ESPON TANGO – Territorial Approaches for New Governance Annex A: Case Studies

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Territorial Approaches for New Governance

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Case Study 1: Territorial Climate Change governance in the Baltic Sea Region (BSR)

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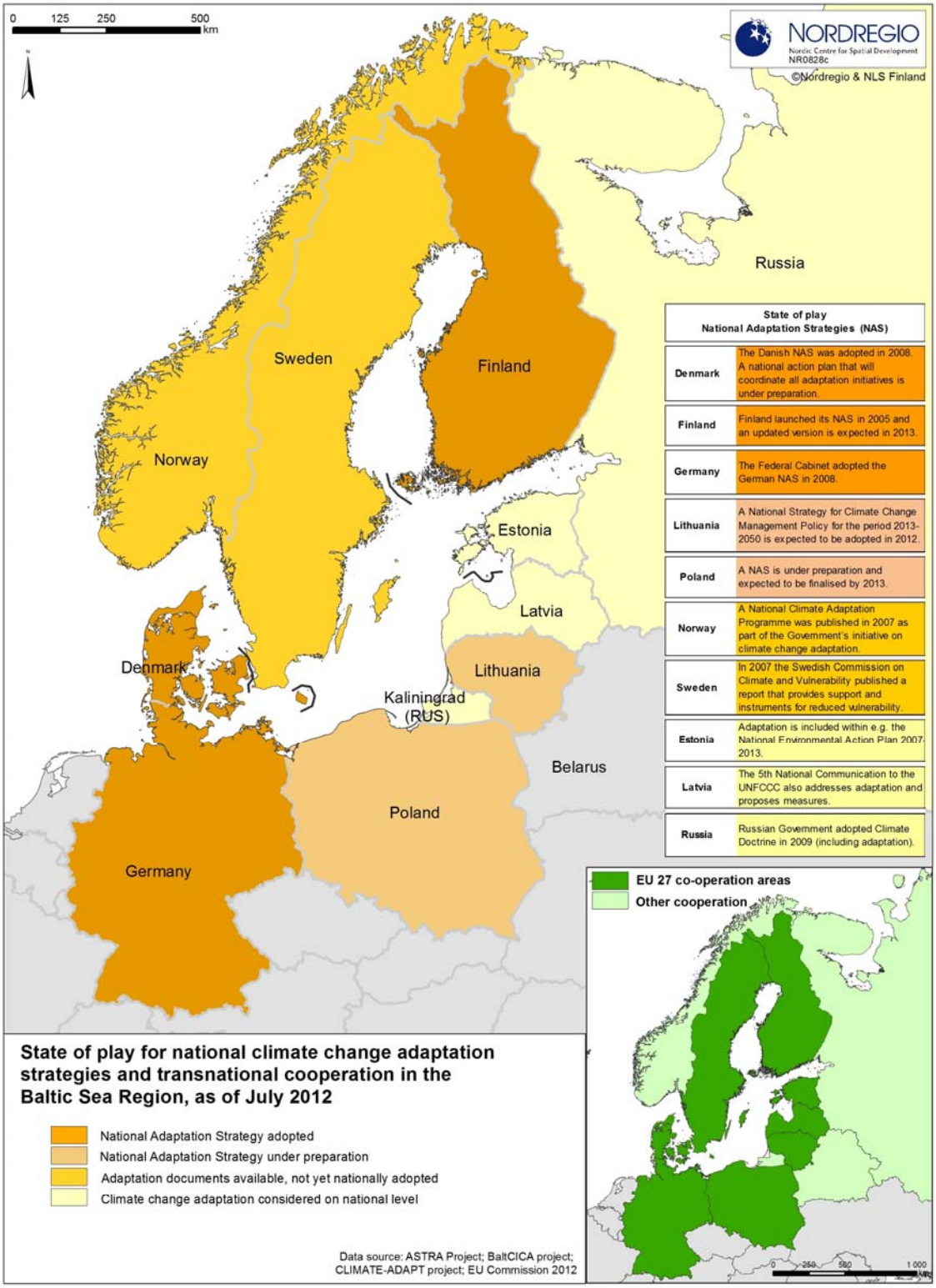
1. Background and context of the case

The impacts of climate change are expected to affect the countries bordering the Baltic Sea in a variety of ways. Although the consequences differ between localities and regions, adaptation to a changing climate is set high on the political agenda of the Baltic Sea Region as a "macro-region" of multi-levels of governance. A number of concrete adaptation activities are currently being undertaken at the local and regional level while there is some variation of efforts at the national level among those countries that have already adopted a National Adaptation Strategy (NAS) and those who do not yet have a NAS in place (see Map 1). Still there are strong calls for developing a Baltic Sea-wide climate change adaptation strategy, especially within the European Strategy for the Baltic Sea region (EUSBSR) (see box 1).

This case study examines the efforts to develop a climate change adaptation strategy at the level of the Baltic Sea "macro-region". This is a territorial governance issue that spans several administrative levels – from the local to the macro-regional and implies the coordination of a range of sectoral interests involving, among others, integrated coastal zone management, spatial planning, civil preparedness, tourism and water management. Many of the principles related to climate change adaptation bring up essential aspects of fairness, effectiveness and environmental sustainability. The process of formulation the strategy is only in the initial stages so the issue is both topical and timely. Nonetheless several local, regional and national governance processes leading up to and even forming the development of the strategy have already been implemented. These form the basis for this initial process-tracing study. Thus this study traces territorial governance from the local and regional level adaptation initiatives but firmly nestled within the broader "macro-regional" strategy (EUSBSR) level.

Box 1: The strategic action within the EUSBSR.
"Establish a regional adaptation strategy at the level of the Baltic Sea Region" which would provide a useful framework for strengthening co-operation and sharing information across the region. The possibility of establishing such a regional adaptation strategy should be considered and the consistency of any such strategy with actions at EU level further to the White paper from the European Commission on adaptation needs to be ensured. This issue could be addressed in the Impacts and Adaptation Steering Group proposed in the White Paper. Ensuring complementarities with EU-wide initiatives, a regional strategy could focus on issues of cross border interest in the region such as: developing a more robust evidence base on the impacts and consequences of climate change, raising awareness of the need for action; ensuring and measuring progress (using indicators as benchmark for measuring progress) and recommending early action to ensure that adaptation is integrated in key policy areas – this means reviewing policies in the light of the risks of climate change and considering options for adaptive action" (COM 2009a:23).

Map 1: State of play regarding national climate change adaptation strategies and transnational cooperation in the Baltic Sea Region



In this case study the territorial "object" is the governance process to develop a climate change adaptation strategy for the Baltic Sea "macro-region". To do this we will analyse how transnational, national, regional and local level policies, programmes and projects are working to both constitute and implement such a strategy. We have made a selection of two territories, the region of Mecklenburg Western Pomerania in Germany and the municipality of Kalundborg in Denmark, on which we will focus the majority of our local level analyses. These territories were chosen since they represent non-metropolitan coastal areas where the effects of climate change are already presenting decision-makers with challenges and opportunities to be dealt with.

2. Dimensions of territorial governance

2.1 Integrating relevant policy sectors

All Baltic Sea Region countries will be affected to some degree by the impacts of climate change. Localities and regions throughout the BSR may face common challenges that come along with climate change (e.g. flood risk) whereas specific impacts occur locally or regionally and differ depending on local circumstances such as surface structure, land use, and protection measures. Seen from the geographical perspective it may not seem obvious to address climate change adaptation on a macro-regional level. Yet this is exactly what is happening. Exchange and cooperation among the countries is considered beneficial to developing local and regional climate adaptation plans and thus a number of activities are already on-going at transnational level in the BSR for instance under the umbrella of European Regional Development Funds and the Baltic Sea Region Programme 2007-2013.

With its focus on four thematic pillars: (1) marine environment, (2) prosperity, (3) transport and energy, (4) safety and security, the European Strategy for the Baltic Sea Region (EUSBSR) implicitly intersects with a range of climate change issues. The policy sectors involved in climate change adaptation measures include land-use planning, policy, environmental policy, sustainable economic growth, tourism, etc. Since the EUSBSR encourages the Member States to use existing instruments, legislation and institutions to address current challenges (COM 2009a), climate change adaptation may well be an issue addressed normatively within the Strategy, but the actual implementation of regulatory adaptation measures should be discussed separately at national, regional and local levels. Thus the macro-regional level appears to be suitable for coordinating such a strategy, including transnational efforts.

As this case study spans so many vertical or multi-levels of governance, the way that actors and institutions work at integrating relevant policy sectors and governmental responsibilities in their work, may be tricky to trace analytically. The climate change issue in general exhibits all the typical characteristics constituting the issue of complexity; climate change itself is multidisciplinary, cutting across the social ecological, economic and political spheres. Addressing climate change adaptation has required a multidimensional approach and has ramifications for all sectors of societies. Local climate change adaptation is a highly complex system requiring an array of actions and policy responses by various institutions. Ostrom (1990) has alleged that, "…it is almost

impossible to imagine a single institutional arrangement sufficiently complex to obtain scientific and local information and respond adaptably to changing ecological systems over time". Climate change adaptation responses are characterized by both scientific uncertainty and institutional complexity. Communicating data and scenarios of future climate patterns is challenging and the inherent uncertainty in scenarios of sea level rise or flood risk, for instance, can make political action on climate change adaptation difficult.

At regional level, there may be a conflict of interest in implementing climate adaptation strategies between various sectors. In the case of coastal protection in the Mecklenburg Western-Pomerania region, the regional context serves as an obstacle to transferring solutions from one area to another. An interest conflict exists between coastal protection and protected nature areas; designated nature areas are frequently off limits for human intrusion, including for research purposes. This poses a significant challenge for knowledge gathering about the effects of climate change. Nature interest groups have a powerful role in Germany and these groups can prevent single elements of coastal protection measures from taking place in certain areas. On the other hand, the specific demands of the tourism sector (e.g. accommodations close to the sea shore, broad sandy and clean beaches, good water quality) as the most important economic sector in the region threatens natural ecosystems, making it more difficult to protect these areas from erosion and puts pressure on regional authorities to act timely rather than to develop a long-term strategy. Cross-cutting solutions are needed that call not only for better cooperation between different authorities and their interests but also make the involvement of actors from the tourism sector essential (Lange 2010).

At the local level, numerous municipalities and regions in the BSR have or are considering specific plans to adapt to climate variability, sea level rise, risk of flooding, saltwater intrusion and other phenomena linked to climate change. But even locally it is not easy to integrate the necessary sectors in order to mobilize action around climate change adaptation. In Kalundborg, there are different interests at stake concerning land use (agriculture, recreation) and environmental protection making stakeholder and citizen involvement essentially important from the very beginning.

In the municipality of Helsinki, for instance, uncertainty still prevails as there are constant changes regarding the potential impacts of climate change. There are strategies for specific issues (such as flooding) but they are not connected with other climate issues (e.g. heat waves). Thus, there is a difficulty in creating a comprehensive governance infrastructure to handle the issues (Lange 2010). Taking the City of Bergen as another example, the municipality engages in over 16 projects on climate change and despite the fact that Bergen is the only city in Norway with its own Head of Climate section, adaptation process have still spent a lot of time with coordination between the different departments and external partners (Lange 2010). In many of the cities around the Baltic Sea, climate change issues face tough competition with more urgent issues such as financial or social issues.

Challenges in coordinating the inter-sectoral work of existing and future institutions on multi-levels in the Baltic Sea Region include ensuring the needed political support from national policy makers. Despite that the Baltic Sea is a resource to be managed collectively by its coastal countries, the specific impacts of climate change will vary not only from country to country, but even from locality to locality, as the risk and

vulnerability profiles differ widely. Thus climate change adaptation will appear higher or lower on the various national policy agendas.

During this process-tracing phase we have only been able to distinguish several of the challenges to inter-sectoral coordination in climate change adaptation. The way that this coordination takes place at local, regional, national and macro-regional level will be a focus of the second phase of the study.

2.2 Multi-level interplay

Climate change adaptation has often been conceptualised as a pertinent multi-level governance issue (Kern and Bulkeley 2009, Urwin and Jordan 2008, PEER 2009). The case looks into climate change adaptation processes of different characters taking place at local, regional, national and transnational level that provide input into the broader discussion of establishing a climate change adaptation strategy for the Baltic Sea Region as proposed by the European Strategy for the Baltic Sea Region (EUSBSR). Thus the case involves multiple actors, institutions as well as strategic documents and looks at the territory of the BSR as a multi-level governance system which has thus far been neglected within research and analytical work (Kern 2011).

In addition to several important international level efforts which have spurred on the efforts of territories to engage in climate change adaptation (such as the United Nations Framework Convention on Climate change and the publication of the Stern Paper in 2006), adaptation to climate change has been promoted on EU level through the EU Green Paper on Adaptation that emphasises the need of sharing experiences from early adaptation action (COM 2007). The EU White Paper “Adapting to Climate Change: Towards a European Framework for Action” is the basis of the EU’s strategic approach “to ensure that timely and effective adaptation measures are taken, ensuring coherency across different sectors and levels of governance” (COM 2009b). The White Paper identifies EU’s vulnerability to the impact of global warming and emphasizes the need of an adaptation strategy at EU level and solidarity among EU Member States. The White Paper aims to improve Europe's resilience to climate change by emphasising the need to integrate climate adaptation into all key European policies and enhance cooperation at all levels of governance. Thus, the EU sees its role in facilitating the coordination and exchange of knowledge in this cross-cutting issue (COM 2009b).

This call for addressing with climate change adaptation at EU level coincides with the efforts increasing territorial cohesion by establishing “macro-regions” within the EU. As the EU´s first macro-region in 2009, the Baltic Sea Region (BSR) region strives for closer cooperation between the Member States. The EU Strategy for the Baltic Sea Region (EUSBSR) provides an Action Plan for the BSR addressing issues concerning the marine environment, prosperity, transport and energy and safety and security. As the strategy makes no provisions for new institutions, funding, instruments or regulations, its role is rather as an integrated framework by which to utilize existing structures, institutions and actions – many of these in the form of projects funded by the Baltic Sea Region Programme 2007-2013. The strategy stresses the need for coordinated joint actions in the BSR on a "macro-regional" level including discussions with external partners, especially Russia. Concerning climate change adaptation, the Action Plan calls for the BSR to “Establish a regional adaptation strategy at the level of the Baltic Sea

Region which would provide a useful framework for strengthening co-operation and sharing information across the region" (COM 2009a, Box 1).

The EU finances transnational and cross-border development projects through the European Regional Development Fund (ERDF) under the EU Territorial Cooperation Objective (previously and sometimes still referred to as the INTERREG programme). As part of this, the Baltic Sea Region Programme 2007-2013 funded three projects that deal explicitly and more or less exclusively with climate change adaptation in the BSR: the BalticClimate project which started in October 2008, the BaltCICA project[1] which began in early 2009 and the Baltadapt project[2] which was approved in June 2010.

Transnational cooperation in BSR INTERREG projects on climate change adaptation has been ongoing for one decade. The BaltCICA project is the third of three consecutive INTERREG projects that deal with climate change adaptation in the BSR: SEAREG (2002-2005), ASTRA (2005-2007) and BaltCICA (2009-2012). All three projects have been led by the Geological Survey of Finland and brought together diverse partners from the BSR countries to cooperate on climate change adaptation. Each project facilitated capacity building, exchange and transnational learning among partners. The projects outcomes trace the development of adaptation work in case studies all over the BSR and deliver important information about climate change adaptation processes in the region. The projects' websites keep this information available and serve as platforms for cooperation and exchange.

BaltCICA ("Climate Change: Impacts, Costs and Adaptation in the Baltic Sea Region") as the most recent bottom-up project dealing with climate change adaptation, aims to support both adaptation processes on local level and pan-Baltic cooperation, i.e. help build capacity in local areas for climate change adaptation through coordination of 24 partners including municipalities, regional authorities and research institutes from eight countries. The Baltadapt project is a direct response to the summons in the EUSBSR to "Establish a regional adaptation strategy at the level of the Baltic Sea Region". The idea of Baltadapt is to work on a national and intergovernmental level and prepare the groundwork for the endorsement of a transnational political strategy on climate change adaptation in the BSR. Thus the project intends to set an institutional framework for what national policy makers need to take into account. The goals of Baltadapt are to create an umbrella structure for coordinating information on climate change adaptation in the BSR as the "Baltic Window" hub for decision-makers, to act as a "knowledge broker" between political decision-makers and research institutions dealing with the question and to embed the project in other existing structures so to be able to secure funding without overlapping of institutions (Baltadapt 2010). Project partners are national authorities, research institutes and NGOs from the BSR countries under the leadership of the Danish Meteorological Institute.

The project proposes the Baltic Sea itself and its coastline as the focal point and promises to be truly macro-regional in character. As a macro-regional climate change adaptation strategy is ultimately for national governments to adopt, the Baltadapt project strives to make significant contributions to the strategic preparation of a political document. The collecting, coordinating and synthesizing knowledge of the future impacts of climate change and the vulnerabilities of the region forms a large part of the project's

[1] More information can be found at http://www.baltcica.org
[2] More information can be found at http://www.baltadapt.eu

proposed activities. Nevertheless the project builds on existing efforts (such as BaltCICA) and will be entrenched in the transnational and nationally-based initiatives already underway towards a climate change adaptation strategy for the BSR.

In addition to the projects in the Baltic Sea Region Programme 2007-2013 there are several other intergovernmental and inter-regional forums in the BSR that have put climate change adaptation on their agendas. These include, the Union of the Baltic Cities, where its Sustainability Action Programme 2010-2015 Agenda for Sustainable Baltic Cities says “All UBC cities should have a climate change mitigation and adaptation action plan adopted during the program period” (UBC 2009) and VASAB (Visions and Strategies around the Baltic Sea) which concentrates in this respect on regulatory aspects such as Integrated Coastal Zone Management (ICZM) as a planning instrument and its regionalised approach. The Union of the Baltic Cities, Environmental Secretariat hosts a “Good Practice Database” that disseminates knowledge and experiences regarding e.g. governance, planning and design, climate change, primarily between cities and municipalities in the BSR and thus promotes transnational learning. The Priority Area Coordinators (PACs) for the macro-regional strategy will also have a growing role to play in assuring the actions of various transnational and cross-border projects, including climate change projects, help to implement the priorities of the EUSBSR.

In the final report of the ASTRA project, Hilpert et al (2007) call for a joint effort on transnational level to develop innovative adaptation approaches. They suggest existing networks, e.g. the Union of the Baltic Cities, VASAB and Helsinki Commission (HELCOM) to create a web-based communication platform for public authorities and planners at national, regional and local level as well as the creation of a transnational working group to discuss the issue in regular meetings. The BaltCICA project facilitated transnational cooperation and learning within project workshops and proved that the Baltic Sea Region is under way towards and well-prepared for a macro-regional climate change adaptation strategy (Lange et al 2012).

Figure 1: Multiple levels in the Baltic Sea Region Climate Change Adaptation Strategy

Governance level	Type of Action	Territorial Output
EU level	Policies, strategies	Framework, coordination, guidance, funding
Macro-regional level	European Strategy for the Baltic Sea Region (EUSBSR) as framework and Action Plan Strategy, Programmes (INTERREG)	Relevant for EU members, Russia? Priority Area Coordinators (PACs), BaltCICA & Baltadapt projects (implementation of measures)
National level	National Adaptation Strategies (NAS) or respective documents	Strategy, policies, framework, guidance, budgetary discretion and priorities, geo-political considerations (i.e. including Russia)
(Sub-)regional level	Strategies and legislation, Regional Adaptation Strategies, Regional authorities, other actors as partners in projects (Impact & implementation level)	Implementation of measures, allocation of funding, "Crossing" with other policies, Transnational cooperation within Territorial Cooperation projects, Exchange and learning
Local level	Strategies and implementation plans Local stakeholder & inhabitants involvement	Implementation, Transnational cooperation within Territorial Cooperation projects, Exchange and learning

The two cases featured in this case study follow a largely bottom-up approach initiated at the local respectively regional level. While the national level only provides the strategic/legal framework for the implementation of adaptation measures for both cases, the transnational cooperation and exchange plays an important role. Through the ERDF Structural Funds (Baltic Sea Region Programme, INTERREG project BaltCICA), the local and regional partners received co-funding and guidance for their activities. Furthermore the project provided a platform to exchange experience and good practice.

In this case study we have made a selection of two territories, the region of Mecklenburg Western Pomerania in Germany and the municipality of Kalundborg in Denmark, on which we will focus the majority of our local/regional level analyses. Within these cases there are several actors and institutions on other levels that set the governmental framework for the local actions:

Mecklenburg Western Pomerania

- National level: NAS and other strategies, funding through projects (Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Federal Environment Agency)
- (Sub-)regional level: Federal state/sub-regional level (Mecklenburg-Western Pomerania) provides development and adaptation strategies and addresses the tourism sector: Ministry for the Economy, Construction and Tourism
- Regional level: Ministries for Agriculture and Environment: coastal protection measures
- NGO: EUCC-D (The Coastal Union Germany) focus on coastal tourism and respective stakeholders, organises workshops and maybe even "owns" the process, close cooperation with association in other federal states (e.g. Schleswig Holstein),

- Nationally funded projects: RADOST project (http://klimzug-radost.de/en) and IKZM-Oder (http://www.ikzm-oder.de/en/startseite.html); Cross-border cooperation with Poland
- Transnational cooperation: ASTRA, BaltCICA, Baltadapt

Kalundborg

- Local actors and stakeholders, across sectors involved (Kalundborg and surroundings)
- Process led by Danish Board of Technology
- National level regulations
- Transnational cooperation: BaltCICA etc. and EUSBSR: call for a macro-regional climate change adaptation strategy

2.3 Mobilising stakeholder participation

During the lifetime of the project, the BaltCICA partners were actively involved in helping to engage not only relevant planning authorities and stakeholders but also citizens in developing adaptation measures and strategies on the basis of climate change scenarios in each of the case areas. Locally organised Scenario Workshops invited stakeholders from all levels and with different backgrounds to participation forums in order to hear their perspectives on climate change impacts, adaptation options and potentials of the area/region concerned. An example of the Scenario Workshop method to engage stakeholders and especially citizens in climate change adaptation plans is seen Kalundborg. Here Scenario Workshops were organized to discuss climate change impacts such as storm surges and increased flooding. The goal was to help coordinate a variety of actions in light of the rather complex administrative structure of the region. The outcomes from the Scenario Workshops were summarised, disseminated and brought into the political discussion and process.

The BaltCICA project developed a governance framework using foresight methods ensures comparability and transferability of processes and outcomes between the case areas. In terms of stakeholder involvement, Kalundborg/Denmark provided an early and good example of mobilising stakeholders in Scenario Workshops, after which several other partners modelled their involvement processes. Some of the case studies had a longer experience in raising awareness for climate change adaptation among stakeholders and citizens, and they could exchange lessons learnt with partners who needed to put more efforts into this to create the necessary local support for adaptation measures.

Within the climate adaptation project BaltCICA regional stakeholders of the coastal tourism in the two federal states Schleswig-Holstein and Mecklenburg-Western Pomerania are addressed focusing on adaptation problems like beach management, traffic, coast and beach development, climate refugees and drinking water supply. Beside a preceding sensitization of the tourism stakeholders concerning climate change impacts for the German Baltic coast adequate adaptation measures on a regional level should be worked out conjointly within the next years. The process is subdivided into five steps. First of all key stakeholders were identified and the organizational structure of the tourism along the German Baltic coast analyzed. Workshops organized within an appealing event seemed to be a proper tool. In the first workshop problem recognition

and vulnerability assessment were focused. The second workshop dealt with adaptation ability appraisement. The third workshop aimed at cognizing and discussing adaption options. The interesting thing about this third workshop was that for the first time the workshop was organized cross-sectorally together with science, socio-economy, coastal protection, nature conservation and energy partners, stating potential scenarios relevant to future impacts on tourism. At the beginning, a first participants' vision of German coastal tourism in 2050 was requested referring the reasons and from which perspective the vision was given for a later discussion. Recommended procedures are a cross-sectoral conflict communication of aims and interests as well as a cross-sectoral coordination of measures.

2.4 Adapting to changing contexts

The efforts to develop a climate change adaptation strategy at the level of the EUSBSR are specifically adapting to two types of changing territorial contexts. One is obviously physical as territories try to adapt to both the negative and the potential positive effects of a changing climate and deal with the effects of sea level rise, floods, storm surges, heat waves, erosion, changes in water quality and quantity, altered biodiversity, etc. The other is political/institutional in nature with the EU policy discourse that has centred around territorial cohesion and "macro-regions" in the latest years. Both of these changing contexts are still grounded in a degree of uncertainty and complexity as risk and uncertainty influence decision making frameworks in various adaptation contexts (Dessai and van der Sluijs 2007).

In order to deal with issues of uncertainty and complexity, among other things, institutions employ strategies to manage changing circumstances. They encourage trajectories in one direction or another (Healey 2009). Regulatory institutions produce strategies based on the pursuit of preferences and coordination of interests of the actors involved, based on the critical use of sectoral knowledge to help manage complexity or produce a common good. The strategies of a regulatory institution might be seen to be following the "logic of consequences" (March and Olsen 1998) whereby actions are patterned by analysis of costs and benefits and steered by rational interests. Normative institutions, on the other hand, may give rise to strategies that are based on the "logic of appropriateness" (Alexander 2005, March and Olsen 1998), which influences behaviour from a "soft-law" basis. Actors evoke a certain identity or role appropriate to a specific context to guide their actions, based on previous experience. March and Olsen (2004) have also discussed how this type of logic is related to institutional learning or informal network governance (Karlsson et al. 2009).

