these arrangements become permanent.

For more information

STRAT-Board strategy fact-sheet:
https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=PL-023&fullscreen=yes

The establishment of new bodies to take on responsibilities is also a way to overcome limited capacity[24]. For instance, supporting structures have been created in several Member States and in almost all cases in Poland and Bulgaria. While the nature of these new governance arrangements differs, one **key objective is to boost implementation capacity**. For example, the IB for the SUD strategy in Pazardzhik (BG) established a new management team, including monitoring and control experts. In Poland, new Associations of Municipalities and Districts are included in the IBs. For this, MAs have used technical assistance from the national operational programme to staff these new bodies. Arguably, **such special support structures also increase capacity in the longer term**, potentially becoming a catalyst for institutional changes that facilitate cooperative governance mechanisms (Ferry et al., 2018)**.**

New governance structures **have also been established to strengthen coordination and ensure representation**, particularly for SUD strategies where the coordination of input by MAs, IBs and urban authorities was crucial, but complex (see Cross-Sectoral Integration chapter). For example, Sweden established a national platform to support cooperation, coordination, knowledge-sharing, and the dissemination and exchange of experiences in SUD. The platform links practice and policy at local, regional and national levels (Ferry et al., 2018).

Be careful!

A potential risk is that the creation of a new body will only create more work. For this reason, it should be clear from the outset **how the support structure will support the process** (Will it boost implementation? Will it improve coordination?). The key words are representation, coordination, capacity, and bringing together expertise. New bodies can be established on and between all levels, and can also build upon existing structures.

Also, **sharing tasks can build capacity and alleviate the workload**, while actors **benefit from each other's experience**. Analysis of SUD strategies which were implemented in the 2014-2020 programming period shows that tasks shared between the UA and MA mainly related to preparing project calls, providing information to beneficiaries, checking eligibility, and assessing the quality of operations.

However, in general, **sharing tasks also brings with it coordination challenges**, since collaboration across jurisdictions and levels of government is difficult even when there is a clearly recognised need for it. Possible challenges include transactions costs, competitive pressure, resource constraints, differing priorities, and fears that the distribution of costs or benefits will be one-sided.

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[24] For the programming period 2014-2020, it is estimated that approximately 20% of the SUD strategies have led to a new body (n=348) – for reference see Ferry et al. 2018.

In this respect, **(common) pitfalls to avoid include** under-estimating the coordination challenges throughout the whole policy cycle, belated engagement in coordination, establishing coordination bodies without clear added value in the decision-making process, and proliferation of inter-governmental contracts that are complicated to manage.

SUD-ITI STRATEGIES IN SLOVENIA – THE ASSOCIATION OF URBAN MUNICIPALITIES

In Slovenia, 11 SUD strategies are implemented through the ITI mechanism in 11 urban areas. This was felt to be a big challenge since the division of (funding) management is complex and there is limited administrative capacity to act as intermediate body in the individual cities, while the urban areas vary considerably in size, with Ljubljana being the biggest (288.500 inhabitants) and Slovenj Gradec the smallest (16.593 inhabitants in 2017). Since it was impossible to tackle the issue as an individual city, the solution was to join forces through the Association of Urban Municipalities of Slovenia (Združenje Mestnih Občin Slovenije – ZMOS). The notion of 'together we are stronger' was demonstrated and well heard by the managing authority and ministerial IB, for instance, by removing obstacles generated by gold-plating.

The Association already existed and was therefore operative immediately. In order to deal with the limited human resources within the urban municipalities and the Association, an ITI expert implementation commission was established that includes one representative from each city already experienced in EU policies and the implementation of projects co-funded by the EU. Also, additional employment (0.6 FTE) was co-financed by Technical Assistance.

Intensive dialogue with the managing authority and Ministerial IBs (Ministry of infrastructure and Ministry of the environment and spatial planning) led to the Association being accepted as the IB for conducting the final selection and ranking of the ITI projects. The process for accrediting the Association as IB required a multitude of documents, such as a description of the management and control system, evaluation and fraud risks, agreement with the MA on the implementation of the IB role, and a change in national legislation to identify the Association as an IB. To smooth the process, the documents relating to the Association were produced

by the ITI expert commission, while the others were produced in collaboration with the MA and the Ministerial IB.

The Association prepared and published calls for the relevant theme and beneficiaries submitted outline applications including an implementation plan. In accordance with the selection criteria from the OP, the Association classified the applications, after which local authorities prepared detailed project applications. Subsequently, the Minsterial IBs checked that the procedure was carried out transparently and correctly, and that applications were complete, before sending them back to the Association to confirm that the detailed version corresponded with the shorter versions and that they were aligned with the objectives of the priority axis. After obtaining confirmation from the Association, the Ministerial IBs sent the detailed project applications to the MA to adopt the decision on their co-funding.

One lesson learned from setting up the SUD–ITI governance arrangements is that it must be continued in order for the strategies to be successful. Also, it shows that networking among LAs is needed as early as urban development planning and the ITI structure building process, so that the MA and IBs can gain good knowledge of the situation on the ground and the actual effects of different solutions and/or limitations. Finally, networking has encouraged actors to exchange information, ideas and experiences relating not only to the strategies, but also to other EU-related issues relating to the future financial planning in Slovenia.

For more information

Presentation at Urban Development Network SUD meeting Rome (IT) June 2018: https://ec.europa.eu/regional_policy/sources/conferences/udn_italy_2018/zdenka_simonovic.pdf

STRAT-Board country fact-sheet: https://urban.jrc.ec.europa.eu/strat-board/#/factsheetcountry?id=SI&name=Slovenia&fullscreen=yes

A clear **benefit of multi-level governance is the exchange of experience, and the opportunity to learn from previous mistakes across levels**. Most often, learning happens over time, whereby information produced in a first step is used in a subsequent one. For that reason, it is suggested that **previous results coming from monitoring evaluation systems be used in the decision making–process for subsequent cycles**, with information being shared among all levels at an early stage (see Monitoring chapter).

Finally, it should be noted that strategies may face **political challenges**. For example, the Brexit referendum caused uncertainty during the design phase for the SUD strategy in London. A more general political challenge is that **timelines between levels may be out of sync** due to different administrative lifecycles and/or (re-)elections (Medeiros, 2019).

How to facilitate coordination between different levels of government, and avoid or reduce potential risks associated with the practice of gold-plating?

Another more specific issue that may arise when policy involves different levels of government is **'gold-plating'**. This **refers to imposing additional administrative obligations over and above the minimum requirements when transferring EU Legal Requirements into national ones**. Gold-plating may be 'active' or 'passive'. 'Passive' gold-plating is when national, regional or local authorities fail to implement the simplification measures proposed by the ESIF regulations. In practice, it is sometimes difficult to differentiate between the general administrative burden from ESIF and that specifically arising from gold-plating. Nonetheless, it is estimated that **in general around one-third of administrative burden can be put down to gold-plating**, putting a large strain on resources and hampering efficient coordination and alignment.

Some ESIF tools are **particularly vulnerable to gold-plating**, particularly **integrated approaches such as integrated territorial investment (ITI), community led local development (CLLD)** (see also the third section of this chapter) and **multi-fund programmes**, which includes SUD. The potential risks associated with the practice of gold-plating result 'from the complexity in the implementation of these tools, including the dispersion of roles and responsibilities across many players, and the necessity for the formation of new bodies of coordination, thereby leading to repeated and controlling efforts' (European Parliament, Directorate-General for Internal Policies, 2017: 54).

Of all tools, ITI – which was used as an implementation instrument in more than 20% of SUD strategies in 2014-2020 – is most associated with gold-plating because it implies 'multiple captains on the same ship' and a merging of different management traditions, whereby the diverging interests of the different actors may lead to additional rules or divergent interpretations of the same rules.

Another source of gold-plating can be the additional rules of eligibility MAs set up for SUD strategies. For example, to prevent processes that are

Be careful!

perceived too risky or complex, MAs might confine the topics SUD strategies can address. However, this can hinder the development of an integrated approach. Therefore, **it is advised that MAs reflect upon ways that their rules of eligibility could negatively affect integrated strategies.** In this respect, it can be useful to have a dialogue with local authorities beforehand to identify their needs. However, it should also be noted that gold-plating is **not inherently negative**. Sometimes, additional adaptation of complex legal texts may clarify their application within the local context. For example the Polish regulation of ITIs may plausibly have had a positive effect on metropolitan cities around the country's regional capital cities, whereas the national adaption of the regulation offered a more precise formulation of the instrument's use (see box on Poland ITI in Funding and Finance chapter). Nonetheless, **steps can be taken at all levels involved in the ESIF shared management system to facilitate alignment and reduce unnecessary gold-plating**. For example, national level can start to remove unnecessary legislation (or bodies) in order to decrease administrative costs, and free up resources to support the effectiveness of the programmes. Also, the inter-operability of e-governance tools can be enforced and national co-ordination strengthened. National online tools (support systems, information systems) that can be used throughout the whole project cycle can reduce the administrative burden for beneficiaries, while the application of EU regulations can be made uniform within Member States. This way, all managing and implementing bodies can have access to the same information and develop a common course of action. At the programme level, beneficiaries (LAs) should be subjected to the least administrative burden possible, and provided with clear and simple steps for the duration of the entire project. At the same time **the reduction of gold-plating and administrative simplification should be handled with care, so that it does not threaten the fulfilment of the basic goals** of Structural Funds, those of striving towards sustainable and inclusive development[25].

Additional resource

OECD TOOLKIT FOR EFFECTIVE PUBLIC INVESTMENT ACROSS LEVELS OF GOVERNMENT

The OECD has developed an online resource to guide public officials and policymakers in effective public investment across levels of government. To this end, 12 basic principles have been developed,

[25]   The information on gold-plating in ESIF is largely derived from a study titled *Research for REGI Committee – Gold-plating in the European Structural and Investment Fund (2017)* commissioned by *t*he Directorate General for Internal Polices. Please refer to this study for a more in-depth account.

grouped into three pillars that represent systemic multi-level governance challenges for public investment:

Pillar 1 addresses coordination and focuses on the different types of governance arrangements and incentives than can help with coordination

Pillar 2 highlights key public management capacities that should be in place to bolster conditions for effective investment.

Pillar 3 focuses on the key framework governance conditions for public investment.

For each principle, there is a description of why it is important, common pitfalls to avoid and how to overcome the main related challenges. Furthermore, each principle is illustrated with some best practices from OECD countries.

In addition to the 12 Principles, the Toolkit offers comparative indicators and good practices which are in use in numerous countries, regions and municipalities.

Furthermore, a self-assessment section helps governments assess the strengths and weaknesses of their public investment capacity, with a focus on the sub-national level, supporting policymakers in setting priorities for improvement.

For more information

OECD official website: https://www.oecd.org/effective-public-investment-toolkit

RECOMMENDATIONS

- Start collaboration between different levels as early as possible.
  - ▶ When all different levels of government are involved in the process from the very beginning, this promotes a sense of ownership across levels, which provides a good basis for collaboration.
  - ▶ Early involvement of all levels allows obstacles, such as limited capacity or overregulation, to be identified early. This way, there is more time to anticipate or remove those obstacles.
- Consider different means of support for overcoming limited capacity, such as Technical Assistance, establishing an extra body, or sharing tasks.
  - ▶ Technical Assistance is available to help stakeholders implement Commission-funded programmes and projects. It can be used in various innovative ways to enlarge staff capacity or support preparation, management, evaluation, monitoring, audit or control.

- ▸ The creation of an extra body can support capacity-building and facilitate the coordination of tasks. While establishing such a body might seem an extra burden initially, it can prove efficient in the long run.
- ▸ Tasks can be partially delegated or shared to reduce the workload, which may also contribute to future capacity-building.

- Mobilise all past experiences and outcomes of projects with similar thematic objectives (TOs) and/or governance arrangements.
  - ▸ When past experiences are evaluated during the preparatory phase, lessons learned can be taken into account for the new process.
  - ▸ Moreover, when the professionalisation and capacity development of the public workforce is kept as independent as possible from political cycles, capacity loss is minimal and existing experience will not be lost.

- Review the stock of regulations frequently and make a continuous effort to coordinate regulation across levels.
  - ▸ Structured coordination efforts (e.g. using inter-governmental platforms, regulatory harmonisation agreements and regulatory uniformity agreements) can minimise or prevent complex and/or unnecessary administrative processes and formalities, improving quality and consistency in regulatory systems across governments.
  - ▸ When assessing new or existing regulation on a structural basis, the costs and benefits of (new) regulatory compliance for sub-national governments can be more easily assessed and taken into account.

THE MULTI-STAKEHOLDER APPROACH

In this section we address:

How to ensure all relevant stakeholders are identified and involved in the strategy process?

How to apply the 'partnership principle' effectively throughout the strategy process, and ensure continuous stakeholder engagement?