The EUSBSR represents a new type of informal territorial governance or governance of a "soft space" characterized by fuzzy boundaries and institutional fluidity (Metzger and Schmitt 2011). Overseen largely by DG Regio of the European Commission, the EUSBSR insists that no new institutions (in a formal organizational sense of the word) and no new financial instruments should be erected. The overarching objective of the EUSBSR consequently concentrates on the identification of concrete actions needed within the macro-region and coordination of existing initiatives on all levels (COM 2009a, Dubois et al. 2009). Thus the discussions are not centred on setting up a new formal institution or organization for climate change adaptation governance; rather the macro-level climate change adaptation strategy would be moulded from coordination of existing regulatory and normative efforts to form an informal institution. Many of these efforts are

in the form of programmes and projects under the Territorial Cooperation Objective, particularly transnational cooperation under the Baltic Sea Region Programme 2007-2013 and the programme for the 2014-2020 period. Territorial cooperation is such an important means to achieving territorial cohesion that the First ESPON 2013 synthesis report (2010:29) considered it "a midwife for territorial cohesion and an essential tool for European recovery and resilience". Thus pursuing a climate change adaptation strategy at the macro-regional level is a way of responding proactively to calls for the macro-region. The problem will be, however, to develop informal institutions at several levels that are able to coordinate their functions to lead to synergies rather than overlaps and increased complexity.

2.5 Territorial specificities/characteristics and territorial governance

The Baltic Sea Region is a heterogeneous collection of territories that exhibit several cultural similarities and a long heritage of economic interaction, but are also, even today, still showing some of the signs of very different governance cultures apparent during the Cold War. In terms of territorial capital it is quite unwieldy to try to generalize about the region as a whole. In terms of socioeconomic development the region is home to some of the richest EU regions (Stockholm and Helsinki for instance) and some of the poorest (Hanell et al 2005). But it goes beyond a matter of a simple east-west divide; in the European context BSR is in the periphery of Europe but the region is replete with its own core-periphery patterns of nodes, functional areas and hinterlands, which in turn colour the territorial cohesion considerations of the region at all levels (Van Well et al 2006).

In terms of physical geography, most parts of the region are united in sharing a common watershed area of the Baltic Sea itself. The entire region is affected by sea level rise, due to changing climate, in varying degrees, but sea level rise can affect other territorial problems requiring common action such as the occurrence of certain fish species or the state of maritime safely (Hilpert et al 2007). Thus while most adaptation measures are enacted in accordance with local and regional territorial vulnerabilities, a case can be made for addressing the issue on the macro-regional level in light of the common challenges. And as a territorial issue, taking the macro-regional approach to climate change adaptation appears to be not just confined to the territorial of the BSR. The EU Danube Region Strategy (EUDRS) has also proposed a strategic action for transnational cooperation for a climate change adaptation strategy which is to take into account both political and scientific capacity as well as specific vulnerabilities of the macro-region (Federal Ministry for European and International Affairs, Federal Chancellery 2010).

While place-based, or territorial specificities are at the forefront of local and regional climate change policies, programmes and projects, the national adaptation strategies tend to be only weakly linked with a place-based approach. Thus the national strategies tend to be more general and normative in character, giving one-size fits all recommendations. The transnational level does highlight the individual adaptation approaches, with the goal to promote learning among climate change adaptation governance processes, rather than the direct transfer of specific tools. In the BaltCICA project it was the ideas and governance processes (such as ways to involve stakeholders) that were transferred in a lesson drawing type of exchange among territories, rather than technical methods and techniques that tend to be more dependent on territorial specificities *(see chapter 5 of the main report).*

3. Features of “good” territorial governance

Although a common climate change adaptation strategy for the Baltic Sea Region has not yet been implemented, the process of this case includes several tentative features of “good” territorial governance. First the nature of the issue under question makes it imperative to coordinate the actions of stakeholders on multiple levels. This is in fact being done within the Baltadapt project and with help from the research community. This case study itself will be part of a preliminary scoping of all climate change adaptation actions, actors and institutions in the region. While this task is still underway, the process of gathering stakeholders on multiple level (mainly local and pan-Baltic) is being undertaken within the Baltadapt project, culminating in a series of Policy Forums, the first of which took place during the “Baltic Sea Day” on 24 April 2012 in Berlin, Germany organized by the Council of the Baltic Sea States, CBSS, in close cooperation with the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. The Policy Forum is a kick-off event for the working process on a proposal for a macro-regional climate change adaptation strategy.

In addition to the efforts at transnational level, the on-going climate change adaptation efforts on the ground have begun to understand the importance of involving stakeholder in dialogue with regard to vulnerability assessments and adaptation options and costing options (Alberth 2012). This effort addresses one of the major obstacles in climate adaptation, the need to raise awareness and political support. Usually the forums for involving stakeholders also feature the presentation of epistemic and consensual knowledge around the impacts of climate change in the form of scenarios or alternative futures. This helps to link stakeholder mobilisation with real policy actions.

Perhaps the most important territorial governance feature of the efforts to develop a climate change adaptation strategy for the BSR is the way that the process takes up the best of both worlds – both top-down macro-regional and intergovernmental normative strategy to be translated to the local and regional levels, as well as concrete regulatory bottom-up efforts at local and regional level which in essence actually constitute the strategy itself! This is perhaps a good example of what Ostrom means by the concept of “polycentric governance”. For Ostrom (1990, 1999) this is a system of governance where citizens and local stakeholders are important actors together with top-down authorities and national legislation in order to set the appropriate rules and regulations (i.e. formal and informal institutions) at multiple governing scales. In this way, local knowledge can be encompassed in the formulation and implementation of policy, as well as the redundancy and rapidity of a trial-and-error learning process, which characterize complex processes. In climate change adaptation, these processes are to be coordinated and managed within the macro-regional strategy – a weighty task, but one that may highlight more innovative forms of governance on all levels.

Under the umbrella of the EU (EUSBSR) climate change adaptation will become an integral part of sustainable development and territorial cohesion in the BSR, activating existing instruments, legislations and funding and thus increasing efficiency towards reaching the objectives while promoting multi-level governance *(to be further developed)*.

Territorial governance as an approach to climate change adaptation in the BSR goes beyond multi-level governance and adds the territorial/macro-regional perspective.

As concrete adaptation measures are often taken at the local and regional level, transnational (pan-Baltic) cooperation between actors working at these levels can be better facilitated at the macro-regional level because of its broader perspective to align policies with strategic goals *(to be further developed)*.

The BSR climate change adaption strategy will have to take into account both normative top-down policies and programmes as well as bottom-up regulatory project and policy. The challenge will be in coordinating the wide array of efforts already happening at all levels in an informal institution. Many of the features of territorial governance will be important for this type of informal institution, but in particular the coordination of multi-levels and the intersectoral perspective, as well as creating a strategy that is general but still relevant for the many territorial specificities in the area.

4. Identification of Stakeholders

Local/regional level: As two examples for adaptation processes (as described above) respective local and regional planners and authority members from Kalundborg Municipality/Denmark and Mecklenburg Western Pomerania (federal state)/Germany (contacts already made)

Civil Society/NGOs: EUCC-D in Germany and The Danish Technology Board in Denmark (who organized their respective stakeholder scenario workshops) (strong contacts already established)

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National level: Germany: Federal Ministry for The Environment, Nature Conservation and Nuclear Safety and Federal Environmental Agency. Denmark: Danish Meteorological Institute.

EU level: DG Regio, DG Clima

Transnational Project Level: Lead partners for BaltCICA and Baltadapt projects (strong contacts already established)

Pan-Baltic level: VASAB (Visions and Strategies around the Baltic Sea), CBSS/Baltic 21 (contacts already made), PAC (Priority Area Coordinators) for the EUSBSR Flagship projects.

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Case Study 2: Territorial Governance as a way to resource efficiency in Stockholm

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1. Background and context of the case

In recent years, both the city and region of Stockholm have made considerable advances in urban environmental sustainability and resource efficiency. Traditionally, such efforts, recognized internationally, including as the European Green Capital 2010, have focused primarily on a top-down approach to implementation. To this end, initiatives have included increasingly stringent building standards, the development of overarching environmental goals, expansion of the public transport network, the preservation of environmentally valuable areas and an integrated administrative system that ensures that environmental aspects are considered in budgets, operational planning, reporting and monitoring. To establish a better understanding of the territorial governance system surrounding resource efficiency, two cases, one concerning the eco district, Stockholm Royal Seaport, and the other looking at the Flemingsberg regional growth core, will be explored in this case study.

In this case, it should be noted that resource efficiency is defined within an urban context. In doing so, a number of factors, including the built form, infrastructure for vehicles, public transit, the extent to which residences, jobs and services are mixed and the energy efficiency of buildings are considered while evaluating resource efficiency in Stockholm. The built form, and population density in particular, can have a significant impact on urban resource efficiency through the size of living spaces, reaching viability thresholds for public transit and proximity to jobs and services (SUME, 2011). The built form can also be influenced by stakeholder actions. Infrastructure for vehicles and public transit both relate to the amount of energy consumed for commuting and other journeys. Usability and access to high level public transit (lines that are distinct from the private car) has a considerable influence on public transit ridership and the consumption of energy for transportation. Further, in building in a less dense manner, more resources need to be expended on the construction of roads and associated infrastructure. Mixed use areas allow for shorter distance access to many services, goods and jobs. In contemporary urban planning, such areas are considered to be more resource efficient than their single use counterparts. Finally, buildings account for 40% of final energy consumption in Europe (Jaeger et al., 2011). This can be influenced by building standards and retrofitting activities, both of which have become increasingly energy efficient in recent years.

With an ever increasing proportion of the world's population and an ecological footprint that extends well beyond its geographic territory, cities have a central role in mitigating climate change (Kennedy et al, 2009). In seeking to go beyond a top down approach, the City, which is experiencing considerable population and economic growth (City of Stockholm, 2007; RUFS, 2010), has sought to work more closely with developers, architects and economic interests to encourage greater energy efficiency, reductions in waste and to promote innovative building practices. Further, the City has made efforts to work with residents to encourage more environmentally friendly behaviours, particularly in the well-known eco areas of Hammarby Sjöstad and the Stockholm Royal Seaport as of late. Finally, to ensure a more cooperative and streamlined approach to planning, the Stadsbyggnadskontoret (City Planning Office) has worked to reduce barriers between departments.

These efforts indicate that Stockholm is increasingly aware of the importance of territorial governance in general and how it may impact resource-efficient urban

development in particular. This is illustrated by the integration of relevant policy sectors such as the urban planning department, developers, architects and investors; some coordinated action between relevant actors and institutions, primarily in working with neighbouring municipalities, the county government and in negotiating national building and development laws.

In promoting an adaptive approach to planning, city planning policy is guided by several overarching documents one of which is quite general and serves as a guide for all planning in the city, while the other is more flexible and can be changed to reflect changing circumstances, including political shifts and the economic crisis (City of Stockholm, 2007; City of Stockholm, 2010). Given the city's considerable natural beauty, in promoting environmental protection, the city is also taking advantage of the strengths of its territorial characteristics.

Conversely, Stockholm's highly engaged, visible and vocal lobby organizations have repeatedly criticized the city's lack of transparency in planning and its unwillingness to foster more communicative planning practices (Södermalmsnytt, 2012). Groups across the spectrum, from the conservative preservation group Samfundets St Erik to the pro development YIMBY (Yes In My Back Yard) feel the city does little more than the legal necessity in including them in the planning process. This relatively closed system causes setbacks in the timeliness and cost of development, as according to a Stockholm City Planner,, nearly every development is subject to legal challenges (Erman, 2012).
This case study relates primarily to the Europe 2020 priority of sustainable growth. It focuses on promoting resource efficiency in the built environment by engaging a range of various stakeholders, while also promoting a more sustainable urban form through concerted densification efforts and the enhancement of high level public transport. Further, in mobilising the private sector to help achieve greater levels of resource efficiency through building standards and innovation, the Stockholm case also correlates with the Europe 2020 priority for smart growth. Here, R&D investments and a transition towards a green economy are central.

The city's policies towards the environment and resource efficiency are well developed. The guiding document for development in the city is *Vision 2030: A Guide to the Future* (2007). All urban development should be in line with the general strategies outlined here. It includes an emphasis on ensuring that Stockholm's bodies of water and green areas remain clean and sites of recreation. There is also a focus on innovations as a way of resolving many environmental challenges. It is stated that the city should be fossil free by 2050 through reductions in energy consumption, smart transit solutions and energy efficient buildings; solutions that are developed in concert with companies working in Stockholm. Further, the plan highlights the importance of regional cooperation, cooperation with the business community and international cooperation.

The Walkable City: Stockholm City Plan (2010) is the comprehensive plan for the city. It also contains guidelines for how Stockholm should develop but is more specific, yet flexible. A planner for the City described it as a "flexible game plan" (Erman, 2012). It is reviewed during every mandate period and is designed to be more responsive to changing conditions. The plan underlines the importance of environmental and climate issues. In meeting these challenges, there is an emphasis on energy efficient buildings, a strong transit system that emphasises public transport, walking and cycling. The importance of preserving and in some cases improving the city's green and blue spaces

is also discussed. Additionally, the importance of new energy solutions and infrastructure improvements is noted. In terms of urban development, the intensification of activities in the city centre and the strengthening of urban cores is seen as a way to foster greater resource efficiency in the city's urban form.

Finally, the City recently released the *Stockholm Environment Programme 2012-2015* (2012a). There are six core goals, all of which correlate with the above mentioned plans. The goals are to promote environmentally efficient transport; to ensure that goods and buildings are free of dangerous substances; to promote and increase sustainable energy use; ensure sustainable use of land and water; treat waste with minimal environmental impact and to promote healthy indoor environments.

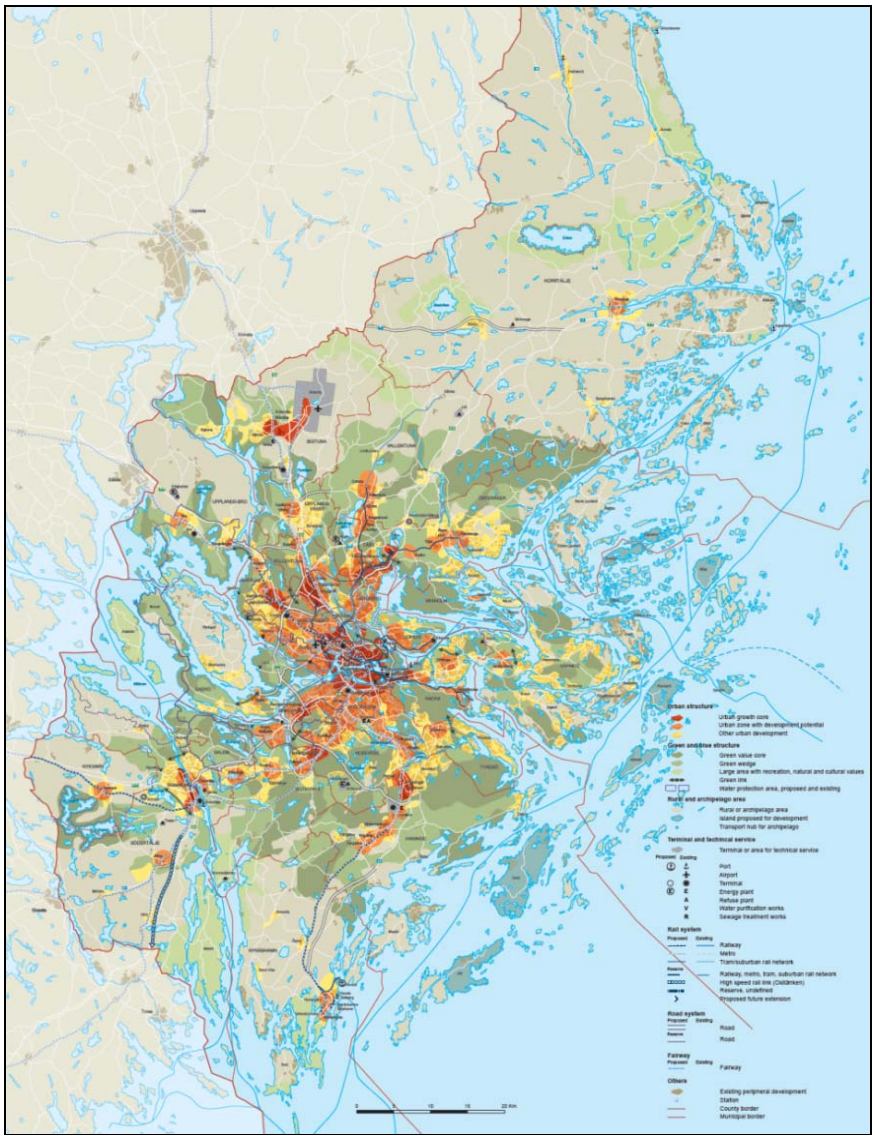
In order to localize our focus on specific territorial governance practices, our intention is to look at two specific cases within the Stockholm urban region.
a) The Stockholm Royal Seaport development project will feature centrally in the case study as a good example of how the City of Stockholm is implementing its policy aims. This brownfield redevelopment project is a flagship initiative for the city because of its attractive location and its environmentally sustainable development practices. The project also underlines interaction between the City and private developers, architects, local residents, transport operators, the county government and the national government.
b) The concept of polycentricity, first introduced in RUFS 2001 (Regionala Utvecklingsplanen för Stockholms Län, the regional development plan for Stockholm), developed by the Regional Planning agency of Stockholm County (Regionalplanekontoret, now, since 2011: Tillväxt, miljö och regionplanering, TMR), promotes the development of eight regional urban growth cores (located 15 to 40 km from central Stockholm). In the interest of this TANGO case study, the five cores located within Stockholm's contiguous urban area are of particular attention. The subsequent regional plan, RUFS 2010, continued to promote the concept of polycentricity and has further encouraged the gradual transformation of a rather monocentric urban configuration into a polycentric one. The aim of developing these five cores, in addition to three others located beyond the UMZ is ambitious. In doing so, the regional plan suggests that in concert with the associated municipalities to redefine Stockholm's urban structure and to reduce socio-economic disparities between different areas, most significantly, between the inner city and its surroundings. To achieve this, the aim is to invest significantly in the public transport system, thereby improving linkages throughout the region; promote competiveness across the Stockholm region to create a wider range of area that are attractive for business and by developing cores with distinct urban functions to ensure differentiation between them.

As an important hub of activity in southern Stockholm, the district of Flemingsberg, shared by two municipalities, Huddinge and Botkyrka, and has the potential to achieve its designation as a regional growth core in RUFS 2001 and 2010. However, in realizing its potentials outlined in RUFS 2010, Flemingsberg requires a great deal of cooperation between planners in Botkyrka and Huddinge and must also deal with competition from nearby Alvsjö, which is located within the municipality of Stockholm and is home to a larger logistics centre and the biggest rentable conference space in Sweden; a source of some frustration. As argued by planners in Huddinge, "Stockholm has had its own plan for Alvsjö even though it was not selected as a regional core, they still have similar ideas that we have for Flemingsberg. It's a competition between those." Here, the City of

Stockholm is working beyond the confines of the RUFS 2010 plan. When coupled with the fact that the inner city remains the strongest growth driver in the region; the potential for a David and Goliath situation emerges; something that could potentially be mitigated through cooperation and dialogue. The planners dealing with Flemingsberg recognise this disadvantage and understand that despite polycentric initiatives, they remain somewhat dependent on the City of Stockholm, “This planning builds on the fact that Stockholm is growing. If Stockholm stops growing then it’s not much use.” In this sense, the case of Flemingsberg illustrates the importance of regional coordination but also the challenges with intra-regional competition (Schmitt et al., 2012). Also the question arises as to the extent the criteria for resource efficiency and compact polycentric development defined in the regional plan (RUFS 2010) will be hampered by this complex framework of territorial governance.

This case study is taking place at the stage of policy and project implementation, with some ongoing policy formulation. The City of Stockholm is interested in learning about the strengths and weaknesses in their efforts at fostering good territorial governance and has been a valuable source of information thus far.

The City of Stockholm Source: Stockholms stad



Stockholms Län (Stockholm County) Source: RUFS 2010

2. Dimensions of territorial governance

There are a number of sectors that have relevance in terms of the territorial governance of improving Stockholm's resource efficiency. In regards to public administration, the City of Stockholm, Stockholms Län (Stockholm County) and the national government have varying degrees of importance in this process. The building sector, including developers, architects, engineering firms and investors also has an important stake in the city's push towards greater resource efficiency. Further, the City of Stockholm is engaged with international networks dealing with environmental sustainability and resource efficiency. Finally, public organizations with an interest in the city's development have worked to increase their stake in the process. All of these sectors will be explored at greater length below.

The City of Stockholm has a near planning monopoly within city boundaries. In addition to a strong planning department, this also results from the fact that the City owns the majority of the available land. In some cases, private land may also be expropriated by the City. This frequently means that the city is in a strong position when it comes to dealing with private economic interests, including large developers. However; as the City has stated that it will build 20 000 apartments during this mandate period, there is a greater balance between the city and developers because there are only a limited number of companies that can help fulfill such ambitious targets (relative to Stockholm) (City of Stockholm, 2010). The relationship between the City and large developers will be of particular interest to this ESPON TANGO case study.

The city planning department is divided into four somewhat autonomous divisions; traffic and waste management; city planning; development; and city districts. There have been recent efforts to reduce barriers between these divisions and while improvements have been made, there continues to be some difference in perspective between them (Erman, 2012). Further, changes in political direction at City Hall can have an impact on the trajectory of planning and development in Stockholm. To reduce the impact of such changes, the comprehensive plan encourages flexibility, while Vision 2030 provides a general long term outlook that all of the major parties supported (City of Stockholm, 2007).

As the governing body behind RUFS 2010, the County Council plays a central role in identifying and implementing the urban growth cores. Implementation also requires communication, coordination and cooperation amongst the County's 26 municipalities, primarily those who are home to the recently identified cores and the City of Stockholm, the dominant municipality in terms of population and economic development. Stockholms County Council has promoted a cooperative approach amongst the municipalities to encourage more balanced development in the region. This effort has been successful in some regards, allowing municipalities to better coordinate their respective activities and prepare joint efforts to lobby for funding or attention from a range of actors including the national government, transit authorities and the county administration itself.

In realising the aim of a polycentric region, a number of other organisations are also involved. SL, the regional public transit authorities is a key actor. With the central role in developing and implementing Stockholm's public transit strategy, SL has considerable influence on the city's development pattern. This includes the development of new transit lines such as the citybanan (a rapid north-south rail line), tvärbanan (tram), buses and the high possibility of a new subway line. These decisions are made in concert with planning officials from the City. In our initial investigative work, a planner with the City indicated that decision making at SL is somewhat shortsighted, with an emphasis on the city's current urban form, rather than how it could develop (Erman, 2012). Given the rapid growth forecast for Stockholm, this is an important discrepancy. It also increases the likelihood that the City and SL will have differing visions, something that could challenge the City's and county's resource efficiency. This difference has been exemplified in the development of the regional cores, where SL has demonstrated some reluctance to improve communication to several cores, to the frustration of local planners.

Developers, engineering firms, architects and a number of other types of firms play an important role in the realisation of Stockholm's urban and regional development strategy. Specific to resource efficiency, such firms negotiate building standards in specific developments, identify more environmentally friendly materials to use, design buildings in innovative ways to consume less energy, develop technologies to limit resource consumption and invest money to see buildings constructed, to name a few. Firms in the private sector vary from large corporations that operate in countries across Europe and around the world to small, locally owned companies with only a handful of employees.

Stockholm's growing international prominence in environmental sustainability has encouraged more stakeholders to engage in the city and regional governance systems. A notable example is the Clinton Climate Initiative, a collection of cities and programs that have been developed as part of a long term commitment to the environment (Clinton Climate Initiative, 2012). Through the Stockholm Royal Seaport project, Stockholm is a member of the C40 Climate Leadership Group (C40), which focuses on ways that large cities can reduce their carbon emissions. As a member of the organization, Stockholm can contribute to awareness and good practices in the development of environmentally sustainable cities while also connecting with other cities and organizations with similar aims. Membership in such organizations promotes awareness and branding on Stockholm and its specific projects. In promoting such projects, there is also greater focus on what is taking place in Stockholm amongst engaged stakeholders. This increases the critical attention that projects and the City's plans in general receive, increasing the pressure to ensure environmentally sustainable projects, plans and strategies are realised.