A fundamental element of sustainable urban development is mobilising input from various stakeholders, particularly at the local level. Compared to individual projects, **SUD strategies entail an integrated place-based approach that involves a much broader range of actors** (e.g. other public bodies, academia, research and education institutes, civil society, NGOs, and the private sector).

Learning from data

Analysis of SUD strategies (2014-2020) shows that a majority of strategies (75%) involve at least one additional governance actor[26] alongside the

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[26] Respondents could select one or more options: national level administration, a regional body, a local authority, an association of local authorities, a steering group/

(mandatory) inclusion of the local level, the regional or national level government, and the EU level[27]. When only one additional actor is included, this is usually a newly created body, an association of local authorities, a steering group/committee, or representatives of civil society. When two or three additional actors are included, these usually comprise the actors named before, as well as NGOs, interest groups, newly created bodies, or private stakeholders. Actors that were relatively little involved are: academia (nearly 4% of strategies) and public private partnerships (less than 1%). It should be noted that some categories are largely or wholly represented by one country (e.g. the inclusion of a newly created body is exclusive to Finland and Bulgaria, along with one strategy in Poland).

Following these observations, it can be argued that **the inclusion of additional actors in the governance structure can be improved**, especially as regards the inclusion of **academia, which can play a significant role in supporting the implementation of evidence-based policy**. Also, more generally, collaboration between different kinds of actors can strengthen **networks based on reciprocity, trust and cooperation**. In this respect, it is not only the number of stakeholders that is important, but arguably even more so the practical significance of their involvement. However, to begin with, a multi-stakeholder approach means identifying and selecting relevant actors, as well as establishing a method to support and facilitate smooth collaboration.

At this point, it is again important to note that in this particular section, the focus is mainly on the inclusion of public and private stakeholders, other than representatives of different layers of government (as discussed in more detail earlier) or cross-sectoral stakeholder involvement (see Cross-Sectoral Integration chapter). Furthermore, while the general discussion of the multi-stakeholder approach presented here also applies to the inclusion of citizens and civil society, the third and final component of this building block specifically focuses on the involvement of the local communities.

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committee, a public private partnership, a non-governmental organisation, interest groups, representatives of civil society, private stakeholders, academia, a newly created body, or other.

[27]   The majority of these strategies involved one additional governance actor (35%), followed by the inclusion of three additional actors (17%), and two additional actors (15%). For a somewhat smaller group of strategies, it was indicated that four to six additional actors took part in the governance arrangements (7%). For one quarter of the strategies it was specified that no additional actors had been included (25%).

How to ensure all relevant stakeholders are identified and involved in the strategy process?

A compulsory element of the proposed regulation for post-2020 is the multi-stakeholder approach, referring to the requirement that interventions involve all relevant actors, including business and neighbourhood entities, throughout the whole policy cycle in the planning and decision-making process, and implementation of integrated territorial strategies.

No individual stakeholder or policy sector can achieve complex objectives on its own. The challenge is to bring the necessary stakeholders together in a policy cycle. Depending on local and regional conditions and the policy field being addressed, **different stakeholders are involved at different stages of the policy cycle**. **Different modes of governance** can also be relevant to bringing the relevant stakeholders on board.

The method of selecting stakeholders and keeping them motivated is crucial to developing successful governance arrangements and outcomes. To begin with, there is a **trade-off to be made between including all potential stakeholders and establishing an efficient governance process**. In general, the involvement of many additional actors may increase funding opportunities and strengthen ownership, but at the same time, it may also be **time-consuming** and thus hinder progress. Furthermore, the involvement of a wide range of stakeholders can make the policy process fragile due to its complexity (Spatial foresight, 2015). Thus, efforts should be made to involve all the important affected stakeholders, while not reaching out in an unnecessarily broad way.

Additional resource

THE EUROPEAN CODE OF CONDUCT ON PARTNERSHIP IN THE FRAMEWORK OF THE ESIF

In the 2014-2020 programming period, the partnership principle has been strengthened: regional, local, and urban public authorities, trade unions, employers, NGOs, and other civil society bodies which promote issues such as social inclusion, gender equality, and non-discrimination are involved in all stages of the planning, implementation and monitoring of projects financed by the European Structural and Investment Funds (ESIF).

In order to make this process as fair and transparent as possible, the Common Provisions Regulation for the ESIF created a European Code of Conduct on Partnership. The Code of Conduct takes the form of a legally binding Commission Regulation.

In particular, Member States are required to:

- be transparent in selecting partners
- provide sufficient information to partners and give them sufficient time to make their voice heard in the consultation process
- ensure that partners are involved at all stages of the process, from planning to evaluation
- support capacity-building of partners
- create platforms for mutual learning and exchange of best practices[29].

Specifically, the code identifies the main relevant actors to consider for both Partnership Agreements and programmes. It further lays out the main principles and good practices concerned with the involvement of relevant partners in the preparation, monitoring and evaluation of programmes supported by the ESIF.

For more information

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0240

The 'optimal' combination of stakeholders depends on several case-specific factors, such as existing governance structures, past governance experience, the policy issues at stake and the main rationale behind the process. Relatively skilled and experienced actors that work in a pre-existing cooperative culture often deliver good results, but **existing cooperation structures can also become barriers** to new forms of (more effective and efficient) cooperation.

Alongside the (mandatory) involvement of stakeholders at different levels of government, SUD also strongly implies more horizontal stakeholder involvement, including additional public and private stakeholders. In general, **three sectors are distinguished from each other**: the third sector (comprising NGOs, non-profit organisations including charities, voluntary and community groups, etc.), the knowledge sector (comprised of universities and research institutes), and the private sector (comprised of for-profit businesses run by private individuals or groups, and not controlled by the state).

Obviously, what constitutes a good mix of stakeholders varies from strategy to strategy. In that respect, **the number and type of stakeholders**

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[28]   The Commission glossary provides a description of the European code of conduct for regional policy: https://ec.europa.eu/regional_policy/en/policy/what/glossary/e/european-code-of-conduct

involved depends on the policy issues being addressed. Stakeholders with decision-making powers and/or large social and political influence which is needed to solve the policy issue should always be included. Along with public stakeholders, NGOs or private actors can also be included. What's more, special care has to be taken to involve the stakeholders that are most affected by the issue, especially if they **face difficulties in representing themselves** (minorities, economically disadvantaged groups etc.) In general, third-sector stakeholders can play an important part in representing the social perspective and in supporting citizen inclusion and engagement. **The involvement of the knowledge sector can support the development of evidence-based policy** and provide support with developing indicators for monitoring and evaluating the strategy. Finally, **the private sector can add the business perspective and be involved in transforming pilot ideas into marketable products**.

The SUD strategies for 2014-2020 show various practical examples of public and private stakeholder involvement. For example, in Maribor (SI), intensive collaboration by means of a strategic council with the university and NGOs added significant value to the strategy. In the SUD strategy for Brussels (BE), it has been observed that the strategy greatly benefitted from the development of inclusive partnerships, with actors from both the social economy and voluntary sectors. Furthermore, for the SUD strategy in Vejle (DK), the inclusion of private-sector partners helped build a common basis for private and public partnerships, strengthening cooperation in sustainable urban development. In this respect, a project on the utilisation of construction waste is expected to have raised awareness among Small and Medium sized Businesses (SMB's) on the commercial potential of sustainable utilisation of waste. Finally, Stockholm (SE) introduced a mobilisation group for the ESIF 2014-2020 programming period. Regarding its SUD strategy, this mobilisation group – which includes the city municipality and the association of municipalities - invited a broad range of public and private stakeholders for a pre-mobilisation meeting. In this meeting the initial project ideas and key challenges were discussed. Following this input, the MA wrote the call for applications.

Additional resource

OECD PRINCIPLES ON URBAN POLICY (2019)

The OECD Principles on Urban Policy (2019) consolidated the lessons from the past decades of work on cities. In total, eleven principles have been identified based on input from a diverse range of stakeholders, including international organisations, development banks, networks of cities and local governments,

research institutes and academia, and the private sector. The principles aim is to guide policymakers in building smart, sustainable and inclusive cities. Within this context, principle number 9 is singled out:

Principle 9. Promote stakeholder engagement in the design and implementation of urban policy, by:

- involving all segments of society, notably the most vulnerable residents and users, such as women, elderly, youth and children, the disabled, migrants and minorities;

- harnessing innovative mechanisms for engaging with the private sector, notably property developers, urban planners, institutional investors, the financial sector, as well as regulators, academia, non-profit organisations and civil society;

- promoting outcome-oriented engagement by clarifying the decision-making line and how stakeholder inputs will be used, allocating proper resources, sharing information, making it accessible to non-experts and striking a balance between over-represented groups and unheard voices.

For more information

OECD official website: https://www.oecd.org/cfe/urban-principles.htm

Different types of **stakeholders have different motivations for becoming involved** in a governance process. Knowing these motivations is important for getting and keeping the relevant stakeholders on board. **Several main drivers can be discerned**: influence, funding possibilities, cost savings, addressing a local challenge, durability, responses to their own challenges, new networking opportunities, gaining access to news sources of information, and publicity. Despite the categorisation, motivations can also be interlinked and interpreted differently. Influence, for example, may entail influencing policy outcomes, or gaining influence with the government administration, including for personal career development. However, **knowing the different motivations, and anticipating them, can be crucial for the involvement of relevant stakeholders**. It should be noted however, that different motivations could create conflicts and unwanted complementary effects (Spatial Foresight, 2015).

Additional resource

THE URBACT STAKEHOLDER ANALYSIS METHOD (2013)

The URBACT II Local Support Group Toolkit (2013) presents a method for Stakeholder analysis. With the help of a stakeholder analysis table, the interests and motivations of stakeholders can be identified. This table further offers possible actions to address these various interests. The method distinguishes between primary and secondary stakeholders. Primary stakeholders are those directly affected by the policy, and secondary stakeholders are those with an intermediate role, such as policymakers and delivery agents. By completing the table, users can reflect on what should be done to meet or counteract stakeholder interests, and to think about which actions will maximise the engagement of those who are likely to support the plan, and minimise the resistance of those who may block it.

For more information

https://urbact.eu/sites/default/files/urbact_toolkit_online_4_0.pdf

Finally, **identifying stakeholders can be a politically charged responsibility**, whereby internal or external pressures influence the range of stakeholders. Sometimes stakeholders with 'vested interests' are not consulted, as well as those with clear opposing views. However, the inclusion of 'opponents and those with clear interests' can also be a way to reach consensus (Spatial Foresight, 2015).

How to apply the partnership principle effectively throughout the strategy process, and ensure continuous stakeholder engagement?

Analysis of SUD strategies for 2014-2020 suggests that so far **the widest range of stakeholders is involved in the preparatory and/or design phase of the strategy**. This agrees with the general observation that the flexible nature of stakeholder engagement has resulted in **a preference for setting up ad hoc mechanisms such as hearings, panels and workshops, rather than a more systematic inclusive approach**. Often, stakeholder engagement is reactive rather than proactive, **responding to a need or obligation**, such as a regulatory framework. However, this is a potential waste of opportunity, especially because stakeholder input is often mobilised by the establishment of

specific support structures that theoretically could stay in place throughout the whole policy process.

To make the most of the partnership principle, **stakeholders should be involved in the entire strategy lifecycle**. This is expected to increase the quality of the strategy, and to strengthen and broaden policy ownership. It should be noted, however, that **optimal stakeholder composition is likely to change over time**. For this reason, it is important to adjust the configuration of stakeholder groups during the process in order to find the most appropriate arrangements for different steps in policy development (OECD, 2015b).

Learning from practice

SUD IN THE URBAN AGGLOMERATION OF ZAGREB (HR) TILL 2020

The SUD strategy in the Urban Agglomeration of Zagreb (UAZ) covers what is considered the most developed area of Croatia. The UAZ consists of the City of Zagreb and 29 other local authorities (10 cities and 19 municipalities). The development strategy defines 3 main objectives and 12 priorities, focusing on improving quality of life, public and social infrastructures, developing a sustainable economy, and environmental management. All 29 representative bodies of local governments had to adopt the strategy before it was adopted by the Zagreb Assembly.

The City of Zagreb is responsible for strategy development, but all local governments have been involved in the design process. Besides taking part in sectoral consultation regarding the use of ITI as the implementation mechanism, representatives from local governments participated in a series of working meetings and workshops.

At the instigation of the City of Zagreb, a Partnership Council (PC) was established, tasked with preparing, developing and monitoring the strategy's implementation. The PC is comprised of all UAZ's local governments, counties and regional coordinators, and it includes other public bodies, universities, educational providers, training and research centres, economic and social partners, business, and civil society organisations. Cities, municipalities, counties and regional coordinators proposed their own representatives, whereas the PC selected the representatives for the higher education institutions, educational providers and services, economic and social partners, and civil society organisations. In total, the PC includes 57 members.