A critical focus on the City's efforts is sharpened by local grassroots organizations that have a strong interest in Stockholm's development. As previously mentioned, YIMBY and Samfundet St. Erik are two well-known groups that frequently voice their opinions and make efforts to influence Stockholm's development. Beyond these organizations, there are a host of smaller groups that are often focused on a very local area and/or a specific issue that work to lobby for specific outcomes. Of particular note are a number of environmental groups that work to safeguard the city's natural beauty and promote other environmental aims that often relate to improving the city's resource efficiency, including Förbundet Ekoparken, an umbrella organization that represents 48 smaller groups, Kristinebergs Strandparks Vänner, which looks to restore Kristineberg Park to its natural state and Djurgården – Lilla Värtans Miljöskyddsförening, which looks to improve living, working and public spaces in the Djurgården – Lilla Värtan area (Södermalmsnytt, 2012).

Finally, the national government has a role in the city's resource efficiency through its financial contributions and the national laws that are relevant to urban planning and development. Financially, large planning projects, currently including the Slussen project (a central area in Stockholm that is a major transport node) receive some funding from the state. This important on a practical level, as it could otherwise be difficult to raise the necessary funds for megaprojects. National planning and building laws also have an influence on development and resource efficiency in Stockholm. The full extent to which such laws have an impact is unclear at this stage of the study; however a planner with the City noted that in many cases, laws were much better suited for small and medium sized Swedish cities, rather than Stockholm, the largest city in the country (Erman, 2012).

These sectors all have a role in shaping and implementing Stockholm's plans and strategies for promoting resource efficiency. As illustrated above, they do so in a diversity of ways and at a number of levels. In sum, these sectors have political, administrative, building, design, opinion shaping, financial and awareness raising aspects.

2.1 Integrating relevant policy sectors

Cross-sectoral integration takes place in a number of ways. A central aspect of this integration is the City's engagement with other actors, with a primary focus on the private sector. In recent years, the city has made a considerable effort to engage a range of firms involved with urban and regional development in an effort to promote mutual benefits and smooth the development process (Erman, 2012). Beyond the private sector, the City also interacts regularly with neighbouring municipalities and the region, while strategies, plans and the realization of development is partially governed by national laws. Further, grassroots organizations and citizens also have an opportunity to affect change, although this remains somewhat limited.

While integration is occurring, barriers remain. As previously mentioned, there are obstacles between divisions of the planning department that sometimes hinder a coherent approach to urban development, although improvements have been seen in recent years and efforts continue (Erman, 2012). In engaging the private sector, the City of Stockholm has tended to focus on larger firms, to the exclusion of small ones that are often based in the area (Erman, 2012). This reaffirms existing development avenues and is a challenge to a more open and transparent structure; however the city does aim to transform this (Erman, 2012). Further, grassroots and lobby organizations perceive a lack of transparency in the way the City makes decisions and deals with public participation, which tends to fall more closely towards informing citizens and public groups, rather than consulting them. Finally, challenges remain in terms of regional coordination. While the City of Stockholm is often quite cooperative, as the largest municipality and the population and economic growth driver for the region, the City is capable of making unilateral decisions with little regard for other municipalities. This has been illustrated in the competition between Flemingsberg, a regional growth core, and Alvsjö, a node slated for development in the City of Stockholm's comprehensive plan. This competition has left planners in Flemingsberg uncertain about the development of their core, as the City's node is closer to the inner city and because they are concerned about squandering limited funds that could be better used elsewhere. For their part, the City of Stockholm officials argue that the regional plan is quite vague and that it is difficult to coordinate large scale, long term plans regionally (Schmitt et al., 2012).

Within the City of Stockholm, the planning department, under the mandate of elected officials, exercises considerable power and has quite a lot of responsibility in terms of promoting resource efficiency in the city. They work relatively closely with the private sector in planning the development of the urban form and also in establishing building and retrofit standards for energy consumption, materials that can be used and a number of other factors. The City also works in conjunction with SL to plan out public transit lines for the city. At the regional level, the County administration works with the 26 municipalities to promote communication and cooperation in the development of a balanced and more resource efficient region. Here, there is considerable room for maneuverability among the municipalities, as RUFS 2010 is not a binding document.

The national government has a limited but relatively strict role in establishing national building laws. They do not tend to enforce these laws themselves; however if a development is in contravention of them, there is a strong risk that the development will face legal challenges that could result in substantial setbacks (Erman, 2012).

Public organizations, who are not constrained by institutional jurisdictions, may challenge this formal power by working to influence public opinion. In doing so, plans may face greater opposition or support. Developers can also navigate informally between the levels and can work to promote their interests at a number of scales. Relative to other European countries, this governance system is fairly comprehensive and gaps in coordination are very limited.

2.2 Multi-level interplay

In terms of multi-level governance in promoting resource efficiency in Stockholm, as illustrated above, a number of actors are involved. Grassroots lobby groups made up of concerned citizens represent the lowest level. Moving upwards, the City of Stockholm and neighbouring municipalities, Stockholms Län and the national government all have roles of differing importance in improving the city and region's resource efficiency. SL also operates at the regional level, while the role of the private sector can span a several levels of governance. Beyond this framework, international networks like the Clinton Climate Initiative add a global level to this governance equation.

2.3 Mobilising stakeholder participation

As mentioned above, there a number of actors and institutions engaged to promote resource efficiency in Stockholm. The City of Stockholm, Stockholms Län and the national government have varying degrees of importance in this process. Neighbouring municipalities are important in promoting resource efficiency at a regional scale as well. The building sector, including developers, architects, engineering firms and investors are also important actors in Stockholm's efforts towards greater resource efficiency. The City of Stockholm is also engaged with international networks dealing with environmental sustainability and resource efficiency. Finally, public organizations with an interest in the city's development have worked to increase their stake in the process.

Engagement amongst the various relevant governments is important to ensure a certain degree of coordination in urban and regional development that encourages resource efficiency. Further, a smooth planning and development strategy requires that national building laws are recognized and adhered to. The private sector is of considerable importance in promoting green building, design and technology and to help encourage a resource efficient perspective among all of the key actors who have a role in the construction or retrofit of the built environment. To this end, larger companies remain more important than smaller ones. Citizen and lobby organizations have a more limited role in the planning and development process, but are important in that challenges they make to development plans can cause significant delays, which can be detrimental to the implementation of resource efficient strategies, and cost increases, which hinder development potentials. This is of particular importance in Stockholm, where the development of a more resource efficient urban form is closely tied to densification efforts. Densification can be more complicated because new buildings (or additions to

existing ones) need to be integrated into an existing built environment, which can lead to challenges among other actors who are already present in the area (Erman, 2012).

Mobilization takes a number of forms. Among the governments involved, this is primarily a formal exercise, linked directly to their respective jurisdictions. In the formal planning process, a certain degree of stakeholder mobilization is legally mandated, though this primarily involves informing the public of planning decisions and developments (COMMIN, 2007). The private sector has several avenues for mobilization, including the opportunity to provide input on the urban and regional planning strategies and building standards in specific areas. There is also a formal agreement, the Climate Pact, between the City and nearly 200 firms, whereby the firms involved aimed to reduce their emissions by 10% between 2007 and 2012 (City of Stockholm, 2012b). Other forms of wider mobilization include public strategic planning meetings, meetings to inform the public of development plans in specific areas and public forums. There is also an effort to engage the public through social media, information campaigns and the press.

2.4 Adapting to changing contexts

In recognizing that a certain level of uncertainty is inherent to long term planning and development, particularly in regards to the current economic crisis and changes in government, the comprehensive plan for the City of Stockholm has become more flexible and, as previously mentioned, serves as a "game plan" that can be adapted to changing conditions (Erman, 2012). The document supports the long term Vision 2030 plan, which contains long term guidelines for Stockholm's development. Further, the regional plan, RUFS 2010, is also a somewhat flexible plan, since it is indicative, instead of legally-binding, and is constantly being assessed throughout its application.

Factors that actors involved in increasing Stockholm's resource efficiency must adapt to include the environment and climate change, a long term growth trend, technological innovation (in a diversity of ways), a shift towards free market development and political changes. A new environmental program, *The Stockholm Environmental Programme 2012-2015*, and adaptation plan, *Adapting to Climate Change in Stockholm* help to underline how the City intends to deal with more pressing environmental challenges. It is worth noting that the short time frames allow the City to adapt its plans on a regular basis. The comprehensive plan also has to be renewed every mandate, which offers some flexibility in the face of political shifts, primarily at the municipal level, but with connotations to the national level as well. There is also an integrated mechanism that reviews planning efforts three times a year, ensuring that funds are being well used, ensuring considerable financial adaptability (Erman, 2012). At this point, it is unclear to what extent actors are able to apply what they have learned in their experiences. This is something that will be pursued during the case study. Finally, legal challenges to development plans occur in nearly every case, something the City has adapted to by including such challenges in the timeframe of its projects.

2.5 Territorial specificities and characteristics and territorial governance

Stockholm is a rapidly growing (by European standards), urban, coastal region that is somewhat vulnerable to climate change. As a region that is experiencing rapid growth, Stockholm is facing pressure to accommodate an increasing number of residents and businesses. This places strain on the region's resource consumption, as more people and economic activities almost inevitably lead to greater material flows. However, through concerted efforts, this growth can take place in a more resource efficient manner. This point of intersect is one area where this case study (by looking in particular at the two local examples: the Royal Seaport project and Flemingsberg) will be particularly applicable in evaluating how well these efforts are being carried out. Within this growth paradigm, the urban context is relevant because of the higher densities, and thus resource efficiency, that are realistic in cities compared with small towns or rural areas. The fact that Stockholm is a coastal region is pertinent in two ways. As the region straddles the Baltic Sea and the large Lake Mälaren, it is exposed to the challenges related to sea level change. This includes cataclysmic flooding and the inundation of low lying areas (from a long term perspective), possibilities that are factored in to current planning strategies. Further, numerous municipalities further inland draw their freshwater from Lake Mälaren. Currently, this freshwater is able to flow out into the Baltic; however if sea levels were to rise, this flow could be reversed, which could lead to Lake Mälaren's increased salination. This would threaten the freshwater supply of numerous towns and smaller cities. Stockholm's bodies of water are also important sites for recreation and, related to that, ensure that there is a relatively high esteem for natural areas amongst urban dwellers in the region.

In terms of the case study territory's delineation, there are several noteworthy points. The City of Stockholm is a small territory by Swedish standards, something that increases the need for interaction with neighbouring municipalities who are also part of Stockholm's urban morphological form. Further, this means that is only limited room for further greenfield development, putting a greater onus on densification efforts for accommodating population growth. At the regional level, Stockholms Län includes 26 municipalities. Considerable effort is necessary to coordinate activities between these various governments. Municipal boundaries can serve as barriers to resource efficient development, as competition may lead to outlying municipalities promoting a car oriented lifestyle to maintain competitiveness with more accessible, but denser areas that offer less floor space per capita. However, a good governance system that encourages cooperative and mutually beneficial endeavours between municipalities could turn this weakness in to a strength.

3. Features of "good" territorial governance

Stockholm's efforts to promote urban resource efficiency will be evaluated for both good and bad practices in terms of territorial governance. At this point, the case (including the two local in-depth cases) is in its preliminary stages, with only one interview thus far; however we can make some initial hypotheses based on policy documents, the interview and previous experience in this field.

From our preliminary efforts, it seems clear that the City of Stockholm's effort to engage a range of stakeholders, primarily in the private sector, is an innovative and good practice. This initiative indicates that the City has adopted a more comprehensive approach to achieving greater resource efficiency and thus environmental sustainability. The flexibility that has been built into the key policy documents that guide urban planning and development indicates that the City's planning efforts are becoming more resilient and can be adapted in the face of significant changes. This flexible approach appears to be a good practice as well. Further, the City's ability to recognize and harness its territorial strengths, including population and economic growth, a strong international reputation for environmental sustainability and a population that values natural spaces and the environment, is positive. At the regional level, efforts to promote coordination and the implementation of a regional strategy, with a balanced development structure that reduces competition among the 26 municipalities that make up the County are indicative of a good practice in terms of territorial governance.

In terms of "bad" territorial governance, a lack of transparency in the city planning office remains an issue. This illustrated by a lack of consultation among public stakeholders, who are often excluded from planning until relatively late in the process. This regularly leads to public challenges to plans, which can lead to costly delays. Further, while a focus on cooperation with large firms in the private sector is a start; the exclusion of smaller companies is problematic. A cozy relationship between the City and large developers could diminish competitiveness and create rigidity in how development takes place and who is involved, factors that could challenge a strong territorial governance structure. Finally, while coordinated efforts are evident at the regional level, competition between municipalities continues. This threatens to diminish the region's overall resource efficiency by creating more sprawl.

Based on our initial efforts, three hypotheses can be made:

- By coordinating activities between a range of actors, including those from the private sector, multiple levels of government, authorities and public organizations, the City is further developing a territorial governance system that will help achieve greater resource efficiency and environmental sustainability.
- In engaging a wider range of actors, the City is increasing the transparency of urban planning and development in Stockholm.
- Coordination between the 26 municipalities, and other relevant actors, in Stockholm County will lead to more strategic regional planning that will create a more resource efficient structure for the region.

The Stockholm case presents several features that are likely transferrable to other territorial contexts. This includes efforts to promote cooperation, coordination and engagement among a range of actors and adaptive planning measures. Early study work indicates that greater regional cooperation has a positive impact on an urban form's resource efficiency, while also promoting smart and sustainable growth. Engaging a range of stakeholders in planning and development efforts encourages a more comprehensive approach to planning challenges such as improvements in resource efficiency. Both of these initiatives appear to be "components of exchange".

4. Identification of Stakeholders

- Urban Planner at the City of Stockholm
- Representative from the development office at the City of Stockholm
- Regional Planners at TMR
- Developer from major construction company in Stockholm (potential for more than one)
- Representatives from YIMBY & Samfundet St. Erik
- Planner at SL
- Architect from a firm involved in several projects in Stockholm
- Engineering firm representative
- Planner working on the Stockholm Royal Seaport project
- Planner from Huddinge and Botkyrka, involved with the Flemingsberg urban core

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Case Study 3: StedenbaanPlus

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1. Background and context of the case

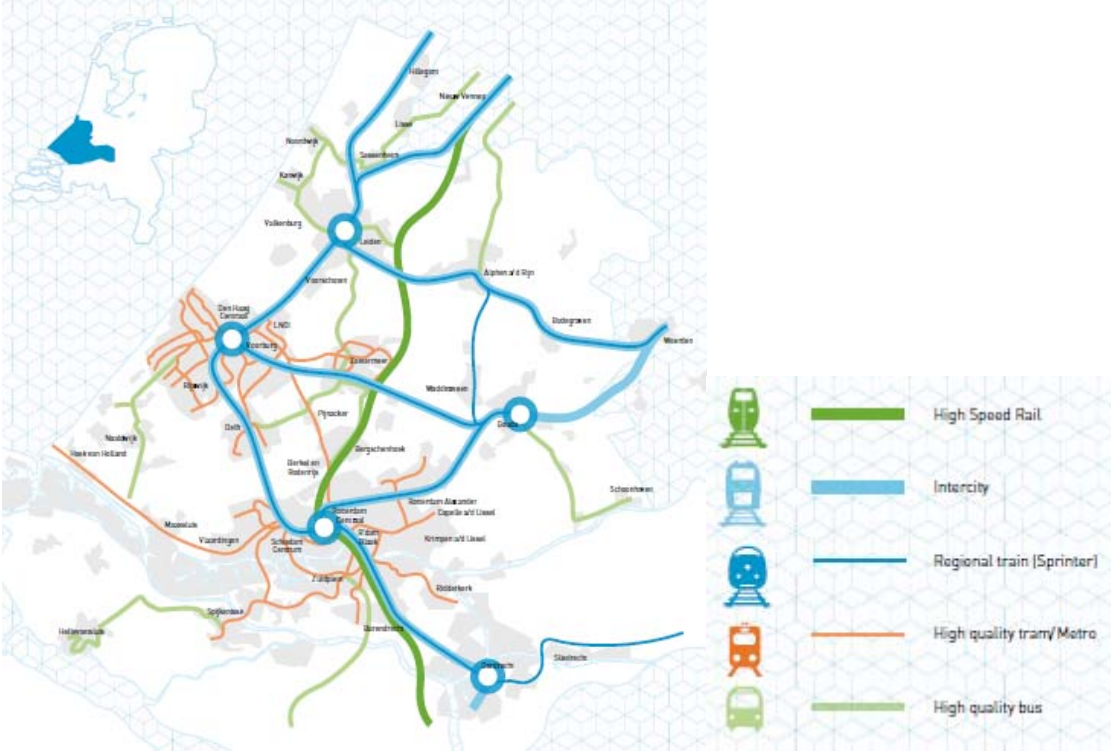
Urban areas in the Netherlands are increasingly functionally interconnected, a phenomenon that is evident in many countries. Urban regions that were previously relatively separate and self-contained are increasingly interrelated and form part of larger metropolitan areas. Increases in these interactions are creating demands for more integrated transport systems that serve larger metropolitan regions. In the Netherlands, especially in the Randstad, a coherent high-frequency public transport network is seen as an important prerequisite for increasing the attractiveness of the country for business investment and development.

In the southern part of the Randstad, the Stedenbaan ('Cities Line') initiative was launched in 2004 to promote greater integration between public transport and urban development in the metropolitan region of The Hague and Rotterdam. The initiative combines two main strategies: (i) the creation of a high-frequency light-rail transport system on the existing railway network; and (ii) a regionally coordinated urbanisation programme based on the development of areas around the railway stations (see Figures 1 and 2). It aims to densify areas around more than 30 railway stations and to improve the accessibility of station areas to increase rail ridership to a level which allows the national rail operator to increase local train frequencies. These strategies are strongly influenced by the concept of Transit Oriented Development.

Figure. 1 Relation between regional rail stations and urban development

Source: Atelier Zuidvleugel (2006)

Figure. 2 Public transport network in StedenbaanPlus



Source: Programmabureau StedenbaanPlus (undated)

The Stedenbaan initiative initially involved 11 municipalities but this number increased to 47 in 2011. The increase in membership resulted in the initiative being renamed as StedenbaanPlus and led to changes in the method of working. These changes will be further examined in the interviews. The current StedenbaanPlus initiative aims to create a consistent and a high-quality network of local trains, light rail, metros, trams and buses. It is expected that by improving the quality of public transport the public transport nodes will become more attractive for housing, offices and facilities. Conversely, increasing urban development near public transport nodes is expected to promote the use of public transport and improve accessibility. The ambition of StedenbaanPlus is not the implementation itself but stimulating and coordinating implementation in the individual nodes. As a consequence StedenbaanPlus does not have an envisaged final date.

The StedenbaanPlus case study primarily relates to the Europe 2020 priority of sustainable growth aiming at building a resource efficient, sustainable and competitive economy. This initiative illustrates a partnership arrangement between various public and private parties that operates with very few statutory powers or instruments at its disposal. As such, it is reliant on 'soft' processes of governance, primarily taking a coordinating and information-provision role and using powers of argument and persuasion to reach agreements between the various actors involved.

The relation between public transport and urban development is crucial and because of this some of the case study analysis focuses specifically on one of the StedenbaanPlus railway nodes (the core of Delft) since each node has its own development plan and

stakeholder configuration. The Delft station project is concerned with the redevelopment of an area of around 40 hectares located in between the inner city and residential neighbourhoods to the west and south. The entire project includes the construction of a new railway tunnel, railway station, offices, dwellings, parkland, parking facilities (for cycles and cars) and roads. The project provides an immense impetus to the city of Delft. The development area will constitute a high-quality connection between city districts that are now separated from each other by the railway. The railway tunnel in Delft is currently being constructed and the entire project is expected to be completed by 2020.

2. Dimensions of territorial governance

2.1 Integrating relevant policy sectors

Background on governance in the Randstad in relation to regional transport and spatial planning

The Dutch government structure is a three-tiered, decentralised unitary state, based on the self-government of provinces and municipalities. Co-government is the underlying principle: the central government involves the provinces, the municipalities, or both in the formulation and execution of its policies. Unity cannot be imposed on the country from above, but must come from a plurality of forces hashing out their differences within an agreed-upon framework. Unity is brought about by consensus building. The formal government at the level between the state and the municipality is the province. But there is a long-lasting search for a governance structure which fills the 'regional gap' between provinces and the state – especially at the level of the Randstad – and between province and municipalities. This 'regional gap' – to be addressed by processes of policy integration – has been discussed for almost half a century.

From an international perspective, the sub-national levels of governments have considerable responsibility in the Netherlands (OECD, 2007: p.157). The responsibilities of the municipalities are more substantial than those of the provinces. Municipalities are responsible for a wide range of policy sectors including roads, public transport, housing, spatial planning, environment, social affairs, economic development, education and health care. Although municipalities share many of their responsibilities with central government they are nevertheless relatively independent. Municipalities are often relatively large and have a considerable staff. However, there are a significant number of smaller municipalities, which adds to the need for intermunicipal cooperation. Provinces coordinate some public policies (e.g. planning, transport, culture, social affairs) and have legal control over the municipalities (notably in the domain of planning where they approve the municipal land use plan) and over water boards[3] (which are entirely separate from the municipalities and do not share common boundaries).

In the late 1950s, the planning concept of the Randstad was introduced to deal with an active planning approach for the densely urbanised western part of the country and the Green Heart which at that stage was witnessing high levels of immigration from

[3] Dutch water boards (*waterschappen* or *hoogheemraadschappen*) are regional government bodies charged with managing water barriers, waterways, water levels, water quality and sewage treatment in their respective regions. These regional water authorities are among the oldest forms of local government in the Netherlands, some of them having been founded in the 13th century.

peripheral parts of the country. The Randstad approach has never been supported by a level of government of about equal size, although there have been calls for the creation of such a government structure, mainly inspired by issues of economic competitiveness. Instead cooperation between provinces and municipalities has been used. In terms of scale, the largest cooperation bodies can currently be found on what are called the two 'wings' of the Randstad. Within the wings, there are numerous cooperation arrangements across and between provinces, municipalities and city regions (i.e. both horizontal and vertical cooperation). These cooperation arrangements have an important role in governance processes (OECD, 2007: p.155). Each of the Randstad's two wings has its own founding rationale, responsibilities and activities. Cooperation arrangements are often voluntary and negotiated; neither based on legislation nor formal arrangements.

Figure 3. Location of the current WGR-plus regions

Source: Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2010

Cooperation between Dutch municipalities is very common: a typical local authority will have close to 30 cooperative arrangements (OECD, 2007: p.170). Many of these arrangements are task specific and single issue, where each agreement involves a different set of municipalities and different timescales. Since 2003, the city regions have been based on the so-called Joint Arrangements Act plus (WGR-plus regions). There are currently eight WGR-plus regions in the Netherlands (Figure 3). Cooperation at this

level involves a degree of compulsion which is absent from intermunicipal cooperative arrangements. These city regions consist of a large city with the surrounding municipalities that form part of the same daily urban system. There are four of these WGR-plus regions in the Randstad: the city regions of Amsterdam, Rotterdam, The Hague and Utrecht. Two of these WGR-plus regions are physically adjacent – Rotterdam and The Hague (Table 1) – and this is where the StedenbaanPlus initiative is located.

The WGR-plus regions are managed through boards formed by administrators from municipalities who have to give accounts of their decisions in their municipal council. The current national cabinet, which has recently made various attempts to streamline government as a whole and planning in particular, planned to abolish the WGR-plus regions by the end of 2012. Reducing the number of layers of decision-making was one of the main reasons behind these plans although the issue of accountability (and the lack of directly elected representatives) has also featured as another argument for their abolition. In a more recent twist, the national cabinet resigned (in April 2012) and the current situation regarding these plans to abolish the WGR-plus regions is uncertain. At the very least, the WGR-plus regions currently have a stay of execution.

Table 1. Participating local authorities in the two South Wing WGR-plus regions

WGR-plus region	Municipalities	Population
Stadsregio Rotterdam	Rotterdam, Schiedam, Spijkenisse, Vlaardingen, Capelle aan den IJssel, Lansingerland, Barendrecht, Ridderkerk, Hellevoetsluis, Maassluis, Krimpen aan den IJssel, Albrandswaard, Brielle, Westvoorne, Rozenburg, Pernisse	1.1m
Stadsgewest Haaglanden	Den Haag, Zoetermeer, Westland, Delft, Leidschendam-Voorburg, Rijswijk, Pijnacker-Nootdorp, Wassenaar, Midden-Delfland	1.0m

City regions have several areas of responsibility within the fields of transport, housing, the environment and the regional economy, but are particularly important actors in the area of traffic and transport. However, city regions only have limited influence on the rail transport services provided by the national rail operator (NS) at city-region level. Despite the contract between the NS and the central government, requiring NS to consult with decentralised governments about the services to be provided, NS is more interested in its responsibility to provide for long-distance travellers rather than local ones. It is therefore difficult for a region to negotiate with NS for the use of the main railway network track to improve city region public transport, as is the case in the South Wing of the Randstad. This is an issue that the StedenbaanPlus initiative attempts to address.

The effectiveness of city regions remains largely dependent on voluntary municipal cooperation.[4] Horizontal cooperation works well as long as the interests of the participating municipalities are the same but this is not always the case: city regions are subject to municipal conflicts of interests and do not always embody a shared vision or common set of priorities for the region (OECD, 2007: p.173). This was evident for example in the development of the Randstad Rail line (a light rail project in the province of South-Holland linking the city regions of The Hague and Rotterdam), where delays

[4] Mechanisms exist (in principle) to go beyond voluntary forms of cooperation at some levels.

were incurred due to conflicts of interest related to the fact that Rotterdam wanted its metro network to extend to The Hague whereas The Hague had other priorities (Dijking et al., 2001).

Governance in the South Wing of the Randstad

Around 2000 two large cooperation bodies of local and regional authorities on the level of the Randstad wings were created, one in the South Wing with Rotterdam and The Hague as main cities and one in the North Wing with Amsterdam and Almere as main cities. The South Wing of the Randstad faces a structurally high unemployment rate, dilapidated urban areas, an increasingly pressing mobility issue, high pressure on the available territory and insufficient quality in the rural area nature compared to the rest of the Randstad. The Administrative Platform South Wing (*Bestuurlijk Platform Zuidvleugel*, BPZ) was established in 2000 (Figure 4). The BPZ has the following eight partners: the Province of Zuid-Holland, five regional cooperation bodies including the city regions of Rotterdam (*Stadsregio Rotterdam*) and The Hague (*Haaglanden*) which are both WGR-plus regions, the regions of Holland Rijnland (the northern part of the province with Leiden as the largest city), Drecht Cities (Dordrecht and surrounding municipalities) and Midden-Holland (Gouda and its environs) and the municipalities of Rotterdam and The Hague. The BPZ was not meant to become a new decision-making layer of government, but a platform to reach agreements about projects and investments without a transfer of competences. Co-operation at the city region level is hampered by the lack of implementation power: every municipality that is part of these co-operative arrangements can block the decisions (OECD, 2006: p.160).

Figure 4. Boundaries of the Administrative Platform South Wing (coloured areas)

Source: Provincie Zuid-Holland

The case study examined here is primarily concerned with the coordination of regional transport and spatial planning in the metropolitan region covering The Hague and Rotterdam through the StedenbaanPlus initiative. This initiative is very closely aligned to the formation of a single metropolitan region for The Hague and Rotterdam and covers the same territory. Because the metropolitan region is currently under development, it does not have legal powers (at the moment at least), with the exception of the powers and responsibilities given to WGR-plus regions. Consequently, the StedenbaanPlus initiative is essentially a partnership arrangement between various public and private parties that operates with very few statutory powers or instruments at its disposal. As such, it is reliant on 'soft' processes of governance, primarily taking a coordinating and information-provision role and using powers of argument and persuasion to reach agreements between the various actors involved.

Actors and institutions in StedenbaanPlus

The StedenbaanPlus case is primarily about regional public rail transport and urban development around the railway stations. The key actors in infrastructure provision are the transport companies NS (Dutch Railways) and ProRail (rail infrastructure manager). NS is the actor which signed the agreement. Urban development in the area focuses on housing, offices and facilities and is represented in the StedenbaanPlus initiative by the regional authorities of the Province of Zuid-Holland, city regions of The Hague and Rotterdam, the cities of Rotterdam and the Hague, the region Holland-Rijnland and the municipal cooperations Drechtsteden and Midden-Holland. Although the real estate developers are crucial for the success of StedenbaanPlus, they are not a formal actor in the case. The declaration of intent for Stedenbaan was signed by the Province of Zuid-Holland, the city regions of Rotterdam and The Hague and NS in 2006. The first three organizations form the Administrative Platform South Wing which is the commissioner of the Programme Office StedenbaanPlus. The agreement was revised in 2011 with the expansion of Stedenbaan to StedenbaanPlus.

Two directorates of Dutch Railways (NS) are important to the StedenbaanPlus initiative: NS Stations and NS Travellers. NS Stations is responsible for the exploitation and management of stations and station areas while NS Travellers is responsible for the provision of train services for passengers. A separate company – ProRail – is responsible for the construction, maintenance, management and security of the rail network (including platforms). However the exact division of responsibilities is source of constant debate about whether ProRail or NS is responsible for certain activities.

Other than the national railway company, there are also public transport companies. The four main cities in the Netherlands each have their own public transport company. In Rotterdam this is RET and in The Hague it is HTM which operates metro, tram and city buses. In the rest of the country public transport companies are chosen on the basis of concessions. Outside the cities of Rotterdam and The Hague the rest of the South Wing is divided into about seven concession areas (Figure 5).

Figure 5. Boundaries of public transport concession areas in the Netherlands

Cross-sectoral policy integration

The integration between public transport planning and urban development takes place at different levels. The Structure Vision Randstad 2040[5] (*Structuurvisie Randstad 2040*; Ministerie VROM, 2008) and the *Randstad Urgent* programme addressed social, cultural, ecological and economic trends and challenges and the spatial implications related to the spatial structure of the Randstad. A close relation between mobility and urban development was a high priority. Even though StedenbaanPlus is embedded in national and local policy, it is primarily aligned with regional policy within the South Wing. It is one of the five South Wing programmes, the other four being the Economic Agenda, the Accessibility Package (road infrastructure), the Urbanisation Programme and Metropolitan Landscape (green areas near the city).

The statutory spatial planning documents to which policy concerned with the StedenbaanPlus initiative is aligned are the national, provincial and local structural visions. City regions can also formulate structural visions, although this is not mandatory. The statutory provincial structure vision – approved in 2010 before to shift from Stedenbaan to StedenbaanPlus – emphasises the relation between urban development and mobility. It mentions Stedenbaan as an accelerator for spatial differentiation in living

[5] The Randstad 2040 Structural Vision is part of the government-wide programme, in which the national and provincial governments, municipalities and metropolitan regions jointly tackle various issues in the Randstad. The aim of the programme is an economically strong Randstad. The Structural Vision sets the course for our long-term spatial development in terms of building and planning and relationship between spatial development and nature, leisure activities, education, health and labour market participation. The *Randstad Urgent* programme comprises crucial projects that require decisions in the short term.

and working environments and is considered essential in the region's continued urbanisation. In provincial documents, the Stedenbaan initiative is presented as integrated concept and not as separate sectors only coming together in the programme itself.

When looking at national policy documents and programmes the StedenbaanPlus initiative is aligned to the National Policy Strategy for Infrastructure and Spatial Planning[6] (SVIR: *Structuurvisie Infrastructuur en Ruimte*, Ministerie van Infrastructuur en Milieu, 2012). This statutory spatial planning document replaces a number of national policy documents and relates national policy in the field of spatial planning and mobility. Meurs and Sandee (2012) conclude that the SVIR does not exploit all opportunities available, that policy focuses too one-sidedly on the transportation function of nodes and offers too few national instruments to govern the urban development around these nodes. They argue in favour of more regional governance.

StedenbaanPlus is connected to a number of national infrastructure programmes, one being the national Programme High Frequent Railway Transport[7] (*Programma Hoogfrequent Spoorvervoer*) coordinated by the Ministry of Infrastructure and the Environment. The essence of this programme is the construction of new rail infrastructure for transportation of goods and for regional public transport systems with multimodal connections, enabling shorter travel times and higher trip frequencies. It also relates to the Programme Better Utilization (*Programma Beter Benutten*) managed by the same ministry and focused on a better use of the existing railway infrastructure network.

Barriers to cross-sectoral policy integration

After the new government came to power in 2010, the ministries responsible for spatial planning, mobility and infrastructure were merged. This change is reflected in the national MIRT territorial agenda, produced as part of the national government's long-term investment programme on infrastructure, land use and transport.[8] The MIRT territorial agenda is meant to stimulate the coherence between the policy fields of spatial planning and infrastructure and between central and regional policy. It is intended as a

[6] The National Policy Strategy for Infrastructure and Spatial Planning presents the vision on spatial planning and mobility. It includes the infrastructure projects in which central government wants to invest in the coming years. Provinces and municipalities will receive more responsibilities in spatial planning. Central government will concentrate more on national interests such as the improvement of accessibility. The government aims at competitiveness, accessibility, quality of life and safety with a time horizon of 2040 for the Netherlands.

[7] The national programme High Frequent Railway Transport – coordinated by the ministry of Infrastructure and the Environment – aims at increasing the railway capacity in seven corridors (five passenger and two good corridors). It is part of the national programme 'Better Utilization' (*Beter Benutten*). This latter programme aims at a reduction of traffic congestion by 20-30% in the period 2012-2014 on specific routes which are the most congested. Central government, regional government bodies and the private sector are developing joint package deals for the regions of Amsterdam, Rotterdam, Haaglanden and Utrecht as well as the province of Brabant.

[8] The MIRT territorial agenda is part of the national MIRT programme (*Meerjarenprogramma Infrastructuur, Ruimte en Transport*). The MIRT programme asks for a territorial agenda in order to provide a strategic framework to assess which programmes and projects should be taken up. The agendas are drawn up cooperatively by central and lower tier government in each of the eight MIRT regions in the Netherlands. These territorial agendas aim to provide insight why projects are being pursued and how they contribute to the integrated development of an area.

basis for decisions on central investments particularly in infrastructure. Dutch spatial planning is very much a coordinative activity and thus – compared to other countries – there were not many barriers to cross-sectoral policy integration until the new government came into power. Since then, the national political interest in spatial planning has decreased, both in terms of responsibility and investment. In addition, the economic crisis has strongly affected the real estate market and urban development is at a standstill. Moreover, the South Wing faces a governance challenge as the government has tried to dismantle WGR-plus regions (see above). If this occurs, one consequence could be that two regional government structures will then compete for power: (i) the Administrative Body of the South Wing in which the emphasis is on the province and the two city regions; and (ii) the Metropolitan Region Rotterdam-The Hague in which the emphasis is on the two major cities.

Perceived trade-offs and synergies of the cross-sectoral approach
The assumption underlying the StedenbaanPlus initiative is that by providing high-quality public rail transport, specific hubs can be turned into attractive places to build homes, offices and facilities. Achieving urban development around public transport nodes is also expected to result in more passengers and better accessibility. The outcomes of the programme are dependent on negotiation and compromise between the partners involved (see below).

2.2 Multi-level interplay

Polycentric metropolitan regions are particularly keen on “soft governance arrangements” (OECD, 2006: p.175). Many “governance partnerships” for polycentric regions are bottom-up initiatives coming from municipalities themselves, rather than driven by the national government, often with partners from private and voluntary sectors and other public and private agencies. These partnerships do not have decision-making powers but can influence decision-making processes and seek implementation by making recommendations to the decision-making bodies. The key objectives followed by these governance partnerships are usually strategic development, project orientation, networking and advocacy.

Many metropolitan regions across the world have placed greater emphasis on voluntary instruments for co-ordination and co-operation and even the few examples of strong metropolitan governance through metropolitan governments and amalgamated cities coexist with other forms of network arrangements. In terms of efficiency, it may be second best to rely on co-operative mechanisms, but they also have their own merits such as fostering communication and possibly limiting bureaucratic mission creep (i.e. the tendency of bureaucracies to try to claim more powers and resources). On the other hand, experiences of voluntary co-operation arrangements are most often difficult if not impossible to implement in the context of conflicting relationships between different territorial layers or when there are high intra-metropolitan disparities (OECD, 2006: p.191).

The formal actors involved in the StedenbaanPlus initiative consist of the Dutch Railways company NS and representatives from the Administrative Platform South Wing: the Province of Zuid-Holland and the city regions of The Hague and Rotterdam. The three public representatives are the transport authorities within the South Wing responsible for city and regional public transportation on its territory. In the declaration of intent signed in 2006 the three parties expressed their support for the Stedenbaan

concept and more specifically endorsed an integrated urbanisation programme, the optimisation of mobility, the improvement of rail stations, the delivery of a better environment and the provision of high-quality rail services. Although the property developers are crucial for the success of StedenbaanPlus, they are not a formal actor in the initiative. The same goes for the local and regional public transport operators.

The Administrative Platform of the South Wing is the commissioner of the Programme Office of StedenbaanPlus, StedenbaanPlus does not have power that is binding for either the local or provincial authorities. Instead, it acts as a platform for dialogue on spatial planning, housing, employment, transport and accessibility among local governments. Its influence over national policies is limited: other bodies such as the association of municipalities (VNG) and the association of provinces (IPO) have more influence. However, the cities of Rotterdam and the Hague are powerful sub-national institutions and have direct connections to the central government. Like the other two largest cities in the Netherlands, they receive more funds and have the most substantial responsibilities. Relations between the four biggest cities have always been competitive since no city has ever become clearly dominant (OECD, 2007: p.142). Thus, the creation of the metropolitan region of Rotterdam and the Hague potentially concentrates power/influence into two main metropolitan regions (Amsterdam and Rotterdam/The Hague).

For the implementation of the StedenbaanPlus initiative we may thus conclude that there are few statutory powers available; it is more about a soft approach to governance. There is a lack of hard powers and instruments to steer private development. It relates to both vertical and horizontal coordination. Vertical coordination mainly links municipalities with the informal regional governance body – either South Wing or Rotterdam-The Hague Metropolis – and less directly with central government. Horizontal coordination relates urban development with public rail transport.

2.3 Mobilising stakeholder participation

All local and regional authorities and the national railway company (NS) are involved as formal actors in the programme. The development sector is involved but in the sense of a platform function: argumentation and stimulation of brownfield development around nodes. Interviews will be used to clarify this process in greater detail. If and how other transport companies than the national railway company are involved is not yet clear. Here interviews will add to our knowledge. The public in general is hardly taken into consideration. This will occur to a greater extent in the individual nodes.

2.4 Adapting to changing contexts

In recent years, property development has been confronted by the economic crisis. As it became more difficult for households to obtain a mortgage, dwellings were sold at a much lower pace. As a result the supply of new housing practically came to a standstill. At the same time it became more difficult to develop brownfield areas as it is more expensive to develop in existing urban areas. This either requires public subsidies or results in higher housing prices. Alternative or experimental form of residential or employment development are considered with extreme caution although it could be that the changing context will affect the situation. What has been very helpful is the strong national policy focus – and translated in regional policy documents – to chiefly build in existing built-up areas. It has become more difficult to obtain planning permission to build in rural areas.

At the same time as the property crisis, major financial cuts in public expenditures have affected public transport. What is not new but still enduring are the constant changes in regional governance shifting powers between formal and informal cooperative government bodies. Also the hardness and softness of territories affected is likely to change because of shifts in governance.

In term of conditions for success, Meurs and Zandee (2012) put forward that regional government can contribute considerably in the achievement of urban development around rail station nodes. They suggest the following key factors:

- *Regional selectivity*: attention should be focused on a selective number of regional nodes with multimodal accessibility and space for real estate development and not an extensive list of desirable nodes. In a time of slow real estate development, agreements at the regional level – supported by central government – may prove crucial to enable node development. In that case, regional agreements about spatial programming of the nodes is essential.
- *Clear profile*: each node has a clear profile that distinguishes it from other nodes. Key words are quality of place and spatial identity.
- *Problem owner*: experience suggests that it is often difficult to find a problem owner who can link the ambitions and interests of all actors. The joint approach of the national programme Better Utilization (*Beter Benutten*) can contribute to a solution.
- *Equalization of benefits*: the stimulation of – and at the same time selectivity of – node development can be linked to the spending of (limited) central government funds.

Conceived barriers by private development sector

Major changes in the context relate to the shift in focus of central government and the economic and real estate crisis. The shift in focus of national government has had consequences for the level and type of public investments, the power of national spatial planning and the status of city regions. It is not yet clear how these changes will impact on StedenbaanPlus initiative. The development sector mentions the following barriers which might hinder development around station locations:

- *Insufficient management*: the lack of a powerful regional level. The current steering by regional government is considered too noncommittal and not living up to its promise. An important condition is to offer a scarce type of housing in order to promote inner city development around station areas.
- *Settled financial interests*: vested interests are a barrier for new strategies in combating the financial and real estate crisis.
- *Complexity of inner city redevelopment:* urban development around station areas is a complex jigsaw puzzle of existing activities, interests, historic development agreements, plans and land and real estate owners hindering the smooth development around stations. This asks for new effective cooperation models in which transparency, clear agreements and an open book keeping of risks and yields are essential.
- *High costs* of real estate development at the type of locations. Some argue that subsidies are indispensable to provide incentives for housing in brownfield development for which there is no cost recovery.
- There is a need for *innovative financial arrangements* to enable development around stations. Examples are stimulation measures in the field of legislation and regulation and the tax system.

- *Split incentive*: costs and benefits are separated which means there is no financial relation between the part of the financing of brownfield development for which there is no cost recovery and the fact that hardly any investments in new infrastructure are needed compared to greenfield development.
- *Current legislation and regulation* largely restrict flexibility. The strict regulation on external safety, noise nuisance and fine dust frustrate development along rail stations.
- Brownfield development around stations is a *lengthy process*. Moreover the development of infrastructure and real estate are submitted to different time schedules and have different risk profiles. The development has thus to be cut into smaller phases.

In the course of the interviews with the development sector these issues will be updated and expanded. Other possible barriers include regulations concerning external safety in relation to urban development. This is primarily related to risks that the use of railway infrastructure poses to the surroundings(e.g. accidents during the transport of hazardous goods by rail).

2.5 Territorial specificities and characteristics and territorial governance

What is distinctive about the South Wing is that it is one of the most densely populated regions in the world which necessitates the efficient use of the territory. It is a large and low-rise region compared to other very densely populated areas in the world. If no coherent approach is chosen for mobility; economic development could suffer. Public transport policy is primarily made and implemented at the national and local levels, while few powers rest with the regional level even though the South Wing of the Randstad is a polycentric urban region in terms of passenger transport. In order to provide greater accessibility to an efficient public rail transport system, new residential and employment developments need to be located close to public transport nodes. Some of these nodes require development on brownfield sites which are often more expensive than greenfield development.

In analysing the StedenbaanPlus case, there are two levels that are important. The first is the StedenbaanPlus initiative itself, which presents the overall approach and stimulates and coordinates activity. The second concerns the individual rail nodes, where the relation with urban development will have to take place. Morphological studies have been undertaken to suggest potential residential and employment developments taking into account the territorial specificities of each node.

Another issue to be raised is the role of administrative boundaries. In the case of StedenbaanPlus, the separation between the financing of public rail transport on the one hand and real estate on the other may be considered as a barrier for territorial governance. Another possible barrier might be the separation between actors responsible for the construction of railways on the hand and the exploitation of railway transportation on the other side. These issues will be considered in the hypotheses (preliminary conclusions) which have to be further tested in the case study analysis.

3. Features of “good” territorial governance

The StedenbaanPlus will be evaluated in terms of features of “good” and “bad” territorial governance on the basis of policy documents and interviews. In so doing, the components of territorial governance will serve as a guide in identifying these features. In the current state of the case, we can only identify some preliminary features.

Two of the features of good territorial governance in the case of StedenbaanPlus are the strong relation between public rail transport and urban development and the fact that the national railway company is included in the consortium from the start. Other features relate to the multi-level dimensions in the initiative: an overall approach which is embedded in policy at different levels and which is adapted to the territorial specificities of each selected node.

Examples of less successful features are the fact that the development sector is not a formal player in the StedenbaanPlus initiative. The development sector is only situated in the second tier of actors as targets for information-provision and persuasion. A second less successful feature of territorial governance is the fact that there are few financial mechanisms to capture the surplus value created in urban development to invest in the regional rail system.

These are only preliminary features of good and bad territorial governance of the StedenbaanPlus case. Interviews will result in a more extensive overview.

The hypotheses set out below are essentially preliminary conclusions based on the case study analysis so far and based on the ESPON TANGO projects five dimensions of territorial governance (see Chapter 1 of the Interim Report). A first conclusion is that the StedenbaanPlus initiative primarily has a platform function where coordination and promotion activities are central. It thus employs soft instruments and a soft mode of governance. Implementation of StedenbaanPlus goals often occurs at a local scale (e.g. individual railway nodes). It is also at this local scale that the mobilisation of stakeholder participation often takes place. Because of the platform function of the StedenbaanPlus and the fact that it is less concerned with policy implementation, it may also be more adaptive to changing contexts.

Another conclusion addresses the place-based specificities of each node. Although attention is paid to these, there is the tendency that each local authority focuses on similar types of development which is not conducive to maximising synergies in urban development.

Another conclusion concerns investments in regional rail infrastructure. There is the assumption that investments in rail infrastructure can be recouped from higher property values around rail nodes. However, the mechanisms of financing rail transport and urban development are so different and separate that the economic benefits are often very difficult to capture in practice.

On the basis of documents only a few preliminary components of exchange can be identified. A more thorough analysis will have to be made on the basis of the interviews. We consider the relation between investments in regional public transport and brownfield development around stations as one possible component of exchange. In the field of

governance we consider the linkage between regional government and a transport company in addressing the regional level of public transport essential in filling the regional gap.

Relation with (future) Cohesion Policy
By improving the accessibility of public regional rail transport, people have a fair choice in the type of transport which they use. Moreover, by ensuring an efficient public transport system, the chance that consumer costs can be kept at a reasonable level is feasible. It is thus accessible for all income levels and relates to equity. The focus on safe and agreeable stations makes it also more accessible to more vulnerable people as elderly, young families and women.

4. Identification of stakeholders

Suggestion of stakeholders to be interviewed in September 2012:

1. Programme director StedenbaanPlus (situated within the city region of The Hague which is formally responsible for StedenbaanPlus) (Herman Gelissen)
2. Administrative Platform of South Wing (political or administrative responsible for StedenbaanPlus, infrastructure and/or urban development)
3. Province of Zuid-Holland (one or two representatives of policy formulation and implementation on infrastructure and urban development)
4. City region of Rotterdam (*stadsgewest Rotterdam*) (person responsible for StedenbaanPlus)
5. City region of The Hague (Haaglanden) (person responsible for StedenbaanPlus)
6. NS Stations (responsible for StedenbaanPlus railway stations)
7. NS Reizigers (responsible for StedenbaanPlus)
8. ProRail (responsible for StedenbaanPlus railway stations)
9. Ministry of Infrastructure and the Environment (expert in the relation with national policy documents and programmes on railway infrastructure)
10. Representative of the project development sector (project developer active in StedenbaanPlus railway area, possibly Rabo Vastgoed or AM).

Possibly supplemented with maximum three interviews with some of the following stakeholders:

11. City of Rotterdam (either political or administrative responsible for StedenbaanPlus, mobility and/or urban development)
12. City of The Hague (either political or administrative responsible for StedenbaanPlus, mobility and/or urban development)
13. Municipal cooperation Drechtsteden (either political or administrative responsible for StedenbaanPlus, mobility and/or urban development)
14. Municipal cooperation Midden-Holland
15. Region Holland-Rijnland (either political or administrative responsible for StedenbaanPlus, mobility and/or urban development)
16. Public transport bureau Randstad (aiming at strengthening cohesion and cooperation in public transport in the Randstad) (project manager responsible for StedenbaanPlus)
17. Public transport company in The Hague (HTM) (responsible for relation with StedenbaanPlus)

18. Public transport company in Rotterdam (RET) (responsible for relation with StedenbaanPlus)
19. ROVER (Association for passengers)
20. Fietsersbond (ENFB) (Association for cyclists)
21. Academic experts outside TU Delft on StedenbaanPlus (Luca Bertolini and Wendy Tan, both University of Amsterdam), possibly experts on this issue at PBL Netherlands Environmental Assessment Agency.

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The ESPON 2013 Programme

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Territorial Approaches for New Governance

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Case Study 4: Cross-border cooperation Rhine Basin

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Table of contents

1. Background and context of the case

Preceding remark: this interim case study report presents preliminary findings. To guide further research in the light of the definition of territorial governance several important questions have been formulated; in most cases these can be found at the end of a section (in italics). Answers will be sought in the next phase of the case study, most likely via interviews.

Water management: A case of intrinsic crossborder relationships

Due to hydrological and ecological conditions there are many intrinsic relationships within the catchment area of rivers. It is for this reason that river basins are conceived as the overall most important units for water planning and management.[9] This is reflected by two important European Union environmental directives: the European Water Framework Directive (WFD)[10] of 2000 and the so called Floods Directive[11] of 2007. Both directives – in fact the Floods Directive is closely linked to the WFD in terms of its underlying principles as well as its governance approach – are based on the river basin concept. According to the WFD a river basin is the area of land from which all surface water run-off flows through a series of streams, rivers and, possibly, lakes into the sea at a single river mouth, estuary or delta.[12]

The WFD as well as the Floods Directive go back to the 1992 Helsinki Convention[13] brought about in the context of the United Nations Economic Commission for Europe (UNECE). This convention, in force from October 1996 onwards, was signed by a large number of countries, including the Rhine states, and the European Community. Due to this convention and the two EU water directives River basin management has grown in importance over recent years.

In case of the Rhine the origins of such an approach go back to the immediate post-war period however. In 1950 the 'International Commission for the Protection of the Rhine against Pollution' was established which received its legal foundation with the conclusion of the Convention of Berne in 1963: formal arrangements like treaties or EU directives – which in themselves are based upon a treaty – are important for transnational as well as cross-border cooperation.

Spatial planning and water management: two separate policy domains?

As the original name of the 1950 Rhine Commission (see above) already suggests the early cooperation in the Rhine basin was targeted at water quality and the prevention of environmental disasters. As the location of for instance chemical plants, electrical power plants and sewage systems – at least in those days – were closely connected to the presence of water systems there was already a territorial dimension to these early years of transnational river basin management. However this dimension increased in

[9] Meijerink & Wiering, 2009: 181-182

[10] Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, OJ L327/1.