The priorities and objectives for the strategy were defined based on extensive data collection. Data from the Central Bureau of Statistics and FINA data were used, as well as documentation and reports from the Ministry of Regional Development and EU funds, and other public bodies and relevant institutions. Direct contact has also been established with various stakeholders and consultations have been held.

The proposal indicating the contribution of the strategy – including projects, and planned financial amounts - was drafted based on input from all the individual members of the PC, and also took into account input derived from several thematic workshops. Subsequently, the final draft of the strategy was shared with all members electronically for them to provide their feedback.

As of the time of writing (May 2019), the strategy was still in its infancy, however the establishment of the PC makes it possible to include the view of all relevant stakeholders during the preparation, development and monitoring of the strategy's implementation.

For more information

STRAT-Board strategy fact-sheet: https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=HR-001&fullscreen=yes

After mapping which stakeholder is responsible for what and at which level, it is important to **keep the stakeholders informed throughout the process**, although it might not be necessary to involve them all at every stage. In that respect, it is useful to **determine ahead of time when particular stakeholders should participate**, and to discuss these expectations with stakeholders beforehand. This way, any 'false expectations' can be clarified and possible obstacles to participation removed. Furthermore, **ex ante consultation can be used to determine different actors' level of interest at different stages of the development process**.

A structural approach to systematic stakeholder engagement throughout the strategy process requires decision makers to carefully **anticipate bottlenecks and mitigate risks** (see also Cross-Sectoral Integration chapter). Common obstacles include institutional barriers such as a **fragmentation of administrative actors or poor legal frameworks**. When responsibilities are scattered across sub-areas administered by different actors, consultation and accountability will most likely be weak. Also, the **absence of a sound legal framework that includes standards for inclusive decision making**, and capacity to assess

compliance to these standards, hampers effective and enduring stakeholder engagement. Another category of obstacles concerns bottlenecks that impede effective implementation of the stakeholder engagement process. Here, the process itself is not questioned, but **poor logistics, process issues or conflicting goals** hinder it. In this respect, engagement efforts should be allocated staffing and budget, similar to other components of the policy development process.

Various mechanisms and tools are available to support enduring stakeholder engagement. These mechanisms or tools can be classified into two types: 1) **formal mechanisms**, referring to tools with an institutional or legal basis, such as an official agreement, a contract, or charter with clear operating rules and priorities, and 2) **informal mechanisms**, referring to agreements and collaboration efforts implemented at the discretion of the convener of the engagement process. An advantage of the formal structure is that a clear set of rules, platforms and vehicles are likely to lay the groundwork for effective stakeholder engagement throughout the process. A disadvantage could be that it might facilitate institutional lobbying. One advantage of informal mechanisms is flexibility, as there is an open atmosphere that fosters discussion and a sense of community. Also, meetings and workshops are adaptable in timeframe and scale, while they can be applied to a whole range of issues. Actors can express their wishes, needs and concerns. However, without a minimal support structure, it will be difficult to incorporate their views into final decisions. In this respect, follow-up is needed to transform these views into actual contributions, beyond information-sharing. What kind of stakeholder mechanism is best depends on the context, the stakeholders concerned, the policy goals targeted, and local needs.

Finally, **to improve future stakeholder engagement, the effectiveness, costs and benefits of the approach should be evaluated**. This can also increase accountability for decision-makers, measuring how far public and institutional resources, including stakeholder's time and efforts, have been used effectively. In the short term, dialogue and cooperation can lead to higher-quality decision-making and increased willingness from stakeholders to solve common problems. Long-term benefits may include more confidence in government decisions or capacity-building.

Special attention should be paid to **supporting the involvement of stakeholders that cannot easily participate by themselves**, for a variety of reasons (finances, language, different cultural background, etc.), but are important from the perspective of the programme.

Finally, it should be noted that **stakeholder engagement also requires continuous effort from the actor that initiates it**. Stakeholder engagement takes a lot of time, and thus requires open-mindedness and a willing to listen and learn.

Additional resource

URBACT: MAINTAINING INVOLVEMENT OF LOCAL STAKEHOLDERS AND ORGANISING DECISION MAKING FOR IMPLEMENTATION

URBACT provides guidance on seven different implementation challenges, in order to support cities in exploring the common difficulties in implementing integrated action plans. Each of the seven challenges is addressed by a separate piece of guidance, but all of them are interlinked. The guidance on the second implementation challenge concerns maintaining stakeholder involvement and organising decision-making for implementation. First, the guidance discusses the specific nature of this challenge, addressing key issues such as:

- understanding the different relationships between stakeholders and the different roles they play in the implementations process

- taking account of the role of political stakeholders and challenges related to operating in a political arena

- understanding that working directly with communities and citizens requires a lot of effort, since expectations and ways of working can be very different

- recognising that the implementation phase is different to the planning phase and that partnerships need to change accordingly

- recognising that the need for setting up governance structures for delivering action plans requires changes from the governance arrangements in place during the planning phase

Subsequently, the guidance provides suggestions for tackling the challenges in practice. For example, it provides a checklist of information to look for and consider (e.g. Do you know who all your stakeholders are? Have you carried an out active analysis on them? etc.). It also suggests several different tools and support programmes, such as the URBACT Stakeholder Ecosystem mapping tool and the Participants Learning Kit, as well as the iPESLE method that helps to assess what kind of local context the strategy operates in. This is useful for getting a better understanding of what might be important to local partners and what challenges they may face.

For more information

https://urbact.eu/participatory-implementation

RECOMMENDATIONS

- Start the process of stakeholder involvement by mapping all potential stakeholders.
  - ▸ A careful mapping of stakeholders helps to determine the most influential stakeholders.
  - ▸ Stakeholders can be mapped in terms of their roles, responsibilities, influence, motivations, level of connectivity and scale.
  - ▸ Consider all stakeholders that have a stake in the outcome or that are likely to be affected, including public and private stakeholders.
- Discuss expectations, responsibilities and process involvement ahead of time with the various stakeholders.
  - ▸ Understanding the core motivations (and mandate) of each stakeholder is crucial in assessing the level of stakeholder influence and degree of engagement.
  - ▸ Anticipate that partnerships need to change while moving from one phase of the strategy to another (e.g. from the preparatory and planning phase to the implementation phase).
  - ▸ Review whether the governance structure is also suitable for the implementation phase.
  - ▸ Define in advance the ultimate line of decision-making, the objective for stakeholder engagement, and the expected use of inputs. This can also help clarify issues relating to communication, trust, consensus-building and solidarity.
- Allocate proper financial and human resources to stakeholder engagement.
  - ▸ Avoid fragmentation and provide a single point of contact for all stakeholders.
  - ▸ Use clear and understandable language and avoid jargon.
  - ▸ Maintain open-mindedness throughout the process in order to learn and grow.

THE BOTTOM-UP AND PARTICIPATORY APPROACH

In this section we address:
How can CLLD contribute to bottom-up and participatory approaches, and what can we learn from it?
What are alternative ways to stimulate and strengthen citizen engagement?

Cohesion policy covers the development of every city and region in the EU. Its objectives require governance mechanisms that focus on sub-national levels and emphasise 'bottom-up' processes and citizen engagement. The 2014-2020 cohesion policy programming period introduced a new territorial tool to address local development, called community-led local development (CLLD).

CLLD aims to encourage an integrated bottom-up approach to territorial development through strong representation of local actors, as well as significant financial support for strategy implementation and the related participatory process (Servillo & de Bruijn, 2018). CLLD is expected to promote community ownership by increased participation. Moreover, **the approach supports multi-level governance by providing local communities with a way to fully take part in shaping the implementation of EU objectives** (Czischke & Pascariu, 2015).

The CLLD initiative is based on the success of the LEADER programme[29], and borrows some of its key principles. However, two important financial innovations characterise CLLD in comparison to LEADER. First, it offers a wider use of funds, including ERDF and ESF (whereas LEADER was limited to EAFRD and EMFF). Second, it offers the possibility of integrating funds in support of a local development strategy (see Funding and Finance chapter). Furthermore, while LEADER was applied only to the rural context, CLLD can also be used for urban areas. In particular**, it is an area-based local development strategy for sub-regional areas that have a population of between 10,000 and 150,000 inhabitants** (derogations are permitted when justified). Following this, it is specifically suited to small and medium-sized towns, or to neighbourhoods in large cities.

Another main characteristic of CLLD is that **the bottom-up approach should include the establishment of a Local Action Group (LAG)** to take charge of the entire local development strategy process. Essentially, an LAG is a public-private partnership with decision-making powers. **None of the actors included in the LAG can have a majority**. In practice this means that the local municipality gives up its decision-making right, although it has a say as one of the participants (but it has to accept if the majority of opinions are different to its own) (Servillo & de Bruijn, 2018).

Be careful!

An associated concern is that unaccountable local groups will overshadow the democratically elected officials and the public sector. However, recent examples of CLLD indicated that elected members considered the approach to have enriched the democratic process rather than hindered it (Czischke & Pascariu, 2015).

Besides establishing a LAG, CLLD should be carried out through an integrated and multi-sectoral local development strategy that identifies a target area and related population, and includes an analysis that lays out the approach' strengths, weaknesses, opportunities, and threats (SWOT analysis).

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[29]　The term 'LEADER' originally came from the French acronym for 'Liaison Entre Actions de Développement de l'Économie Rurale', meaning 'Links between the rural economy and development actions'. More information available at: https://enrd.ec.europa.eu/leader-clld_en

Furthermore, the territorial strategy itself should be analysed (vision, action plan, management and monitoring plan, and financial structure).

Similar to SUD, CLLD is one of the territorial delivery mechanisms for integrated approaches to local development, and they were expected to complement each other. However, an assessment of SUD strategies implemented during 2014-2020 shows **that the integration of CLLD strategies has been very limited** (Van der Zwet et al., 2017). Nonetheless, some selected cases illustrate its potential added value.

How can CLLD contribute to bottom-up and participatory approaches, and what can we learn from it?

The strong participative element of CLLD is especially useful when a strategy's aim is **to foster social cohesion, enhance citizen participation, and/or to promote capacity-building**. In this respect, it is **a powerful tool for work in deprived neighbourhoods**. CLLD can be seen as an approach that starts from the demand side of local development, taking the needs of local people as a starting point. One especially novel element is that strategies are designed and projects are selected by local entities. In this way, people become active partners in the policy, rather than passive 'beneficiaries'. It is stated that involving people in the co-production, brings several important benefits:

- people who were seen as the problem are empowered to become part of the solution;
- their direct experience in combination with the views of other stakeholders can help to adapt policies far better to real needs and opportunities;
- their involvement in the process increases their capacity to act and take constructive initiatives;
- this in turn fosters a sense of local identity and pride, as well as a feeling of ownership of and responsibility for activities, which increases capacity to act and take constructive initiatives;
- taking part as equal around the table with other partners builds bridges and trust between people, private enterprises, public institutions and sectoral interest groups.

In short, CLLD responds to an urgent need to find ways of **building trust with and engagement of local people**[30]. Its bottom-up form of

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[30]   Guidance on Community-Led Development for Local Actors. See: https://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_clld_local_actors.pdf

governance triggers a new way of approaching the territory, creating the conditions necessary to pursue social innovation, and identify unexpressed needs (Servillo, 2017).

Overall, CLLD implementation for the 2014-2020 programming period shows that general uptake was much broader than within SUD (supporting almost 800 LAGs, of which almost one-third has an explicit urban development focus). However, the geographical spread showed important differences, whereby the EU13 Member States made much more use of it than the EU15 (the older EU Member States), which generally have more experience with LEADER.

In some Member States, it is expected that CLLD will be taken up in relation to SUD strategies, but there is no dedicated budget (as in the case of Lithuania). In other Member States (SK, HU, LV), CLLD is not part of the SUD strategy, but will be implemented in its territory. And in still other cases (GR, IT, PT, HU, RO, SI), the use of CLLD is planned, but it is not clear how far it will be related to SUD (Van der Zwet et al., 2017). One of the best examples of urban CLLDs is that of Scheveningen (NL), which has been established within the ITI mechanism of The Hague (NL).

Learning from practice

SUD STRATEGY IN THE HAGUE AND CLLD STRATEGY IN SCHEVENINGEN (NL)

The Hague is one the four largest cities in the Netherlands. Its SUD strategy is implemented by means of an ITI mechanism, and targets a broad range of objectives in relation to innovation, the low-carbon economy, and improving the business climate and job opportunities. The strategy is embedded in the city's official implementation programme, which is called Haags Uitvoeringsprogramme (HUP). The strategy targets six neighbourhoods which are considered to be of strategic importance, either because they provide opportunities for economic growth, or for urban regeneration. In this respect, the Scheveningen area, and specifically its harbour and coastal parts, is identified as a key strategic location for growth and employment opportunities. Therefore, this area is supported by CLLD.