[11] Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks, OJ L 288/27.

[12] Article 2.13 WFD; see also Van Rijswick et alia, 2010: 130.

[13] The Convention on the Protection and Use of TransboundaryWatercourses and International Lakes, done at Helsinki on 17 March 1992. In force on 6 October 1996; 31 ILM 1312 (1992).

importance when water management spills over into flood control. There are two main reasons for this. First land-use is important in terms of the run-off of surface water. Hard surfaces to be found in urban areas but also for instance agriculture – drainage systems, types of crop etcetera – influence the amount and speed of surface water entering streams and rivers. So territorial characteristics influence the behaviour of water systems.

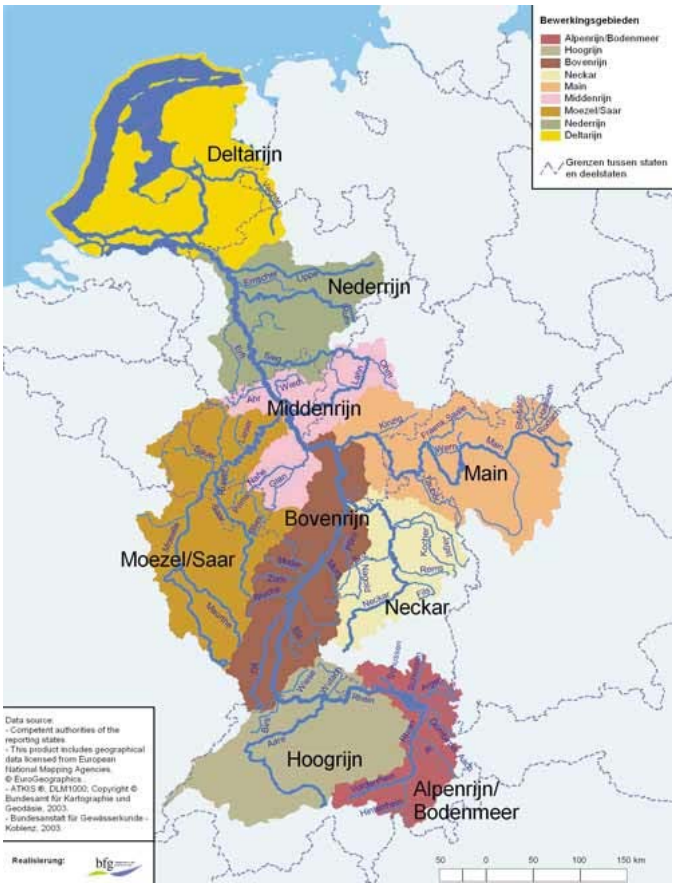
Interrelationships also go in the other direction: it is increasingly recognised that there are limitations to a mere technical approach to flood control. Dikes and dams and other works of civil engineering cannot fully exclude risks of flooding especially as over a period of many decades such works have made the overall territory available for water flows ever smaller while pumping installations and land-use have increased the speed with which surface water enters into these flows. So the 'discourse' is that water needs to be accommodated. This counts for coastal defence as well as for river policies as is reflected in – for instance – the new Dutch river management doctrine: space for the river.[14] This has brought spatial planning at the one side and water management at the other side ever more closely together. In the past we have seen a separation between the two domains: water management was expected to meet the needs of spatial planning by ensuring dry feet and good conditions for the use of land.[15] Water management itself was not primarily concerned with considering the claims of other policy fields but, in principle, looked at its 'own' water system from a technical point of view.[16] These qualifications relate to the Dutch situation but we believe they aptly describe the situation in many other countries, at least those bordering the Rhine. Apart from the precise nature of the relationships between spatial planning and water management at both side of the Germen-Dutch border due to the very close relationship this case study will primarily focus on these two policy domains and the relevant policy actors active within these domains.

Main territorial focus of the case study

River basin management forms the stage for new relationships between two policy domains which grew apart during the previous century. Focusing on a crossborder/transnational level seems a logic choice as river basins often tend to cross country borders. Choosing the Rhine Basin has for a large part to do with the fact that cooperation in this area has a history of about sixty years. Because in terms of practical actions and projects cooperation across country borders does not address the entire Rhine river basin area but smaller areas,[17] this case study focuses on two so called sub basins or sub districts: Lower Rhine and Delta Rhine, with the emphasis on the latter. These areas are discussed in more detail in section 2.5. [18]

[14] Wiering & Immink, 2006: 429.
[15] Wiering & Immink, 2006: 429.
[16] Wiering & Immink, 2006: 428..
[17] Van Rijswick et alia, 2010; Gilissen, 2009.
[18] The term district stems from the Water Framework Directive: 'River basin district' means the area of land and sea, made up of one or more neighbouring river basins together with their associated groundwaters and coastal waters, which is identified under Article 3(1) as the main unit for management of river basins.

Figure 1: The Rhine River Basin and its Sub Basins: district and sub-districts respectively (Source: http://www.iksr.org)



Relationship with Europe 2020

Although not primarily focused on social-economic issues the Rhine case is nevertheless important in relation to the Europe 2020 strategy. First off all the case addresses important sustainability issues. Existing documents and transnational agreements, like the Rhine 2020 – Program on the sustainable development of the Rhine, underline the need for approach aiming for sustainability. According to Rhine 2020 this basically means that a holistic approach is being followed. So far water policy focused on improving water quality and on important uses. Under the new approach the conservation of an intact stream ecosystem is of equal importance.

Second the resilience of an area in terms of flood risks has important economic implications especially in the case of the Rhine with its vast concentration of people and economic activities. Water quantity in the Rhine – the most important transport waterway in Europe – has also a major impact on transport both in periods of (extreme) high and low water. Both issues of water quality and quantity obviously have important implications in terms of equality.

2. Dimensions of territorial governance

2.1 Integrating relevant policy sectors

Above we have already addressed the relationships between spatial planning and water management, the two main policy domains which are the object of this case study. The closer relationships between spatial planning and water management as stimulated by the two EU water directives – at least potentially – point to the existence or rise of a new kind of territorial governance. That does not mean that different dimensions of governance are sorted out yet. First we look at the situation in Germany and after that The Netherlands.

Policy integration in Germany

The implementation of both directives as well as the adaptation to changing conditions and administrative arrangements in Germany, resulted in a series of adaptation of the federal *Wasserhaushaltsgesetz* as well as the federal *Hochwasserschutzgesetz* during the last decade. The major changes were:[19]

- the reformulations of the general principles of flood management;
- the introduction of different spatial zones for areas under flood risk (*Überschwemmungsgebiete*);
- the implementation of the *Hochwasserschutzpläne* (Flood management/protection plans) as instruments;
- the introduction of policy cooperation on the scale of the river basin.

According to the federal structure of Germany those changes were implemented via the different Bundesländer and their *Landeswassergesetze*. Furthermore the changes of the *Hochwasserschutzgesetz* caused changes in other federal legislation among others in the *Raumordnungsgesetz* (spatial planning law) and the *Baugesetzbuch* (building law).
In both the principle of preventive flood protection was introduced. The administrative level of implementation ist the *Regionalplan.*[20] In this plan three major aspects concerning water management have to be considered[21]:

- the spatial indication of floodplains;
- the flood risk management in areas behind the dikes;
- the water retention in the catchment areas of rivers.

Question 1: what is the level of policy/sector integration in practice?

Policy integration in The Netherlands

The relationships between water management and other policy sectors – especially spatial planning – are not exactly the same looking at water quality and water quantity management. To start with the first we are mostly dealing with the policy effects of the WFD. Although less when compared with Germany many authorities have been appointed as "competent authority" in the Netherlands as the WFD requires.[22] In principle this created an arena or stage where actors and agencies from various

[19] Hengstermann, 2011.
[20] The Regionalplan is an instrument of state planning that concerns the area of several municipalities. It is an interface between state and communal planning.
[21] Handlungsempfehlungen der Ministerkonferenz für Raumordnung zum vorbeugenden Hochwasserschutz (GMBl. 2000 Nr. 27 S. 514)
[22] Junier & Mostert, 2011: 5.

backgrounds would meet and discuss and decide on water management issues. According to Junier and Mostert in reality however the water sector feels most responsible for the implementation of the WFD and, with some exceptions, only water management measures have been considered for inclusion in the programme of measures as demanded by the WFD.[23] As explained by these authors major challenges for the implementation of the WFD in the Netherlands are the hydro-morphological situation of the water bodies and eutrophication.[24]

Although in many ways the hydro-morphology is quite fixed, measures can be taken, for instance to improve connectivity and living conditions for aquatic life. But many of such measures require space. So negotiations to acquire the necessary land on a voluntary basis are needed. The responsible ministry (currently Infrastructure and the Environment) could have provided regulations, procedures or possibly subsidies to ease the acquisition of land for WFD-related measures. However no such provisions were made as Junier and Mostert emphasize.[25]

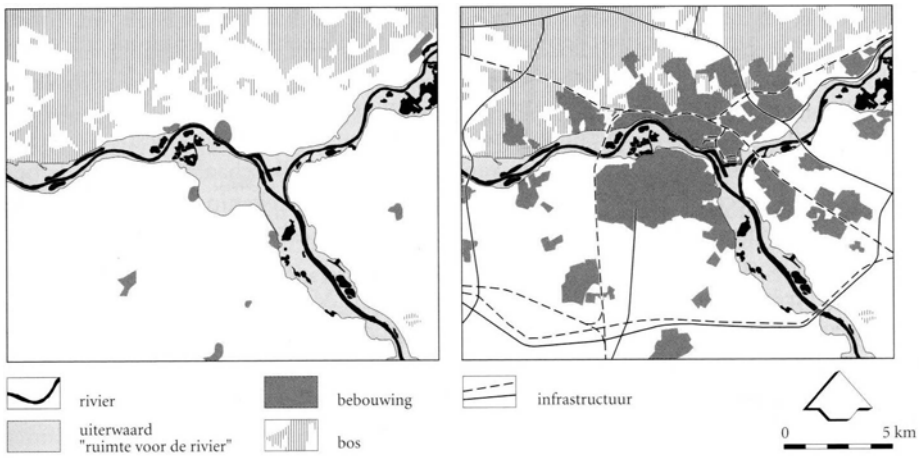
The most problematic issue in The Netherlands when it comes to the application of the WFD is without any doubt eutrophication. This problem is caused to a large extent by nutrients from agriculture. The regulating authority in relation to such nutrients is the ministry of Economic Affairs, Agriculture and Innovation which is also a designated competent authority for the WFD. By and large this ministry did not consider revising its manure policy in order to facilitate the attainment of WFD objectives.[26] The plans for the Dutch river basins – four areas have been designated as such – and their corresponding programmes of measures show that measures were mainly planned in the water sector. One can think of such measures as re-naturalising banks and installing fish ladders. It is crucial to emphasize that actors at local level – predominantly the water boards – have no authority to take measure in sectors like land use policy or (national) manure policy.[27] So the integration of water management and such sectors as agriculture and spatial planning cannot be solved at the decentralised level or by water management alone.[28]

In section 1.2 we have already introduced important policy change in the Netherlands which took place before the EU Floods directive. Up until the 1988s water quantity management was strongly focused on meeting the needs arising from spatial planning. Water management ensured `dry feet` and good conditions for use of the land.[29] This practice was not totally undisputed because of the strong relationships between characteristics of water systems and nature. From agriculture there is a general demand for low ground water tables. This has a negative effect on biodiversity though and this has been a contentious policy issue right from the moment when nature conservation became an important policy area, roughly from the early 1970s onwards. Although demands from agriculture remain important and the sector is still able to deploy considerable political power roughly from the mid 1980s a switch to integrated water management introduced a gradual ecological turn as well as a `societalisation' of water

[23] Junier & Mostert, 2011: 5
[24] Hydro-morphology is a key concept in the WFD. The concept is basically about the structure of watersystems. In the Netherlands a basic distinction is made between rivers and streams, lakes, ditches and canals and coastal and transitional watersystems. Hydro-morphological measures include, for instance, the change of ground water levels or the improvement of the accessibility of a water body for fish.
[25] Junier & Mostert, 2011: 5.
[26] Junier & Mostert, 2011: 5.
[27] Junier & Mostert, 2011: 7.
[28] Wiering et alia, 2009 in: Junier & Mostert, 2011: 7.
[29] Wiering & Immink, 2006: 428-429.

management later on. In particular, critical periods (near floods) in 1993 and 1995, and regular problems due to excess local rainfall, have accelerated important developments in discourse about water management.[30] The new discourse is generally known as room for water (*ruimte voor water*). This has led to a number of spatial concepts denoting different claims for space: retention areas needed for stormwater runoff; overflow areas adjacent to rivers; peak storage areas near urban areas; seasonal storage areas in rural areas to bridge periods of drought.[31]

Figure 2: The curtailment of territory available for the Rhine and IJssel as the result of the growth of Arnhem: left situation around 1830 and right 2000 (light grey areas are river fore lands; source: Hidding & Van der Vlist, 2009)



The greatest intention but also the bulk of the Ruimte voor water project and available budget went and is going to the main rivers. Historically the land available for water in the Netherlands has sharply decreased over time, especially since the middle of the 19th century due to land reclamation and factors such as building urban areas in the forelands of rivers (see figure 2). The room for water approach has led to a major revision of policies toward the management of the Dutch rivers system. This is known as room for the river, the title of a 1996 statutory national planning document as well as policy programme which is still being carried out. At more than 30 locations, measures will be taken that give the river space to flood safely. Moreover, the measures will be designed in such a way that they improve the quality of the immediate surroundings. The Room for the River programme will be completed by 2015.[32] As areas downstream are partly dependent on flood management control programmes and project upstream there is a desire to participate in the adaptation of similar approaches elsewhere in Europe and to learn from these (to support the diffusion of the Room for the River Approach there is an extensive English website about the programme). The Room for the River programme management is lead partner for two EU projects, subsidized in the INTERREG IVB NWE programme. These are FloodResilienCity (FRC) and Adaptive Land Use for Flood Allevation (ALFA). The Dutch FRC project is called 'Space for the

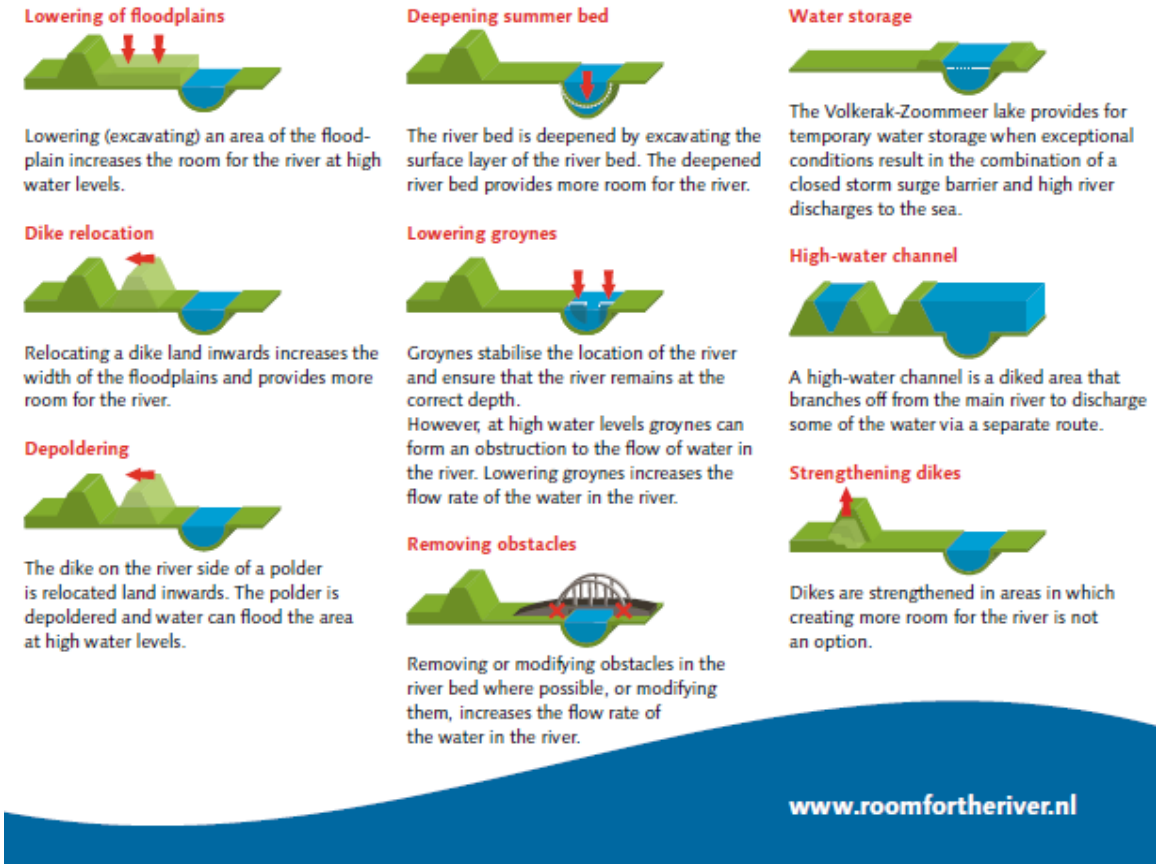
[30] Wiering & Immink, 2006: 429
[31] Hidding & Van der Vlist, 2009b: 23
[32] http://www.ruimtevoorderivier.nl/meta-navigatie/english/; accessed 24 May 2012.

Waal' and is focused on Nijmegen.[33] The Dutch ALFA project is about a polder along the river Meuse.[34]

So water management in relation to flood control clearly have taken a spatial turn. Also spatial planning has taken a water management turn. Roughly from the late 1980 and early 1990s onwards a large number of smaller scale projects mostly in urban areas have been realised, for instance aiming at holding precipitation as long as possible instead of disposing as quickly as possible to drainage and sewage systems. In order to prevent conflict between new spatial developments and the water system a new instrument was introduced: the Water Assessment (WA). The objectives of WA are to guarantee that water interests are taken into account in spatial and land use planning, so that negative effects on the water system are prevented or compensated for elsewhere. This integration of water in spatial planning works in two ways: a plan is assessed on its implications for the water system and the restraints that the water system puts on land use are made explicit.[35] WA was introduced as an experiment in 2001 but has become mandatory from 2003 onwards.

[33] http://floodresiliencity.eu/en/regional/nijmegen/index.php?mod=login&sel=setcookie; accessed 24 May 2012.
[34] http://www.alfa-project.eu/en/about/index.php?mod=login&sel=setcookie; accessed 24 May 2012.
[35] http://www.espace-project.org/publications/library/English%20version%20of%20Water%20Test.pdf; accessed 24 May 2012.

Figure 3: The 'menu' of measures of the Room for the River Programme (source: www.ruimtevoorderivier.nl; accessed 24 May 2012)



The above means that in terms of policy integration major events took place since roughly the mid 1990s. Some of these changes have been induced by EU legislation, especially in relation to water quality. The relationship between water quality management and agriculture is to a large extent still problematic. In terms of water quantity management spatial planning and water management have become much closer. Certain tensions between flood control policies and spatial planning seem to remain. Woltjer & Al emphasize that water management and spatial planning personnel come from different professional cultures and have developed their own institutional structures, ways of acting and geographical scales of operation.[36] In one respect water management interest will prevail. The 1996 statutory planning document on Room for the Rivers contains the following disclaimer: "In the event that the main objective of this [planning document] (achieving the required safety levels) conflicts with its secondary objective (spatial quality), the main objective will prevail."[37]

> *In the interview phase of the case study we seek to address the issue of territorial governance: how does actor cooperation across country borders (sub basin Delta Rhine mostly)operate From what kind of 'frames' do actors think and*

[36] Woltjer & Al, 2007: 221.
[37] Approved Decision Room for the River, 1996, p. 19, see: http://www.ruimtevoorderivier.nl/media/21963/pkb%204%20approved%20decision%20h01-h086.pdf; accessed 24 May 2012.

act? Is a Room for the River approach (or something similar) also followed in Germany?

Important formal 'rules of the game' are laid down in both EU water directives. But there are also other formal and informal 'rules of the game' like national and regional traditions of planning and water management (for instance: how is 'risk' interpreted?) which might not be (entirely) compatible with those at the other side of the country border..

There are also different trajectories possible when it comes to the tuning or integration of spatial planning and water management. Looking at the Netherlands: at one side of the continuum a discourse could be identified in which water is regarded as a fundamental 'guiding principle' for spatial development and planning.[38] Development and planning should not be in conflict with the principle of sound water management. This discourse finds support in both EU water directives.

The discourse at the other side of the continuum sees water issues – due to the rise of importance of water management in general – as one of the basic conditions for spatial planning, but will not be given priority above other relevant features such as the general quality of the environment or economics.[39] In the past both discourses have clashed, for instance when it comes to the location and future land-use of flood and retention areas.

So in our case study we have to clarify the following issues:

- *The demarcation of the international Rhine river basin district and its sub-divisions and the assignment of formal competences to actors.*
- *General challenges and inconsistencies between water management in the crossborder study area at the formal as well as informal level. As there is a shortage of up to date literature[40] on this topic we will have to rely on interviews.We will focus on Delta Rhine as this is the only cross-border sub-district.*
- *Possible frictions/barriers between spatial planning and water management in a concrete project case. Ideally this case is of a crossborder nature but at this state we do not know whether there are such cases. If not we will investigate two project cases at both sides of the German-Dutch border and study: 1) what have been the interrelationships between spatial planning and water management; 2) in what way are cross-border issues tackled? An interesting project at the Dutch side of the border is Waalweelde*.

2.2 Multi-level interplay

The most relevant issue in relation to this case study is how the river basin approach of the WFD and the Floods Directive has been connected to the existing territorial division of competences. The WFD requires the designation of a competent authority or competent authorities for the implementation of the WFD.[41] Although both countries do not have a tradition of managing water on the basis of river basins[42] in neither country

[38] Ibid.: 432. See also Tjallingii, 1996.
[39] Ibid.: 431-432.
[40] Immink, 2007.
[41] Junier & Mostert, 2011: 3.
[42] Ibid. (these authors just focus on The Netherlands but this observation also counts for Germany.

special authorities with their own territorial perimeters covering (parts of) river basins have been created as a response to both EU directive. “In the Netherlands the councils of all [27] waterboards, provinces and municipalities have been designated as competent authorities. The Minister of V&W has been designated as ‘‘coordinating competent authority’’, ‘‘when needed together’’ with the Minister of VROM (now the same minister) and the Minister of LNV [now Ministry of Economic Affairs, Agriculture and Innovation]. All these authorities kept the competencies that they had and are accountable for their part in the implementation of the WFD.”[43]

Table 1: The structure of the water management administration in Germany and The Netherlands (adapted from Van der Molen, 2011)

Nordrhein-Westfalen	*The Netherlands*
Bund: concurrent legislative power (not used)	Min. IM & Min. EAAI[2]: legislation
NRW: MUNLV & LANUV[1]	
Bezirk	Province
Kreis	
Verbände & municipalities	Water boards & municipalities

[1] Ministry for Climate Protection, Environment, Agriculture, Nature Conservation and Consumer Protection; Agency for Nature, Environment and Consumer Protection
[2] Ministry of Infrastructure and the Environment; Ministry of Economic Affairs, Agriculture and Innovation

According to the 2006 changes of the German constitution the *Bund* has a so called concurrent legislative power *(konkurrierende Gesetzgebung*) in relation to water management meaning that there is a competence to adopt federal legislation going further than framing legislation. This competence has not been used: the states have been charged to elaborate the obligations of the WFD. This means that the most important part of German legislation in relation to water management is to be found on the level of the 16 states.[44] On the level of the NRW the ministry for Climate Protection, Environment, Agriculture, Nature Conservation and Consumer Protection (MUNLV) together with the Landesamt für Natur, Umwelt und Verbraucherschutz are the competent authorities.[45] As the most important authority on the Dutch side of the border on the local level is the water board it is the *Kreise* at the German side, the smallest governmental body above the level of the Municipality. For the maintenance of waterways and dikes so called *Verbände* play an important role. There are *Verbände* for water and soil (*Boden*) as well as for dikes. This all means that the situation in Germany (NRW) is much more complex when compared with The Netherlands. Even for German water authorities themselve the situation is complex. Often deliberation is needed to determine “wer zuständig ist”: who is competent.[46] So connecting these two different government system into an effective cooperation structure has been quite a challenge.

> *Question: what difficulties have been caused by this situation and how have these been overcome?*

[43] Ibid. p. 3. See also Liefferink, Wiering & Uitenboogaart, 2011.
[44] Gilissen, 2009: 66-67.
[45] Van der Molen, 2011: 20. The LNUV falls under the ministry of MUNLV (see: http://www.lanuv.nrw.de/wuebu/wuebu.htm).
[46] Ibid. p. 20

Table 2: International conventions declarations and involved organisations.