More specifically, Scheveningen is an area of the city of The Hague that borders the beach and it is a recognised touristic destination. At the same time, it also experiences some issues of social and economic marginalisation. The area is further known for its strong local identity and active community, at times also expressing an anti-establishment attitude. In particular, the CLLD has been used to face the latent social

tension between the local population and the local authority. The local community had expressed the feelings that it was not involved enough in decision-making processes. CLLD and the establishment of an LAG led by the SIOS Foundation enabled a bottom-up approach. The LAG also includes three SMEs, a representative from the cultural sectors, a representative from the sports sector and three groups of local residents. The LA and the MA are not involved in the decision-making process or in the monitoring of the strategy, but act as an facilitator. The city hired an independent chair for the group.

The most innovative aspect of the approach was that inhabitants could initiate projects themselves, with SIOS Foundation support, aimed at improving their own residential area. In order to overcome possible conflicts between different stakeholders within the partnership, a professional mediator was in charge of bringing all the groups together. Furthermore, The LAG introduced an innovative approach to project selection, involving citizens online or through local newspapers.

Given that the use of CLLD is new, there are some challenges. First of all, funding is relatively low, and therefore scale is limited. Besides, much of the work is dependent on local volunteers, for whom the implementation process can be complex. Also, the public voting system for project selection experienced some difficulties either in terms of costs or achieving results.

Overall, one clear added value of the CLLD is the active involvement of local citizens that has potentially increased the sense of democracy. It also provided citizens with some practical insights into the different view within the community, most likely increasing acceptance of project decisions. Finally, the project has brought people together who do not usually come into contact with each other. This might also foster new forms of collaboration. Finally, the CLLD in Scheveningen shows that its smaller-scale projects (compared to those under regular ERDF funding) speed up the delivery of the initiatives.

For more information

Czischke D., and Pascariu, S., The participatory approach to sustainable urban development in the cohesion policy period 2014-2020: making CLLD in urban areas work, URBACT, 2015. Available at:
https://urbact.eu/sites/default/files/clld_thematic_report.pdf
STRAT-Board strategy fact-sheet:
https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=NL-001&fullscreen=yes

Although the exact implementation of CLLD in relation to SUD 2014-2020 still needs to be assessed, it is hypothesised that its limited use follows from the **high level of perceived administrative risk.** This is to say, CLLD implies delegating power and many of the project promoters are relatively 'small players' with relatively large numbers of projects per million of expenditure. Furthermore, CLLD aims to limit the decision-making power of the municipality and this is just the opposite of the trend started with ITI, namely an increase in the role of local municipalities.

Another more general reason might be that successful implementation of **LEADER has paradoxically impeded financial and thematic innovation**. Moreover, the **relatively limited financial support for the EU15,** in combination with an inherently stronger thematic concentration on TOs 1 (research and innovation), 2 (access to information and communication technologies), 3 (competitiveness of small and medium enterprises), and 4 (the low-carbon economy), while CLLD arguably related best to TO 9 (social inclusion), may also have decreased uptake. It can further be assumed that the **additional administrative burden** that follows from combining multiple funds (see also Funding and Finance chapter), is an obstacle to implementation, although the CLLD setup has reduced complexity substantially (Servillo, 2017).

Also, **institutional and political cultures may affect how far CLLD is considered**: some countries have a tradition of self-governance and horizontal decision-making (e.g. Finland, Sweden and the Netherlands) and others less so. Arguably, the former are more inclined to use CLLD (Czischke & Pascariu, 2015).

One possible way to improve the take-up of CLLD is **to focus on marketing and on providing guidance to potential applicants**. For example, in the Czech Republic the MA supports project applications and CLLD LAGs by providing instruction videos on YouTube, showing how to operate the electronic monitoring system for managing calls and project applications (Ferry et al., 2018).

Furthermore, to promote CLLD it is important that **the achievements of the LAGs are made visible**, whereby there is continuous evaluation of the implementation of local development strategies, ensuring results and assessing performance and long-term impacts. Data on **successful examples of CLLD in urban areas can be collected while information and motivation campaigns can promote wider uptake**. Training can also support local actors and public administration in better understanding how CLLD in urban areas can be used (Haken, 2017).

What are alternative ways to stimulate and strengthen citizen engagement?

While the best way to fully exploit the potential of CLLD requires assessment, its use may not be necessary in all cases, whereas **some domestic arrangements already foster local community engagement**. There are some examples of SUD strategies that make use of approaches similar to CLLD with regards to citizen engagement in urban contexts. For example, in Finland, the OP supports civic-led development in the urban areas across the Six City Strategy. Also in Brussels (BE), the OP explicitly supports the development of a participatory framework in order to support a more inclusive approach to project development. Furthermore, in Berlin (DE), CLLD was considered in order to ensure the engagement of local actors in integrated location-specific strategies, but it was noted that community led development is already embedded in the domestic approach (*ZIS II*). See also the example of the SUD strategy in Reggio Emilia (IT) below (Van der Zwet et al., 2017).

SUD STRATEGY IN REGGIO EMILIA (IT)

Reggio Emilia is one of the eight provincial capitals of the Italian Emilia Romagna region. The SUD strategy (2014-2020) was implemented using a multi-theme priority axis and the wider strategy focuses on education, a community welfare model for the provision of social services, and entrepreneurship based on start-ups and the smart city approach.

The strategy's interventions specifically target the refurbishment, functional re-qualification and promotion of the St. Peter Cloisters, located in the historic city centre. The aim is to use the building as an event space and a hub for social innovation. In this respect, a so-called 'Open Lab' will be established on the premises. It is expected that this lab will also benefit the wider municipality and the surrounding territory. In particular, the St. Peter Cloisters will be an 'incubator' for social innovation, promoting bottom-up projects developed through a co-design process with citizens at neighbourhood scale in the frame of the public policy 'Quartiere Bene Comune'.

The development of the strategy document entailed a range of participatory governance and stakeholder engagement activities. The municipality (that acts as the IB) managed the consultation process, with support from academics and consultants. The process consisted of four stages: listening, project co-development,

Learning from practice

experimentation and prototyping, and development and guidelines. Together, the four stages led to the identification of the strategy's main themes.

Also, the interventions have been characterised by strong stakeholder involvement and civic engagement, conducted under a project named Collaboratorio-RE (merging the Italian words 'collaborazione' (collaboration) and 'laboratorio' (workshop). In this respect, a structured process of consultations with local stakeholders and civil society was used to determine the scope of the Open Lab activities. Firstly, this included a top down analysis of needs through a study conducted by the University of Modena-Reggio Emilia. Second, bottom-up stakeholder input was obtained by means of a (large) number of meetings, special gatherings, and brainstorming exercises. This responded to the objective to co-build the initiative together with citizens.

A managing body will be selected to run the Open Lab, with responsibility for managing the Lab and the associated cafeteria. This body will also co-manage the redeveloped space together with the municipality. It is expected that this redeveloped space will host activities for a much wider territorial and thematic scope than the Open Lab. However, at time of writing, it was considered a challenge to find local people equipped with the necessary skills.

Arguably, the development of the strategy would have benefitted from a simplification of administrative procedures linked to the ROP, and from more structural preparatory work to engage local operators. However, the consultation process for both the strategy and the interventions has evaluated as very successful. It is further assumed that these processes of co-creation have strengthened policy ownership, responsiveness, and political accountability.

For more information

STRAT-Board strategy fact-sheet:
https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=IT-076&fullscreen=yes

It is important to note that in most SUD strategies, **citizen engagement is restricted to the early stages of strategy development**. Many partnerships involve all relevant agencies in horizontal and vertical chains, but only few directly involve citizens, and when they do, the **dialogue is often one-sided**. Probably, this is down to limited resources and the fact that the management of these stakeholder groups is one of the easier

areas to spend less time on. Also, civil servants can be deeply resistant to opening up to citizens, fearing that it will be a burdensome process, or not wanting to delegate power below their own level, which is also known as the **subsidiarity barrier** (URBACT, 2019).

Thus, a key challenge is to keep citizens and communities involved throughout the process, to gain their input and **to increase the legitimacy of the operational decisions that will arguably impact the quality of their lives most directly**. Citizen participation or engagement should **go beyond 'ad hoc involvement'** such as public hearings or public comment periods, and should be a dynamic process with end users – citizens – centre stage. In this respect, Sherry Arnstein (1969) describes a **ladder of citizen participation** that shows participation from high to low.
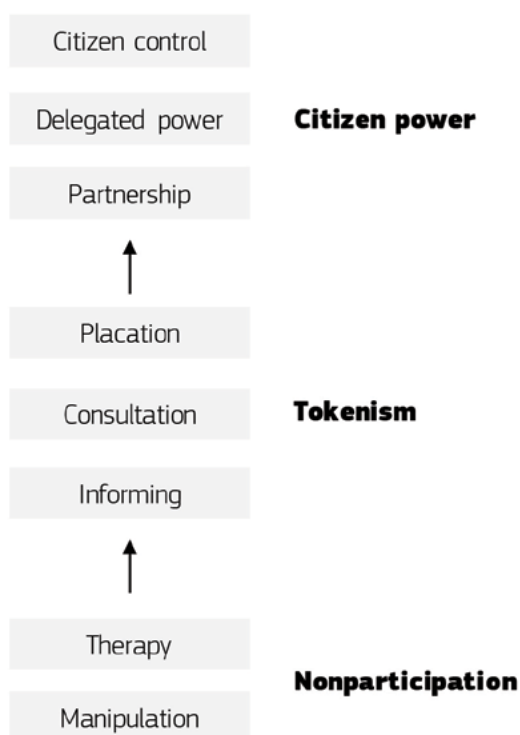

FIG. 1. Sherry Arnstein's ladder of participation
Source: own elaboration based on URBACT, 2019.

In general, the lower two rungs are not considered participation at all, whereas the middle three are described as tokenism; citizens are allowed to hear and to have a voice, but they lack power to ensure their views will be taken on board. Only the upper three rungs - 'partnership, delegation, and citizen control' - are considered truly meaningful in term of citizen participation, enabling citizens to take part in negations and engage in trade-offs with traditional power holders. Moreover, when it comes to the top two rungs, citizens obtain the majority of decision-making seats of full managerial power. While the ladder is obviously a simplification, its main purpose is to show that important gradations of citizen participation exist, and that real participation is ultimately about citizen control.

Despite the challenges associated with empowering citizens to address local problems, URBACT is also seeing **a growing interest at city and neighbourhood level in pursuing deeper approaches to citizen participation**. Recently, there have been more and more examples of participatory budgeting (see Funding and Finance chapter) and digital platforms. For example, in Paris (FR), citizens can submit proposals for local projects and vote on how public investments will be spend. Paris uses this model as a platform to build citizen engagement and transform the working relationship with the municipality. A similar approach exists in Cascais (PT) and both cities are labelled as URBACT best practices. Furthermore, in Madrid (ES) a new platform has been introduced to involve citizens in proposing new initiatives through their Decide Madrid Portal, stemming from the city's commitment to widening citizen participation. Also Athens (GR) has established a digital civic platform, providing both digital and physical space for civil society and public sector collaboration. Since its launch in 2013, it has enabled almost 400 groups to design and provide over 3000 services for vulnerable groups (URBACT, 2019).

Finally, although there are mechanisms from the national to the local level that foster local community engagement, this is not at all the case in all EU countries, and it can even differ within countries. Therefore, along with the alternative approaches, CLLD has to be considered an important tool, based on a set of well-elaborated regulations, to safeguard citizen involvement. For all these reasons CLLD should be further promoted in the post-2020 period, and better links developed to other tools such as ITI.

RECOMMENDATIONS

- Go beyond 'tokenism' in citizen engagement.
  - ▸ To enable citizens to have a real say in policies that will directly affect their lives, citizen participation should move beyond 'tokenism' and one-sided dialogue.
  - ▸ Public officials should recognise citizen input as meaningful and complementary to the policy process. This suggests a shift in attitude from 'we know best' to 'between us, we know best'.
- Choose a targeted approach to participation.
  - ▸ One key to successful and meaningful participation is looking beyond the usual suspect normally involved in the policy-making process. Some groups are structurally under-represented in decision-making (most notably vulnerable groups such as migrants and women). If policies are likely to affect these groups, special effort should be made to engage them.
- Explore the different ways in which citizen participation can be fostered.

- ▶ Citizens can nowadays be involved in the policy-making process by many different means. It is essential to understand which methods are most suitable for what kind of engagement, taking advantage of the growing range of media to get the message across. In this respect, alternative pioneering platforms should be considered, such as participative budgets, crowdsourcing tools and citizen assemblies.

- Look at lessons learned and share instruments for participation between cities.

  - ▶ Based on a growing repertoire of tools, cities should improve their capacity to capture and share their experiences. By sharing, cities can build their capacity to support higher levels of citizen participation.

- Explore the uptake and advantages of CLLD.

  - ▶ Technical Assistance can be used to build knowledge about CLLD in regions where territorial tools are deployed and to disseminate this knowledge where CLLD has no or limited uptake.

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