Treaties, Conventions, Declarations	Organisations
Multilateral	
1963 Bern convention	1950: International Commission for the Protection of the Rhine against Pollution (formal status from 1963 onwards)
1999 Rhine Convention (NL, D, F, L, CH & EU)	ICPR: International Commission for the Protection of the Rhine (working domain: WFD & Floods Directive) - Ministerial Meetings - Working groups
Bilateral	
1963 'General Treaty' on cross-border and other bilateral issues (D, NL)	
Based on General Treaty: 1963 Border Convention (D, NL)	1963: Permanent German-Dutch Border Water Commission - sub-committees on the 7 sub basins - Commission and sub-committees dormant since about 2000
No formal basis	Since 2002: (informal) Steering Group preparing sub-basin plans ex WFD - Actual work in working groups
Cross-border	
2007 Common Agreement ('Gemeinsame Erklärung') on Flood Protection (Province of Gelderland; Ministry of Transport, Public Works and Water Management (NL); Ministerium für Umwelt und Naturschutz, Landwirtschaft und Verbraucherschutz des Landes Nordrhein-Westfalen); time frame: 2007-2012	German-Dutch Working Group on High Water

Transnational and crossborder cooperation

Cooperation in the Rhine basin requires the establishment of cooperation bodies (see table 2). In general such bodies – although they sometimes start informally – are based upon a formal basis, either in terms of treaties or conventions or in terms of some kind of political agreement signed by administrators. The table below identifies the most important treaties/conventions and (political) agreements and the relationship with relevant organisations: the bodies from which cooperation departs. Table 1 shows the various organisations and platforms which have been involved in transnational and crossborder cooperation in the Rhine basin. We expect that the participants in these organisations have a background in water management.

So the following questions become relevant:

- *To what extent are (people within) these organisations aware of the territorial implications of strategies and projects?*
- *A kind of reverse question is the following: do officials/representatives responsible for spatial planning and territorial development have any influence on what these organisations do?*

We expect that any kind of agreement reached within crossborder organisations will have to pass standard procedures within the participation territorial units like a Dutch province as these organisations do not have decision making competences. But in terms of policy integration it is important to assess the nature of the connections between spatial planning and water management. Generally speaking the multilateral and

bilateral organisation provide general frameworks. The actual work in the form of projects, measures and concrete coordination of policies take place on smaller levels of scale, mainly at the crossborder. In further parts of the case study the focus will be on the marked areas in table 2.

2.3 Mobilising stakeholder participation

In this case study water management meets spatial planning at different levels of scale. We do not have a complete image of stakeholder participation. On the whole at least for the Dutch of the case study area there are wide differences between stakeholder involvement in spatial planning at one side and water management at the other side. Spatial planning has an extensive tradition but water management much less. In fact the interest of the wider public in water management is very low as shown by the turnout at the elections of the water boards.

As a 'new generation' Directive, the WFD asks for public involvement in the implementation process. This is generally interpreted as involving important stakeholders and the broader public in formulating the river basin management plans.[47] For the Netherlands this was quite a new practice as this did not happen on a wide scale in relation to water management. In implementing the WFD stakeholder involvement in the Netherlands takes place at different governmental levels although this involvement is in most cases limited to the relevant *organisations* in the fields of agriculture, nature conservation and environment.[48] Members of the general public hardly have the possibility to participate as the result of the number of meetings taking place and the high level of technicality and complexity.[49]

> *Question: assess participation at both sides of the border and determine possible differences in the levels of participation and different involvement of stakeholder groups. We will do this by asking our interviewees who have a background in government/water management how the EU directives – prescribing participation – have been applied in this respect.*

2.4 Adapting to changing contexts

The management of the Rhine in the cross border region of Germany and the Netherlands had to deal with several changing contexts. Above all the legal context changed with the implementation of two EU directives. Both directives themselves are the result of societal and political changes, partly in relation to changing risks:

- The increasing flood risk, both in terms of frequency and intensity. The ICRP targets are -25% damage risk and – 70cm extreme downstream flood level until 2020[50]
- Increasing ecological awareness of the population and therefore higher public demand concerning the ecological and landscape quality of flood protection

[47] Liefferink et alia, 2011: 716.
[48] Liefferink et alia, 2011: 717.
[49] Junier & Mostert, 2011: 6.
[50] Conference of Rhine Ministers 2001:15.

measures. This involves the integration and participation of multiple also non-governmental actors and stakeholders.

- A paradigmatic shift concerning flood management away from an engineering approach towards a sustainable flood protection.[51] Examples are *'Ruimte voor de Rivier'* a guideline for flood management in the Netherlands as well as the 'Konzept für einen nachhaltigen Hochwasserschutz' a guideline for sustainable flood and river management of the Nordrhein-Westfalen.

As a result of the above mentioned changes in the context, integrated approaches towards river management are in place, which are grounded in the understanding that only a combination of the improvement of the ecosystem of the Rhine, the protection and improvement of the (ground) water quality as well as integration of the adjacent territories into the flood management can deliver a sustainable flood and water management.

2.5 Territorial specificities and characteristics and territorial governance

The river Rhine stretches from the Suisse Alps until the Dutch delta at the North See. It is not only one of the most important rivers in Europe but also an important economic and cultural axis.[52] The Rhine river basin is, according to the International commission for the Protection of the Rhine, divided into nine, mostly international, sub basins (see figure 1). The two lowest basins, the Lower Rhine (NiederRhein/Nederrijn) and the Delta Rhine (Deltarhein/ Deltarijn) are the two most relevant for the case study at hand, especially the latter.

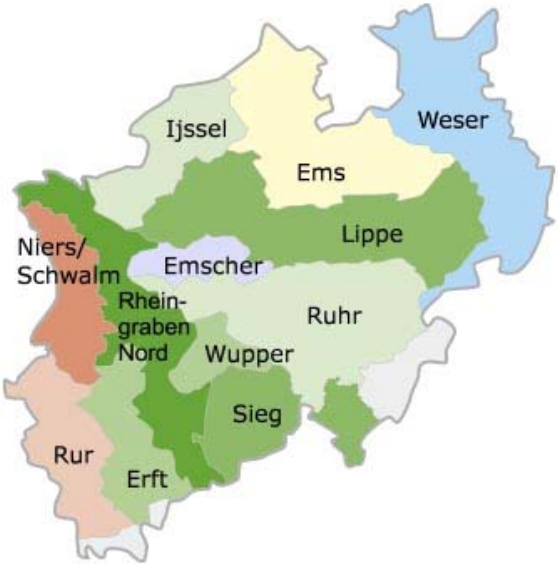
> *Question: determine the rationale behind this division into sub basins Why is Delta Rhine a cross-border sub-basin/-district?.*

The Lower Rhine Basin

The area of the lower Rhine basin is about 18.884 km^2 which is around 10% of the whole Rhine area and is entirely situated within Germany. The major part of the area is located in Nordrhein-Westfalen (around 18.200 km2), smaller parts (about 650 km2) in Rheinland-Pfalz and the smallest part in (0,68 km2) Hessen.[53] For the implementation of the WFD this area is divided into a number of sub-regions (see figure 4): about three times more areas when compared with Delta Rhine. The Rhine-Ruhr metropolitan region with its more than 10.000.000 inhabitants – one of Europe's largest, and most densely populated and most most prosperous metropolitan areas[54] - is in the centre of the river basin and defines largely the challenges a sustainable river management faces.

[51] Der Rhein kennt keine Grenzen/De Rijn kent geen grenzen [2004]: 2.
[52] http://www.iksr.org/index.php?id=12&L=3 (16-04-2012)
[53] http://www.niederrhein.nrw.de/niederrhein/index.html (16-04-2012)
[54] See Eurostat urban audit

Figure 4: Subdivision of the Lower Rhine (Source: www.flussgebiete.nrw.de/index.jsp).



The Delta Rhine Basin

90 % of the Delta Rhine sub-basin is in the Netherlands; the remaining part is situated in the northern area of Nordrhein-Westfalen. The Dutch provinces Gelderland, Utrecht, South-Holland, North-Holland and a small part of Noord-Brabant are in this sub-basin. The Dutch area is subdivided into four districts called Rijn-West, Rijn-Midden, Rijn-Oost and Rijn-Noord (see figure 5). Typically for a delta the Rhine splits into several branches (see 6). The southern main branch consisting of the sections Waal – Merwede – Noord – Nieuwe Maas is the largest and most important river of the delta and transports 2/3 of the Rhine water. The northern branch – the Nederrijn and later Lek flows into R. Noord and the Nieuwe Maas. The northwards heading (Geldersche) IJssel also branches off the Nederrijn. In several places, the lower courses of these river branches are naturally and artificially interlinked in the Rhine-Maas-Delta and with the Meuse.

Figure 5: Sub-division of the Rhine Delta (Source: Junier & Mostert, 2011)

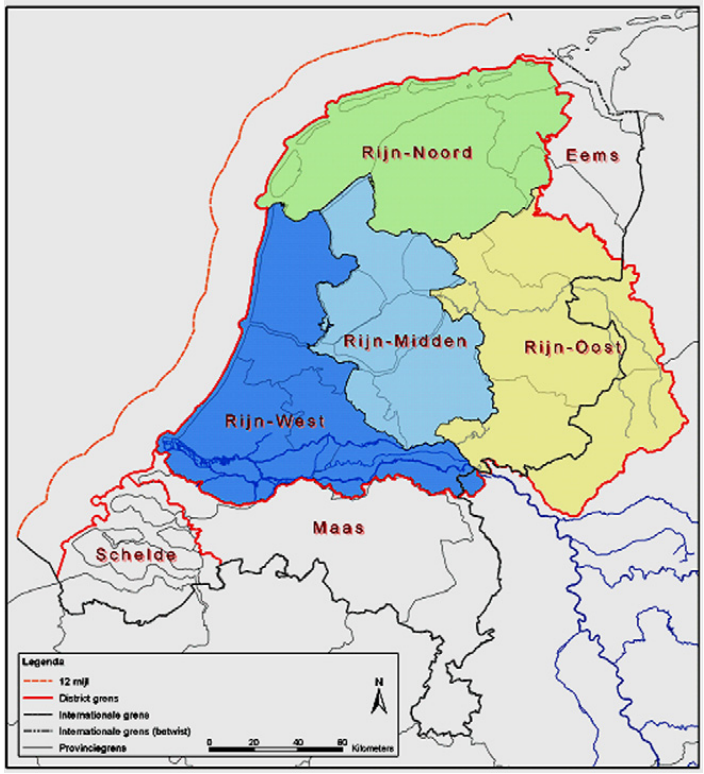
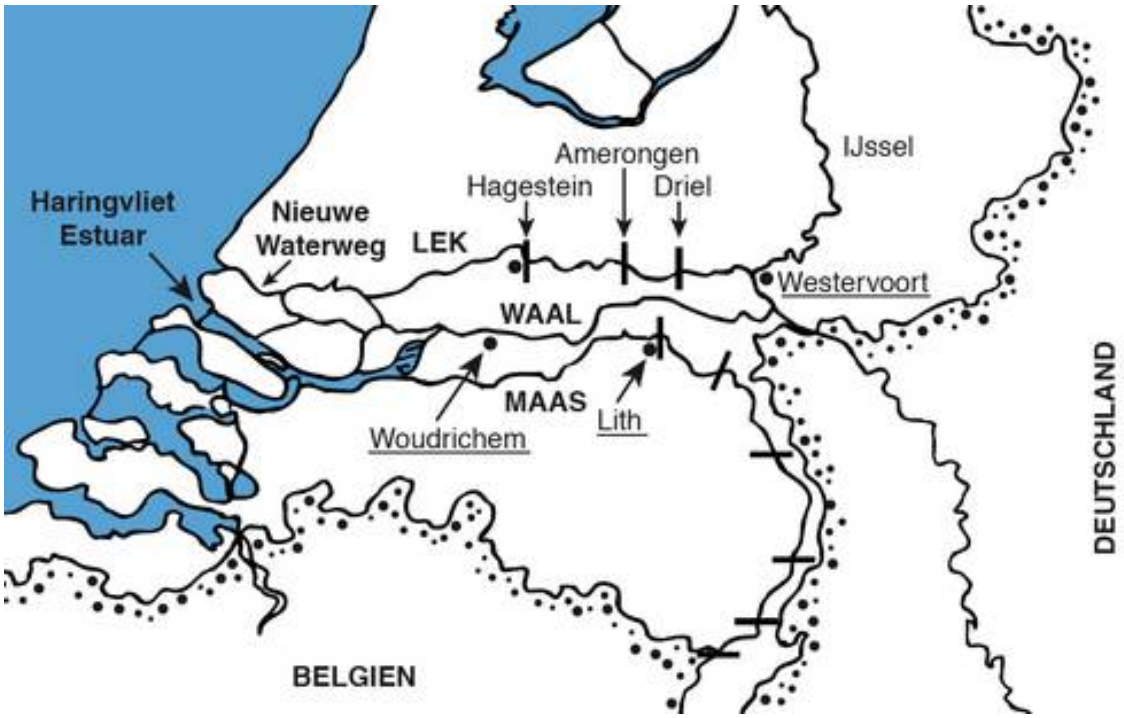


Figure 6: The river system in Delta Rhine (source: www.iksr.org, accessed 17 April 2012)



A considerable part of the Delta Rhine lies below the +1 meter NAP line. This means that this area not only faces flood risks from the rivers but also from tidal storms. Therefore around 3.000 km of dikes protect the delta. Figure 7 shows the perimeters of the 27 Dutch water boards. In most cases the water board areas are not split up by the districts of the sub basins (which next to the Rhine include the Ems, the Meuse and the Scheldt).

Figure 7: the Dutch water boards

3. Features of “good” territorial governance

There is a significant difference in the tradition of water and flood management in the Netherlands and Germany, nevertheless three aspects seem to be crucial for the successful implementation of the WFD and related projects and plans:

- A long history and tradition in collaboration.
- A clear territorial, legal and administrative framework, that on the one hand allows to formulate general targets on a cross border level and on the other hand provides enough flexibility for actions on the local level to achieve these targets.
- The urgency of collaboration, created by an external pressure, in the case at hand the increasing danger of flooding.

In the following features of good territorial governance in relation to the five dimensions of territorial governance are listed.

Governance principles in practice
‘The concept of river basin management incorporates at least three integrative ambitions concerning water systems and policy making’(Wiering, Verwijmeren, Lulofs, & Feld, 2010: 2648):

1. to connect and combine different aspects of water systems, such as water quality and water quantity, groundwater and surface water, as well as relations in the water chain.
2. It stresses the need for external relationships between water management and other policy domains, such as spatial planning, agriculture, housing, nature conservation and tourism
3. The river basin as starting point for administrative co-operation and, as such, is crossing administrative and geographical borders (aiming at cross border integration).

In relation to the five dimensions of territorial governance the river basin concept helps to integrate relevant policy sectors, helps to co-ordinate the actions of in the multilevel interplay and addresses by definition the place based characteristics.

The Dutch-German working group on high water was the result of the initiative of the Dutch province Gelderland and was a reaction on a too bureaucratic and on water quality focused earlier initiatives that also lacked a focus on implementation. (Wiering et al. 2010: 2663)

The province of Gelderland together with the regional office of Rijkswaterstraat and the state of NRW founded the working group and defined in their goals and rules of cooperation in a 'common declaration'. According to Wiering et al (2010) the working group was seen as a succes by all participating actors. They relate this success to the following factors:

1. The cooperation took place at the regional and not the national level.The legal differences are more different on the national level.
2. The formulation of a common goal in the declaration as well as an operational program.
3. The similarity of the actors involved on both sides, mostly government organisations. This made it easy to find the fitting counterpart.
4. Most of the participants were civil servants and researcher and not politicians, which lead to a more focus on the process than on fast results.

In relation to the five dimensions of territorial governance the Dutch-German working group on high water aims to integrate relevant policy sectors, manages to co-ordinate the actions in the multilevel interplay and addresses by its focus on the regional scale on place based characteristics.

In the future, steps for both examples the obstacles for the cross border cooperation in the daily operational work have to be investigated to see whether the applied strategies really are successful strategies for good territorial governance.

Horizontal policy integration is aimed for at the international level and seems to take place at the regional (Kreis, Provinces/water board districts) level. On the other levels water management, spatial planning and other policy fields seem to be organised in different compartments. This could be seen as a sign for lacking vertical policy integration.

Water management and spatial planning have followed different trajectories for many years. The room for the river approach in the Netherlands and similar/comparable

approaches in Germany have resulted in a territorialisation of water management and the incorporation of water management frameworks in spatial planning. The depth of policy integration can be mostly seen on a practical level and does not entail common policy belief systems. However it remains to be seen whether such deep consensus is a prerequisite for effective policies.

The practice of stakeholder, other than governmental bodies, as well as public participation, has a rather young history in water management. The need or tendency towards an integrated approach of river managements also asks for developing practices of stakeholder integration further.

4. Identification of Stakeholders

Long list of stakeholders to be interviewed in September 2012.

Actors in International Organisations
Next to the people below we include a representative of the Strategy Group or the Secretariat of the International Commission for the Protection of the Rhine.

Actors involved in Cross-border Cooperation

Several members of Dutch-German Working Group on High Water, preferable from the different working groups. Focus on following working groups:

- Topic: Raumplanerische und sozial-ökonomische Entwicklungen (Spatial and sozio economic development)
- Topic: Transnationale Bewirtschaftung des Einzugsgebiets, (Transnational river basin managment)
- Topic:Europäische Hochwasserpolitik (European flood prevention policy)

Several members of regional administrative organisations:

- Provincie Gelderland
- Rijkswaterstaat; Directie Oost-Nederland
- Waterschap Rijn en IJssel
- Land Nordrhein-Westfalen
- Teileinzugsgebiet Rheingraben-Nord.Bezirksregierung Düsseldorf and Köln
- Teileinzugsgebiet Ijsel: die Bezirksregierung Münster, Geschäftsstelle Ijsselmeer-Zuflüsse/ NRW and Bezirksregierung Düsseldorf.
- Kompetenzzentrum Hochwasser Koeln

Participants in relevant INTERREG projects:

- FloodResilienCity (FRC) Lead Partner: Programme Directorate Room for the River of the Dutch Directorate General for Public Works and Water Management (http://www.alfa-project.eu/en/about/)
- “RiverCross” - Many Rivers to cross (INTERREG IIIC Change on Borders) http://www.change-on-borders.net/subprojects/river_cross.php; project webpage not working any more.

NGOs and local action groups:
http://www.hochwassernotgemeinschaftrhein.de/hochwassernotgemeinschaft/Wer%20wir%20sind/

http://www.hoogwaterplatform.nl/index.php?option=com_content&task=view&id=14&Itemid=27

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Case Study 5: Target-based Tripartite Agreement between the European Commission, the Italian Government and Lombardy Region

2012-06-20

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1. Background and context of the case

In the early 2000s, for four pilot tripartite initiatives were defined:

- the 'Tripartite Agreement for Sustainable Urban Transport' in Birmingham;
- the 'Convention tripartite – Plan d'action spécifique en faveur de l'environnement urbain du territoire de Lille Metropole et de la Region Nord-Pas-de-Calais';
- the 'Sustainable Mobility in the Pescara City and its surroundings';
- the 'Tripartite Agreement – European Commission, Italian Government, Lombardy Region' on sustainable mobility.

Only the last case was signed. It is the object of this analysis. It is interesting to understand the general (i.e. of the Tripartite Agreement as an innovative governance tool) and specific reasons (related to Lombardy experience) that led to its failure, supposing it is possible to learn even from failures.

The idea for tripartite tools (contracts and agreements, as we will see afterwards) emerged during the preparatory work for the White Paper on European Governance (European Commission, 2002a). Within this period, considerable reform took place deal with the democratic deficit, loss of citizens' interest in European affairs, low-level participation in EU elections and a growing rate of euro scepticism. The idea for tripartite tools first arose in the working groups organized to prepare this reform process[56]. The working groups picked up a set of actions for change, including one that stated bilateral contracts should be identified between the European Commission and the local/regional authorities. Tripartite contracts would substitute bilateral ones as the States wanted to reassert their single responsibility for carrying out the Community policies and claimed to be involved in such contracts.

The European Commission's communication - COM (2002) 709 final – adopted two different terms: tripartite contracts and tripartite agreements.

According to the Commission's proposals, tripartite tools (either contracts or agreements) can be agreed to manage more flexibly the implementation of Community law and policies that have a strong territorial impact (actually, the Commission Communication seems to be unclear on this issue and there is a wide margin for interpretation). Tripartite tools should provide *added value*, such as simplification, closer involvement and participation at the regional and local levels, greater effectiveness in the implementation stage, etc. They should be signed for a *specific period of time* and must be compatible with the Treaties. Furthermore, the *ultimate responsibility* is in the hands of the Member States.

Only the 'tripartite agreements' were carried on, as their implementation was considered simpler then the 'tripartite contracts' (the latter needed formal legislative interventions by Council and Parliament).

The origins of the Lombardy Tripartite Agreement date back to the first meeting of the Club of the Regions in July, 2002, in Bellagio. At this occasion, President Romano Prodi

[56] These working groups were composed by officials from the Commission's Secretariat General and from the Directorates General (DGs) who carried out consultations with representatives of regions, cities and associations of territorial authorities.

claimed the need for deeper regional involvement[57]. The Lombardy Region aimed at gaining visibility and room within a wide international marketing campaign. Within these efforts, a project for the creation of a multilevel network for sustainable development was developed.[58] As for the national government, it always politically supported the regional project and regarded the innovative potential of this instrument. The good relationships between the Lombard Governor Roberto Formigoni and the Italian Minister of Foreign Affairs Franco Frattini (who are members of the same political party) played a very important role for the agreement stipulation. The aims and objectives are expressed in different parts of the agreement but are not always identifiable and quantifiable. They are present in articles 3, 9 and 10 and can be summarised in the improvement of the implementation of EU policies adopted in the environment, transport and energy sectors through better governance.

As for the financial issue, the 2002 Commission Communication stated that no additional funding could be foreseen for territorial agreements and contracts. Notwithstanding this position, article 7 of the Lombardy Agreement Text let a door open for future financing from the European Commission[59]. Even after the signature, and until the end of the process, the Lombardy Region carried out negotiations about financial resources with both the European Commission and the national government[60]. After being signed on 15 October 2004, the Tripartite Agreement did not carried on. The implementation broke in 2005 because of the regional electoral campaign (the election was held in April 2005) and never re-started.

Beyond the governance process issue, the Lombardy Tripartite Agreement is interesting for the thematic issue that ESPON TANGO deals with. The Agreement concerns

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[57] *"The Regions propose developing reflections, projects and initiatives in pursuit of common interests as regions partners of 'pilot contracts' with the European Union and the States, in order to modulate the territorial dimension of community regulations, programmes and policies in sectors of strategic significance, such as in particular mobility and transport, the environment and energy, innovations and research* (Osservatorio sul federalismo, 2002, p. 4, translated).

[58] The Italian institutional settings and the local governance of mobility have to be considered in order to understand the tool's potentiality. The policy making of Italian Regions is characterized by a significant autonomy of the executive (the *Giunta)*. Even if the *Consiglio* is the formal legislative body, the law making power is *de facto* delegated most of the time to the *Giunta*. Therefore Lombardy's policy-making system, in foreign affairs as in other fields, is largely centralised vertically in the hands of the executive. As a consequence of the Constitution reform in 2001, Regions have been allowed to conclude agreements with foreign countries and regions (in accordance with state law).
The governance of mobility is characterized by a huge fragmentation and confusion of power: while there persists a steady centralization of decision-making and rigidity in the mechanisms for financing and realizing the infrastructural projects (roads and railways), there are many actors with decision-making powers and competence. The State is responsible for the larger transport infrastructure upon which the Region is entitled to issue binding options; the Region is responsible for programming railway services; the Cities and the Provinces are responsible for local road public transport (cfr. Mazzoleni, 2006).

[59] '*The Commission and the Italian Government shall ensure that the Lombardy Region, acting in agreement with the Italian Government, has the possibility to participate in this pilot programme without hindrance and in an equitable manner. The Contracting Parties will by 31 December 2005 consider the possibility of providing a contribution to funding this Agreement in accordance with their respective financial regulation'* (art. 7 of the agreement text).

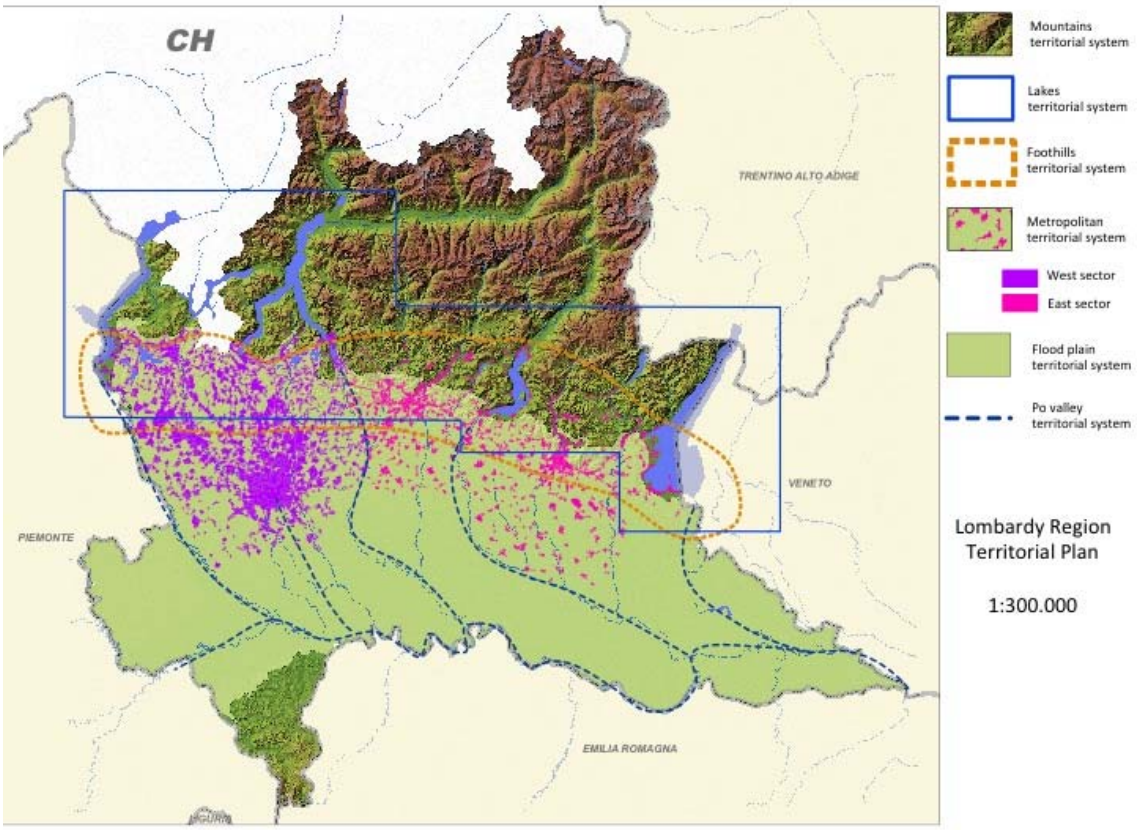
[60] In particular, the Lombardy Region proposed splitting the foreseen costs between the contracting parties in the following way: 50% to be financed by Lombardy; 25% by the Italian government and 25% by the European Commission.

sustainable mobility that is deeply connected to the EU2020 strategy and, in particular, to the 'Sustainable Growth' target and 'Resource efficient Europe' flagship initiative.

The EU 2020 framework covers several linked sectors and the Lombardy Tripartite Agreement reflects this wide setting: "*This Tripartite Agreement aims at improving through better governance the implementation of EU policies adopted in the environment, transport and energy sectors*" (art. 3.1 of the agreement text) (European Commission, Italian Government, Lombardy Region, 2004).

'Sustainable mobility' is indeed understood in an extensive definition: it designates a system that *"i) allows the basic access and development needs of individuals, companies and societies to be met safely and consistently with the ecosystem, and promotes equity within and between successive generations; ii) is affordable, operates fairly and efficiently, offers choice of transport modes, and supports a competitive economy, as well as balanced regional development; iii) limits emissions and waste within the planet's ability to absorb them, uses renewable resource and uses non-renewable resources at or below the rates of development of renewable substitutes while minimizing the impact in land use and the generation of noise"* (art. 1 of the agreement text) (European Commission, Italian Government, Lombardy Region, 2004).
Considering the report's aim and the specificity of this case study, each paragraph (excepted 2.4) is structured in two parts: the first one concerns the territorial agreement *per se* while the second one relates to the Lombardy specific territorial agreement.

Fig. 1 – Lombardy Region and its territorial systems



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2. Dimensions of territorial governance

2.1 Integrating relevant policy sectors

In the Commission communication on tripartite tools, typologies of partners to be involved are not specified.

In the Lombardy experience, the actors/institutions involved are:

- At European level: the European Commission;
- At national level: the Ministry of Foreign Affairs;
- At regional level: the International Relations Area within the Presidency Board of the Lombardy Region.

The Italian actors involved did not work in specific sectors competent in sustainable mobility.

Formally, according to Art. 4 of the agreement text on the role and the responsibilities of the different actors, the Lombardy Region had to complete the action plan and the other planned actions; the State had to formulate recommendations on the basis of the

outcome of the implementation; the European Commission had to undertake the assessment of the final results. Although expected, other stakeholders were not involved (as it will be explained afterwards).

2.2 Multi-level interplay

Tripartite tools provoked a cautious reaction among the parties. This was due to the lack of clarity in some aspects of the proposal rather than to any substantive technical or legal problems associated with it. In accordance with the analysis conducted in 2005 by the EIPA (the European Institute of Public Administration), who were invited by the IK Presidency of EU to look into the issue of tripartite arrangements a number of challenges emerged. Within the European Commission, the Directorates General feared that there would not be a real simplification; the European Parliament clarified the requirements and asked to be informed about the signature of any agreement. The Member States were reluctant and wanted to reassert their unique responsibility for the implementations of EC law. Finally, the regional and local levels were rather sceptical[61]. A clarification of the responsibilities of the different actors in the arrangement should likely have been provided, as well as the determination of the party in charge of the process leadership.

In the Lombardy case, despite of these critical aspects, the Region was able to sign the agreement through a multi-level negotiation. It concerned only the initial phases of the process, i.e. the initiation and the decision-making (Mazzoleni, 2006), as the process ended after the agreements were signed.

The initiation phase was deeply characterized by the leadership of the Lombardy Region. Based on the Constitutional reform in 2001 and the subsequent Regions' engagement in international affairs, the Lombardy Region was eager to gain an international profile. In October 2002, after the 'Club of the Regions' meeting that took place in July, the International Relations Area within the Presidency Board of the Lombardy Region pushed on the process for arriving at the agreement on its own[62].

The Lombardy Region decided that the agreement would be concerned with environmental, mobility and quality of life policies. So, it prepared some documents to be enclosed with the agreement itself dealing with the EC legislative framework in this sector; mobility and transport policy in Lombardy; technical aspects of the region's transport system; health effects, etc. The analysis showed that the governance of mobility in Lombardy had several shortcomings with regard to effectiveness, transparency, openness and coherence. The draft underlined the need of an innovative governance system in the mobility field but as already stated, it had very few concrete objectives. Regardless, the documents were sent to the Commission in March 2004.

The lack of clear and quantifiable objectives made the decision making phase difficult. After having received the draft, the Commission officers proposed some amendments and insisted on the need to identify and include some quantifiable targets. No regional department seemed to be able to provide these targets. These difficulties are related to

[61] EIPA analysis based on a questionnaire sent to local and regional stakeholders taking part in the pilot project of the tripartite experiments (see Arribas, Bourdin, 2006).

[62] A critical observer could easily recognise that actually, the Commission's Communication stated that Member States should identify the sub-national partners. This did not happen but the good relations between the Italian Government and the President of Lombardy made this circumstance not to be a problem.

both external and to internal issues. On the one hand, all the interventions on the mobility sectors are very hard because of their financial impact; on the other hand, the regional legislative power had only recently been allotted within the administration and this lack of experience played a central role.

In mid April 2004, DG TREN (Directorate General for Energy and Transport, which is now part of DG Mobility and Transport and DG Energy) helpfully intervened with its comments, referring to quantitative and process targets drawn from the 2001 White Paper on Transport. Without any further discussion, the International Relations Area within the Presidency Board of the Lombardy Region accepted all of the comments provided by the Commission. The text was re-written and sent again to the Commission. By the end of July 2004 both DG TREN and the Italian Ministry of Foreign Affairs communicated their comments and remarks concerning the financial issues of the project[63]. After the final adjustment, the agreement entered into force on the day of signing (the 15 October 2004).

2.3 Mobilising stakeholder participation

In the Commission communication, there is not any clarification about the stakeholders. There is only a reference to 'local actors': '*since the aim is to develop experience and encourage involvement, the clear identification of local actors to be included in the contract or agreement is an important condition for success'* (European Commission, 2002b, p. 3).

In the Lombardy case, the importance of co-operation and co-ordination with stakeholders is recognised in the agreement text[64]. Notwithstanding this undertaking, stakeholders are not identified and they are only to become involved after the signature of the agreement. Nevertheless, the process ended before it could involve them.

2.4 Adapting to changing contexts

The Tripartite Agreement case can be understood as adaptive to:

- The changing institutional context, as it tried to face the changes on the European governance;
- The environmental challenges, and related to them the inter-generational equity as it tried to implement a more sustainable mobility system.

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[63] We have already underlined the Lombardy Region's position in financial issues: it has ever carried out negotiations in order to obtain economic support even if from the beginning the Commission stated that there should not have been.

[64] *'The Lombardy Region will ensure that a number of interlocutors are involved so that the conditions are created for good governance and for the launching of policies agreed with a large number of bodies, with the purpose of increasing the level of effectiveness and competitiveness of the intervention in mobility sector, in a framework of environmental sustainability. The Lombardy region will consult with and connect the parties involved, namely, representatives of local and regional life, and with all local socio-economic development actors, including social parties, professional groups, not-for-profit organisations and schools and universities, in order to have local particularities and needs regarding the realisation of the stated objectives emerge through this closer participation. In addition to any difficulties which any of these actors encounter during the realisation of the stated objectives. The Lombardy Region will favour the realisation of the EU objectives defined in this Tripartite Agreement through co-operation and co-ordination with other territorial authorities'* (Art. 4, 4-5-6 of the agreement text).

2.5 Territorial specificities and characteristics and territorial governance

The pilot experiments were interesting as for their target-based approach that overcomes the administrative borders. The Lombardy Territorial Agreement concerned the 'metropolitan area' understood as '*a geographical area that is not taken statistically, but that is subject to variation in roles and responsibilities based upon the policy options considered* (art. 1c of the agreement text). Unluckily, the text does not specify better the area. Anyway, the metropolitan area probably concerns the "Metropolitan Territorial System" as understood in the Regional Territorial Plan.

3. Features of "good" territorial governance

The preliminary analysis showed some good and some bad features in territorial governance process. These features can be seen both related to the instrument *per se* and to the specific Lombardy case. In general terms, Vara Arribas and Bourdin (2006) picked up some "bad issues" that characterized the territorial agreement process (and that represent the main reasons for the delay in signing the Birmingham, Lille and Pescara agreements). These features concern at least four different levels: strategic, political, managerial and financial.

At the strategic level, the main problem is related to defining clear and quantifiable objectives. This issue affected the Birmingham and Lombardy experiences. At the political level, the problem is deeply connected to the previous one and concerns the problem of building consensus around strategies and objectives. Birmingham, Pescara and Lille did not have this consensus among engaged actors in their respective cases and were not able to sign the agreement. At the management level, the problems were related both to bureaucracy (Birmingham) and to the different actors' role (Lille and Lombardy) since, as previously stated, the Commission communication did not explain the partners' different roles. Finally, some problems concerned economic and financial issues: the lack of a financial line was central in each agreement and, in particular, in Pescara's and Lombardy's ones.

In the Lombardy case, the most important aspect that led to the agreement's formal acceptance was the central government's political support throughout the initial and decision-making phases (it is not insignificant that the City, Region and State were governed by the same political party). This "good feature" cannot be found in the other pilot experiences. As for the "bad features", beyond those mentioned before, the unclear definition of territorial area involved represents a weakness point.

4. Identification of Stakeholders

- Lombardy Region – International Relations Area
- Lombardy Region – Environment Area
- Lombardy Region – Infrastructures and Mobility Area
- Éupolis Lombardia
- EIPA
- Committee of Regions

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Case Study 6: Innovative economic development strategies in Saint-Étienne within the South Loire SCOT framework

2012-06-20

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1. Background and context of the case

The case study concerns the Saint-Étienne development strategy based on the South Loire *Schéma de Cohérence Territoriale* (SCoT).

In France, the SCoT is the inter-municipal plan that aims at coordinating the sectorial policies within a shared territorial development strategy. It was introduced in 2000 by the law no. 1208 (*Loi Solidarieté et Renouvellement Urbains)* and renewed in 2010 by the so called "Grenelle II". This law expands the objectives of SCOT with reference to environmental and economic challenges (urban sprawl, agricultural and forest spaces, trade and service activities, biodiversity, energy efficiency and so on. The SCoT is elaborated by the Public Establishment for Inter-Municipal Cooperation (EPCI: *Établissement public de cooperation intercommunale*), or by a group of them, and implemented by a *syndicat mixte*[65]. The SCoT is elaborated through a wide negotiation that engages institutional and non-institutional actors. Its approval is submitted for public consultation that aims at consulting the local community, collecting its opinions and obtaining the independent advisor's authorization. The SCoT is composed of three documents: i) *The Inception Report*, a territorial analysis that justifies the planning choices; ii) the *Project d'Aménagement et de Development Durable* (PADD) that sets the objectives; iii) the *Document d'Orientations Générales* (DOG) that picks out the strategies for the objectives' achievement. Currently there are nearly 30 SCOTS in France.

The South Loire SCoT represents a good test to understand the role of governance process to define collective actions and shared territorial strategies. Saint-Étienne is the capital of the Loire department (one of the 8 departments of the Rhône-Alpes Region)[66]. It is a city of nearly 178 000 inhabitants, in an urban region of 317 000 inhabitants and located 60 km from Lyon. Saint-Étienne developed as a result of heavy industry: large firms in mines, arms and iron have been the source of its economic and urban success since the 19th century. The city experienced significant and rapid growth between 1850 and 1970. The urbanization was guided by industrial needs. Large residential and industrial districts were produced to respond to the development pressure. A lot of migrants came to Saint-Étienne from Poland, Portugal, Morocco, Algeria and Tunisia.

A huge economic crisis challenged local industry from 1970 until 1990. These 20 years of economic decline had social and urban consequences. Many households were affected by unemployment but the greatest social decline affected people with low qualification levels. The attractiveness of Saint-Étienne decreased; large brownfields appeared with the departure of the large firms. The high and medium income families moved from the city centre to the suburbs to live in single family dwellings. Because of the economic decline, there were few new arrivals and the population of the urban region declined considerably. Saint-Étienne seemed unable to develop a territorial

[65] The EPCI have not the same statute of the territorial institutions (Regions, Departments, Municipalities, Institutions with special status, Overseas Regions). They include those municipalities that decide to plan jointly the activities in some fields such as mobility, environment etc.. An EPCI can have or not its own taxation. The *communautés de communes*, *communautés d'agglomération*, *communautés urbaines* and *métropoles* fall into the first category. The *syndicat intercommunal*, among which the *syndicat mixte*, fall into the second category.

[66] Lyon, the second largest metropolitan area in France after Paris, is the capital of the Rhône-Alpes Region, one of the 27 regions of France, located in southeastern border of the country.

strategy shared by the all of the actors and the stakeholders and the efforts to mitigate this wide decline through the 1990s and into the early 2000s were not successful.

From its industrial history, Saint-Étienne inherited a structure of social, economic and political relations that did not prove to be favourable to build a capacity for collective actions and shared strategies to face the crisis. The strong role played by the State and its decentralized structures inhibited access to local resources and challenged their autonomy (Béal, Dormois, Pinson, 2010).

During this period, many inter-municipal plans were defined: the *Schéma directeur d'Aménagement et d'urbanisme (*SDAU) in 1971; the *Syndicat d'etudes pour l'agglomération Stéphanoise* (SEPASE) in the early Nineties; the Urban District; the *Syndicat Intercommunal de la Couronne Stéphanoise* (SICOS) in 1991; the *Communauté de communes* in 1995 and finally the *SE Métropole – Communauté d'agglomération* in 2001. None of them was able to realize real inter-municipal cooperation, as they were serving each municipality, rather than a shared project (Béal, Dormois, Pinson, 2010). These attempts failed for both financial and political reasons. From the financial point of view, there was no inter-municipal budget for shared projects and from the institutional point of view; the inter-municipality was the sum of the specific interests of each municipality.

The turning-point occurred only in the early 2000s. During this period, the "*Loi Solidarité et Renouvellement Urbains*" was introduced and some shared projects (such as the "agglomeration project" and the Local Agenda 21) were defined. The South Loire SCOT is the last step of a territorial governance process that introduced some innovations in terms of inter-institutional cooperation, stakeholders involvement and territorialisation of policies.

The main steps that led to the SCoT approval can be summarized as follows: in 2004, with the *Syndicat Mixte* establishment, the SCoT process started off[67]. Public consultation took place in 2009. In February 2010 after having collected all the remarks, the SCoT was approved. The *Syndicat Mixte* is managing the implementation of the strategy.

By 2030 the SCoT wants to: i) accommodate 50.000 new residents; ii) build 59.000 new dwellings; iii) create 17.300 new jobs.

The Inception Report set out three main axes:

1. A development based on a preserved natural environment and high quality of life.
2. Attractiveness and sustainable urban development are the region's challenges.
3. Consolidation of the South Loire identity in the Lyon metropolitan area.

Basing on these axes, the PADD fixed six objectives:

[67] Before this formal start, there was in 1999 an inter-municipal conference that launched the partnership. In 2002 a prefectorial stop interrupted the process as for the delimitation issue of the SCoT.

I. Developing the South Loire as one of the most important hubs in the metropolitan area of Lyon-Saint Étienne, in connection with the wider area of the Massif Central;
II. Improving the quality of life, enhancing and protecting natural resources of the South Loire;
III. Meeting territorial development needs (a "new development model");
IV. Improving accessibility and mobility;
V. Preserving resources and reducing risks;
VI. Tooling up the area for urban development.

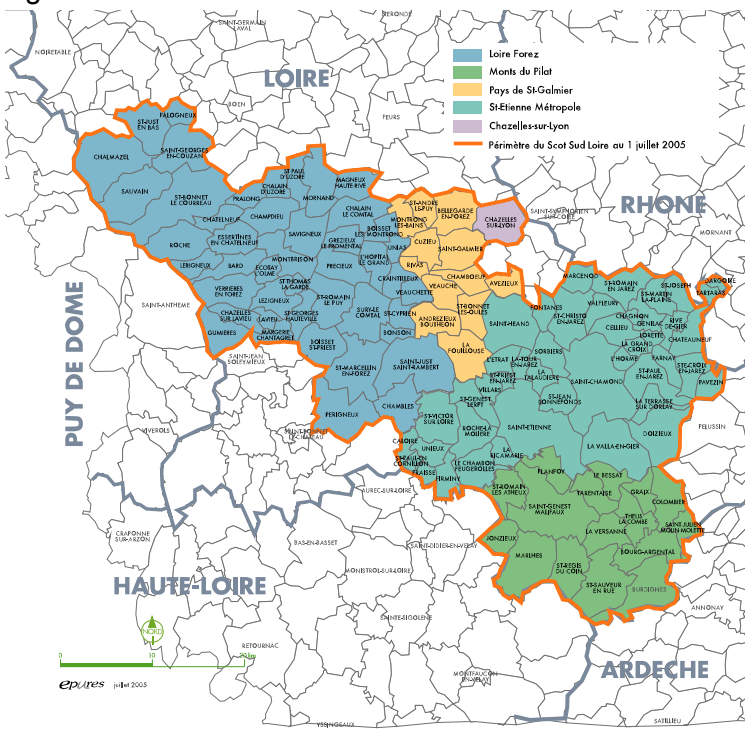
Lastly, the DOGG states three main trends, related to spatial balance, public policies, safeguard of resources and risk prevention.

The case study is interesting because of the thematic issue that ESPON TANGO deals with. The South Loire SCOT is deeply connected to the EU 2020 framework. In particular, it is related both to the 'Sustainable Growth'[68] target and to the 'Inclusive growth' one[69] (European Commission, 2010).

[68] *"Sustainable growth means building a resource efficient, sustainable and competitive economy, exploiting Europe's leadership in the race to develop new processes and technologies, including green technologies, accelerating the roll out of smart grids using ICTs, exploiting EU-scale networks, and reinforcing the competitive advantages of our businesses, particularly in manufacturing and within our SMEs, as well through assisting consumers to value resource efficiency. Such an approach will help the EU to prosper in a low-carbon, resource constrained world while preventing environmental degradation, biodiversity loss and unsustainable use of resources. It will also underpin economic, social and territorial cohesion".* European Commission (2010), p. 14.

[69] *"Inclusive growth means empowering people through high levels of employment, investing in skills, fighting poverty and modernising labour markets, training and social protection systems so as to help people anticipate and manage change, and build a cohesive society. It is also essential that the benefits of economic growth spread to all parts of the Union, including its outermost regions, thus strengthening territorial cohesion. It is about ensuring access and opportunities for all throughout the lifecycle. Europe needs to make full use of its labour potential to face the challenges of an ageing population and rising global competition. Policies to promote gender equality will be needed to increase labour force participation thus adding to growth and social cohesion".* European Commission (2010), p. 17.

Fig. 1 – South Loire



Source: http://www.scot-sudloire.fr/

2. Dimensions of territorial governance

2.1 Integrating relevant policy sectors

The six main SCoT objectives (see Section 1) concern several domains. The emphasis on urban regeneration, the environment, mobility and economic development involves different actors in the SCoT's elaboration and implementation.

The SCOT members are:

- The communauté d'agglomeration of Saint Étienne Métropole[70];
- The communauté d'agglomeration of Loire Forez[71];

[70] Municipalities of: Caloire, Cellieu, Chagnon, Le Chambon-Feugerolles, Châteauneuf, Dargoire, Doizieux, L'Etrat, Farnay, Firminy, Fontanès, Fraisses, Genilac, La Grand-Croix, L'Horme, Lorette, Marcenod, Pavezin, La Ricamarie, Rive-de-Gier, Roche la Molière, Saint-Chamond, Saint-Christo-en-Jarez, Sainte-Croix-en-Jarez, Saint-Etienne, Saint-Genest-Lerpt, Saint-Héand, Saint-Jean-Bonnefonds, Saint-Joseph, Saint-Martin-la-Plaine, Saint-Paul-en-Cornillon, Saint-Paul-en-Jarez, Saint-Priest-en-Jarez, Saint-Romain-en-Jarez, Sorbiers, La Talaudière, Tartaras, La Terrasse-sur-Dorlay, La Tour-en-Jarez, Unieux, La Valla en Gier Valfleury, Villars.

[71] Municipalities of: Bard, Boisset-lès-Montrond, Boisset-Saint-Priest, Bonson, Chalain-d'Uzore, Chalain-le-Comtal, Chalmazel, Chambles, Champdieu, Châtelneuf, Chazelles-sur-Lavieu, Craintilleux, Écotay-l'Olme, Essertines-en-Châtelneuf, Grézieux-le-Fromental, Gumières, L'Hôpital-le-Grand Lavieu, Lérigneux, Lézigneux, Magneux-Haute-Rive, Margerie-Chantagret, Montbrison, Mornand, Palogneux, Périgneux, Pralong, Précieux, Roche, Saint-Bonnet-le-Courreau, Saint-Cyprien, Saint-Georges-en-Couzan, Saint-Georges-Haute-Ville, Saint-Just-en-

- The communauté de communes de Pays de Saint-Galmier[72];
- The communauté de communes Monts du Pilat[73];
- The Municipality of Chazelles-sur-Lyon.

The institutional partners are:

- The State;
- Rhône Alpe Regional Council;
- Loire Regional Council;
- EPCI (Établissement public de cooperation intercommunale);
- The Transport Authority is involved in the mobility sector;
- The Chambers of Commerce and Agriculture in the economy sector;
- The Pilat Regional Nature Park in the environment sector.

The operational and managing actors are:

- The South Loire SCoT Syndicat Mixte, i.e. the responsible board for the implementation of the SCoT implementation;
- The Comité Syndical, i.e. the Syndicat Mixte's managing board;
- The bureau, i.e. the committee responsible the political pilotage;
- The Epures, the Saint Étienne urban planning agency, in the urban development sector.

Bas, Saint-Just-Saint-Rambert, Saint-Marcellin-en-Forez, Saint-Paul-d'Uzore, Saint-Romain-le-Puy, Saint-Thomas-la-Garde, Sauvain, Savigneux, Sury-le-Comtal, Unias, Veauchette, Verrières-en-Forez.

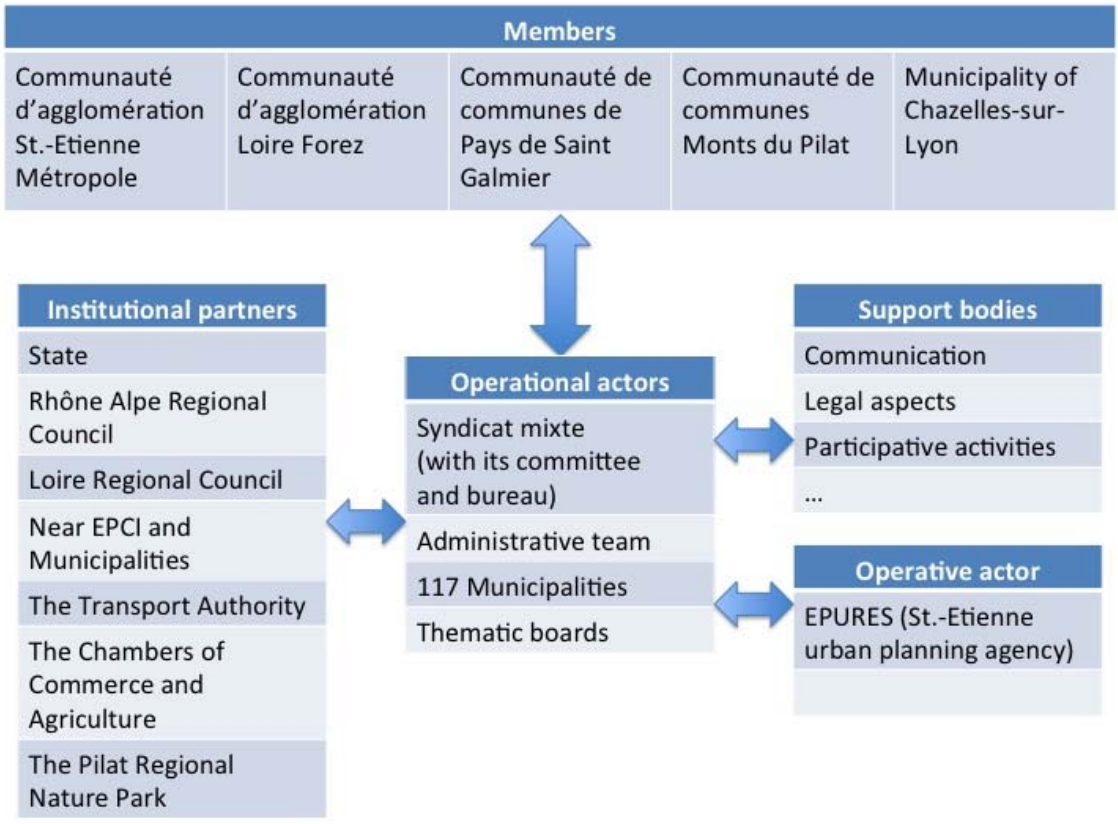
[72] Municipalities of: Andrézieux-Bouthéon, Aveizieux, Bellegarde-en-Forez, Chamboeuf, Cuzieu, La Fouillouse, Montrond-les-Bains, Rivas, Saint-André-le-Puy, Saint-Bonnet-les-Oules, Saint-Galmier, Veauche.

[73] Municipalities of: Le Bessat, Bourg-Argental, Burdignes, Colombier, Graix, Jonzieux, Marlhes, Planfoy, Saint-Genest-Malifaux, Saint-Julien-Molin-Molette, Saint-Régis-du-Coin, Saint-Romain-les-Atheux, Saint-Sauveur-en-Rue, Tarentaise, Thélis-la-Combe, La Versanne.

2.2 Multi-level interplay

A wide multi-level negotiation serves as the basis for the SCoT (see fig. 2).

Fig. 2 – Organizational structure



Source: http://www.scot-sudloire.fr/

The institutional members are strictly related to the operational actors (the *Syndicat mixte* and its committee, the *bureau*, the administrative team, the 117 municipalities and the thematic boards). The *Syndicat committee,* that manages the *Syndicat mixte*, is the decision-making body and involves the institutional members' representatives. The *bureau* exercises the political influence and is deeply linked to the institutional members. The administrative team works together with the institutional members' technicians, within a technical committee. The thematic boards analyse the plans proposed by the municipalities and the community.

The operational body is the mainstay of the governance system, as it is the contact point between the institutional members, the other institutional partners, the support bodies (in charge of communication, legal aspects etc.) and the urban planning agency (Epures).

2.3 Mobilising stakeholder participation

The ScoT process has taken place for nearly 5 years (since 2005 to 2010). Within a participative approach, it involved the different territorial actors:

- Technicians of institutional partners, Chambers of Commerce and Agriculture, associations etc. grouped together into working groups;

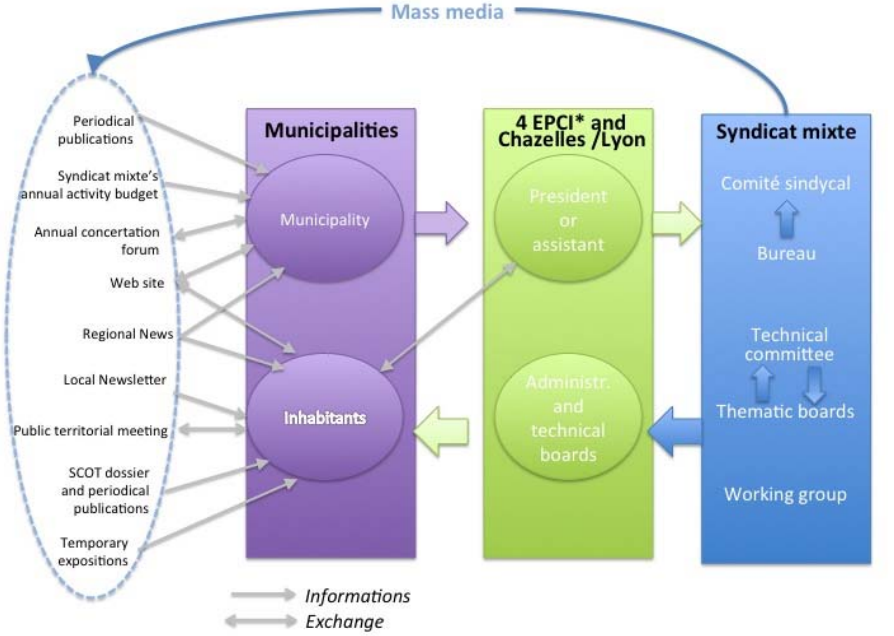
- The elected representatives grouped together in four thematic boards;
- The community involved in the public consultations.

Furthermore, 5 types of public meeting were organized:

- More than 400 persons were involved in 7 public meetings between May and July 2006 to realize the territorial analysis in the environment issue.
- Nearly 500 persons took part in 6 meetings to introduce the PADD between March and April 2007;
- Nearly 500 persons took part in 6 meetings on the DOGG in November 2007;
- A public meeting was organized to introduce the modifications to be made in the SCoT in November 2008.
- A public consultation took place – as the law states – in 2009.

The involvement was possible through a communication plan managed by the *Syndicat Mixte* (fig. 3).

Fig. 3 – SCoT Communication Sharing



Source: http://www.scot-sudloire.fr/

2.4 Adapting to changing contexts

Project planning was reactive to several changes. The first internal change that the governance system had to face concerned the perimeter; a prefectural decision occurred in 2002 to modify the area of the project one year after the constitution of the first partnership. The SCOT process was held back and restarted two years later with the *Syndicat mixte* constitution.

The second internal change concerned the commercial issue: The *Loi de Modernisation de l'Économie (LME)* of August 2008, replacing the law no. 752-1 of the Commercial

Code, stated that the SCOT could define the ZACO, the commercial zones (the s.c. '*zone d'aménagement commerciales'*). For this purpose, and in response to legal requirements, a draft version of the *Document d'Aménagement Commercial* (DAC) of June 2009 defined these areas relating to the sustainable SCOT objective, already picked out.
As for a wider sense of adaptability, and beyond these specific reactive examples, the South Loire SCOT was introduced to deal with the huge economic crisis. The governance process had to be adaptive to the changes related to the industrial decline (unemployment, demographic decline, suburbanization, loss of attractiveness).

The three main SCOT axes (see Section 1) show that the project addressed, in particular, the inter-generational equity by pursuing the sustainable territorial development for the Loire Region.

2.5 Territorial specificities and characteristics and territorial governance

The perimeter of SCoT territorial extension includes nearly 516.000 inhabitants in an area of 1.790 kmq characterized by natural areas and urban spaces.

The South Loire region's features are picked up in the territorial analysis realized at the beginning of the SCoT process: between the Loire and the Rhône rivers, the massifs of Pilat, Monts du Forrez and Mont Lyonnais, the three valleys of Furan, Gier and Ondaine, the South Loire region has a strategic position that deeply influenced the human activities. The river systems, together with coalfields in the valleys have been the foundation of the industrial activities, especially the heavy industries since the late XVIII century. With the industrial boom, people from rural areas and later from abroad came to the South Loire. Cooperation with the adjacent areas has been historically low. Nowadays the South Loire is trying to develop relations with the Lyon metropolitan area[74].

The South Loire is therefore a "multiple" territory and the diversities, that have hampered in shared projects, need to be the key turning point towards a new territorial development. The different realities that characterize the South Loire region and that are picked up by the territorial analysis, seem to be well considered in the SCoT strategy (see the three axes illustrated before).

[74] This area includes 10 SCoT. The Inter-SCoT project aims at creating synergies between them (the SCoTs that compose the Inter-Scot project are: Sud-Loire, Beaujolais, Nord-Isère, La Dombes, Ouest Lyonnais, Rive du Rhône, Val de Saône-Dombes, Agglomeration Lyonnaise, Bugey-Côtiere-Plain de l'Ain, Boucle du Rhône en Dauphiné).

3. Features of “good” territorial governance

The SCOT elaboration was possible thanks to:

- Well-established procedure, able to face accidents or contingencies (see par. 2.4);
- Previous experiences that built a collaborative capacity building;
- Clear objectives on which it has been possible to build firstly a shared consensus, then a shared strategy.

As for the negative features, obstacles and challenges, they will be better evaluated through the stakeholder interviews.

4. Identification of Stakeholders

I. Institutional partners (President of the Communauté d’agglomeration of SE: Mr. Vincent, President of the Communauté d’agglomeration of Loire Forez: Mr. Berthéas, President of the Communauté de communes of Pays de Saint-Galmier: M.me Girardon, President of the Communauté de communes and Monts du Pilat: Mr. Gilbert, Mayor of the Municipality of Chazelles-sur-Lyon: Mr. Véricel)
II. Chief of the “Syndicat Mixte”
III. Chiefs of the thematic boards: Economy, Urban development, Environment and Landscape, New urbanization and Mobility
IV. Chief of EPURES
V. Chiefs of the Chambers of Commerce and Agriculture
VI. Pilat Park
VII. Chiefs of the near EPCI and Municipalities

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Territorial Approaches for New Governance

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Case Study 7: Greater Manchester City Region Governance

2012-06-30

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1. Background and context of case

This case study analyses the governance of Greater Manchester. Ten local authorities have collaborated to establish a new tier of statutory authority, the Greater Manchester Combined Authority (GMCA), which is an administrative structure at the city-regional level and the first of its kind in the UK. The study focuses on the institutional arrangement of GMCA and its relationships with central government and the private sector, as developed through schemes such as City Deal and Local Enterprise Partnership, as well as with local civil society and the wider region.

Greater Manchester in North West England is the UK's second city in economic terms, playing a key role in the economic performance of the North of England. In 2008 the city as a whole generated over £50bn of GVA, representing 4% of the national economy (AGMA, 2010:1). Manchester defines itself as the 'original modern city' due to its industrial heritage and has been seeking a post-industrial urban renaissance in common with the other large cities of the north of England. In common with other such cities, the population was in steady decline until 2000 when it again began to increase based on both national and international immigration and an improved birth rate.

In spite of considerable success in rebuilding its economy over the past 25 years, the city-region retains significant pockets of multiple deprivations closely connected with the uneven spatial development of the conurbation. It can be broadly split between a more prosperous southern part transformed by the recent history of sustained economic growth and a northern part that has continued a longer-term trajectory of deprivation (Harding *et al.*, 2010). As a consequence, some of the 'most deprived wards in the United Kingdom' are situated 'only ten minutes from the glamorous café culture of Manchester's consumer city centre' (Blakely, 2010). Furthermore, the city-region has been hard-hit by recent public spending cuts, which are set to increase, with an estimated £10billion estimated to be removed from the economy in the four years between 2011 and 2015 (Talbot and Talbot, 2011).

In the context of the developing financial crisis and the ideological preference for a small state, the UK coalition government, after taking up power in 2010, abolished the regional tier of governance in England. Nine Regional Assemblies and corresponding Regional Development Agencies (NUTS 1 level) had been established under the previous government, channelling funds from the EU regional development funds and central government through regional spatial and economic strategies. Apart from the London Assembly, all these regional institutions and strategies were abolished by the new government.

Figure 1. Greater Manchester as part of the former North West Region and its location within the UK

In the Manchester region in 1974, on the basis of the 1972 Local Government Act, ten metropolitan boroughs were grouped together to create a metropolitan county. However, in 1986, the top tier of this two-tier system of local government, the Greater Manchester County Council, was abolished by central government, leaving ten independent unitary authorities, each responsible for their own spatial planning. In the same year, in order to collaborate on strategic issues, the boroughs worked together to establish the Association of Greater Manchester Authorities (AGMA). Following the recent financial crisis and the abolition of regions, the ten boroughs continued their collaboration and established an additional integrated institutional arrangement at the sub-regional level in 2011, which is called the Greater Manchester Combined Authority (GMCA), and is based in the borough of Wigan.

Figure 2. The 10 boroughs forming the Greater Manchester Combined Authority

From a territorial governance perspective the case is of interest because it is the first example of such administrative integration in the UK, and the only example of a statutory metropolitan government outside London. It represents an attempt to re-work institutional boundaries beyond single political or administrative representation. It is this process of administrative integration and partnership collaboration which is interesting from a territorial governance perspective since it is a conscious effort to operate at the extended city-regional scale as opposed to the borough scale.

It will be important to investigate the relationships between the GMCA and three sets of stakeholders (the boroughs, businesses, and central government). These three sets of relationships address the dimension of effectiveness, as identified in the EU 2020. The relationship between the GMCA and its constituent ten boroughs is of the utmost significance. The relationship with central government has been rearranged partly through the City Deal, which devolves some financial and administrative powers to the city region. The relationship with businesses has been coordinated through a Local Enterprise Partnership. These three sets of relationships will also be evaluated with regard to other forms of relationship with local citizens and civil society groups, as well as the wider regional players in the neighbouring areas, dimensions which need to be investigated in any evaluation of governance.

The focus of the study will be on the formation of these new institutional arrangements, which have been in the making for more than twenty years. It will investigate the relationship between the ten boroughs of the Greater Manchester area and central government, as well as with the private and third sectors. Particular attention will be paid to schemes such as Local Enterprise Partnerships and City Deal.

2. The dimensions of territorial governance

2.1 Integrating relevant policy sectors

The main actors in GMCA are its ten constituent local authorities. In this sense, rather than being cross-sectoral, it is a form of cross-boundary collaboration aiming at the formation of a collective actor out of ten different statutory authorities. Its role is to coordinate key economic development strategies, as well as regeneration and transport functions, across the metropolitan area.

Alongside the GMCA, the Association of Greater Manchester Authorities (AGMA) continues to work on integrating the following policy sectors across the metropolitan region: health; public protection; housing; strategic planning; environment; improvement and efficiency; and grants.

Meanwhile, collaboration with the private sector is organised through a Local Enterprise Partnership. The significant sectors involved in the LEP are the local authorities and a number of prominent private sector representatives. After the submission of its proposal to central government for the establishment of an LEP, Greater Manchester established a business-led Shadow Local Enterprise Partnership (LEP) in October 2010, a temporary body created by the Association of Greater Manchester Authorities that

utilised the existing infrastructure and partnership arrangements across Greater Manchester to ensure that a permanent LEP could be established and operational by April 2011. The membership of the full GM LEP board became operational on the 1st April 2011. Mike Blackburn, BT's regional director for the North West, became the Chair of the board, composed of nine private sector and four local authority representatives. All appointments were subject to an open recruitment process overseen by the Shadow LEP (New Economy, 2010).

The Greater Manchester LEP is designed to support businesses and local authorities, grow the local private sector, tackle major barriers to growth and develop shared strategies for the local economy to increase job creation. As LEPs are established for economic development goals, and as encouraged by the central government, private sector partners are given priority in numbers and leadership of the LEP (see also section 4 below).

Collaboration across public and private sectors has been on-going for a considerable period of time. Now with the full integration of the public authorities into a single combined authority (GMCA), the possibility of coordination at the city-regional scale may become more streamlined. The inherent barriers for collaboration, however, which are based on the different remits of public and private authorities, limit the extent of their collaboration. Furthermore, collaboration between private sector actors across the vast metropolitan region is by no means assured, while civil society stakeholders are absent from the LEP.

2.2 Multi-level interplay

At the level of public authorities, a process of closer collaboration and integration has been underway for several years. The trajectory of city-regional partnership arrangements since 1986 has shown a path dependency which has resulted in their increasing formalization and movement from weaker to stronger institutionalized forms. This time period is salient, as it was in 1986 that the Greater Manchester Council (GMC), an entity which covered the functional city, was disestablished and the '10 Boroughs' established in its place. This was a political decision, specifically aimed at fragmenting a bastion of 'local socialism', and led to AGMA becoming a loose, informal and largely thematic association.

The Association of Greater Manchester Authorities (AGMA) is a body with a 20 year history of offering collaboration between the 10 municipal boroughs of the GMCR. Historically, AGMA has operated with a small secretariat and worked through voluntary officer-led groups. Latterly it has assumed greater prominence as city-regional developments have become increasingly formalised, moving from 'soft' governance formations into 'harder', more formally institutionalised *government* entities.

Local authorities in England are generally expected to work collaboratively with other public and private stakeholders that are operating in their area. Wherever there are two tiers of government, 'county and district authorities should cooperate with each other on relevant issues'. Local planning authorities are required by the National Planning Policy Framework to 'take account of different geographic areas, including travel-to-work

areas', 'work collaboratively with private sector bodies, utility and infrastructure providers', and 'on strategic planning priorities to enable delivery of sustainable development in consultation with Local Enterprise Partnerships and Local Nature Partnerships' (DCLG,2012:43).

In Greater Manchester, the ten authorities are the first in the country to develop a statutory Combined Authority to co-ordinate key economic development, regeneration and transport functions. It was established on the 1st April 2011 (New Economy, 2012). This process of integration across the conurbation has been led by a body called Commission for the New Economy, previously 'Manchester Enterprises', which commissioned the Manchester Independent Economic Review (MIER, 2009a) to offer radical and dramatic policy suggestions. Thus, the strategic direction for the Greater Manchester City-Region was set by the MIER, whose recommendations were both radical in their scope and also made some optimistic assumptions about national economic growth.

We will attempt to construct a matrix-style table of management at the city-regional scale to illustrate how the thematic groups act over and above the metropolitan boundaries of the city region, while the Association of Greater Manchester Authorities also continues to exist in parallel.

The relationship with central government is complex. On the one hand, central government is the source of the legal basis for GMCA as well as a large part of local authority finances. According to the Chair of the GMCA, Lord Peter Smith (2012),

> 'The criticism that can legitimately be levelled at every previous process is that none made a dent in the incredibly centralised state that England has become. Whilst central government's share of public expenditure in a locality in Germany is 19% and in more "centralised" France 35%, in the UK it is no less than 72%. Until and unless this shifts, it can be called autonomy, devolution, subsidiarity, localism or anything else, but it is no more than rhetoric.'

On the other hand, the UK government has offered a City Deal to the eight largest English cities and their Local Enterprise Partnerships, in which the city authorities are offered new powers if they show in return 'that they can provide strong and accountable leadership, improve efficiency and outcomes, and be innovative in their approach' (DCLG, 2011).

Manchester was the first city to be granted a City Deal. According to Lord Smith (2012),

> 'For the first time, if Greater Manchester borrows, spends and invests wisely, generating additional economic growth, not only will it get to keep the additional business rates it has generated under the new national regime, but

it will take a share of the much larger pot of additional tax revenue also generated and until now ending up on a Treasury ledger.'

2.3 Mobilising stakeholder participation

The integrative process revolves around collaboration between different authorities and with the private sector. At the strategic, metropolitan level, the official documents are silent about stakeholder participation. The strategic level is, however, supported by a series of commissions, committees and sub-committees (AGMA, 2012).

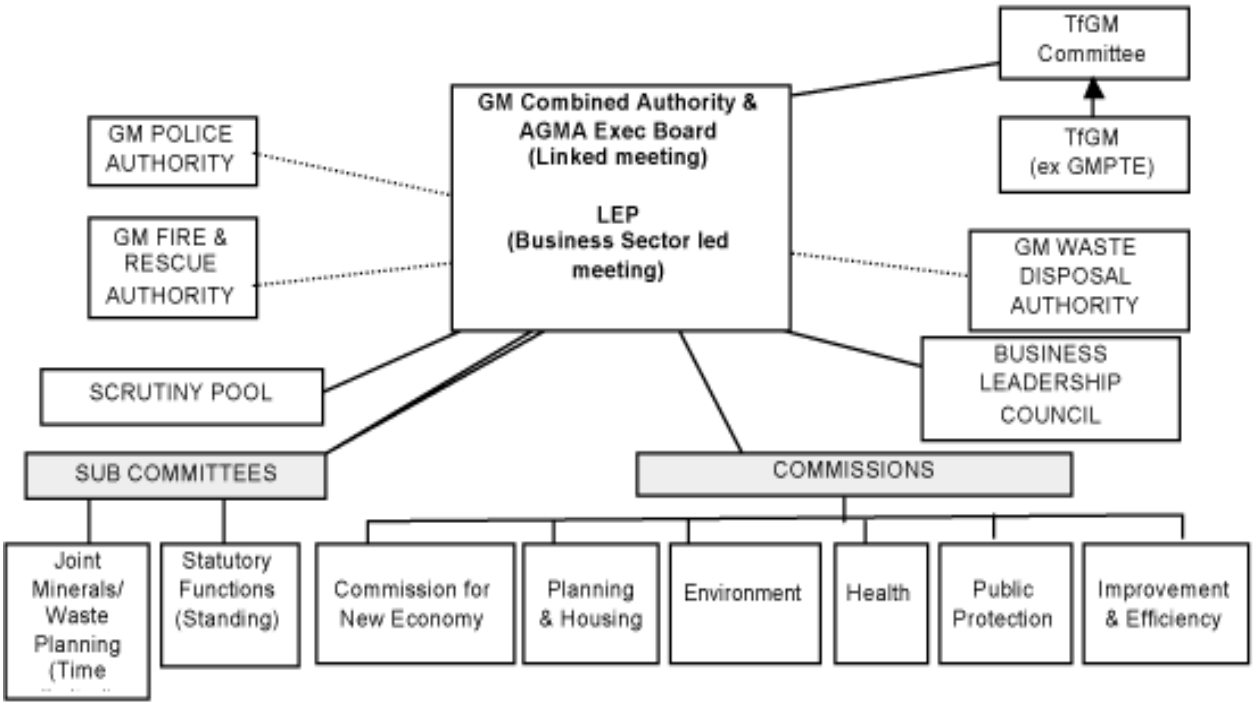

Figure 3. New governance arrangements for GMCA and AGMA (AGMA, 2012).

It is at this lower level of commissions, committees and subcommittees that the possibility for stakeholder participation widens. The case study will investigate where public participation is facilitated and in what capacity.

In a prior iteration of the city-regional governance network, the Multi-Area Agreement (MAA) arguably had clearer democratic anchorage through AGMA and the Local Strategic Partnerships, which served to connect together different public sector institutions within a given territory. Within AGMA the leaders and CEOs of the boroughs had equal voice. It will be of interest within the case to probe these connections to see whether political authority is wielded at the appropriate and salient scale for specific projects.

2.4 Adapting to changing contexts

The 20 year trajectory towards metropolitan governance at the city-regional scale has been one which has proven remarkably resilient in the face of political and economic change and administrative re-scaling, showing that the construction of innovative spaces at the city-regional scale has a certain path-dependency.

The new territorial governance arrangements in Manchester are a response to major changes in the economic and political contexts. The development of city-regions was part of the regionalization agenda of the previous government, while the LEP and City Deal are the initiatives of the new government. The formation of a strong metropolitan actor appears to have enabled Greater Manchester authorities to benefit from the policy initiatives under both Labour and coalition governments.

In economic terms, the new governance arrangements are a response to the economic crisis that has been unfolding since 2008. Economic regeneration is, therefore, one of the key drivers of all these initiatives. The creation of the Local Enterprise Partnership (LEP) should be seen in this context. The economic crisis should itself be viewed against the background of the recent upward trajectory for Britain's "first industrial city" (Hall, 1998) in the quarter century up to 2010, which has been described as 'miraculous'. It is linked to three factors: first, a core strategic infrastructure, including a municipally owned international airport, a major nodal position in private and public infrastructure routes, and a strong service sector (both private and public). Secondly, these advantages have been increasingly linked to the preferences for knowledge-based sectors to locate in metropolitan areas, and during a period of sustained economic growth. Thirdly, and linked to this period of growth, Greater Manchester has benefited from a significant increase in public service investment in health, education and public administration (ibid.). Thus while employment in the manufacturing sector declined by over 50% in the city in the 25 years leading up to the current economic crisis, this was more than compensated for by a massive expansion in private, white-collar jobs, public sector employment, and work in the transportation, communications, distribution, hotels and restaurant sectors (Harding *et al.*, 2010). The rate of constructing new homes was half again as fast as in any other major English city by the end of this period of expansion (Parkinson, 2009, cited in ibid., 2010, p. 983). Significantly, following the turn of the millennium, the city-region's population began to rise again for the first time in decades, driven in part by both internal and international migration and strong birth rates (ibid.).

However, this period did not see any equivalent expansion in the city's productivity (MIER, 2009b), a finding that has been attributed to a number of factors that include the city's sectoral composition, the fact that it does not host

the highest 'command and control' levels of the sectors that operate within it and an unevenness in the distribution of development both geographically in the city and city-region and among different social and economic groupings (Harding *et al.*, 2010). With regard to the latter, the city can be broadly split into a unified, well-connected and prosperous south part, the location of all net employment growth over the last 25 years, and a disparate and disconnected northern section, struggling to move from a low-value manufacturing sector to the new knowledge and services-based economy. Indeed, a greater part of the north and east of the city continue to suffer high levels of characteristics such as poor physical and mental health, unemployment and low educational achievements, appearing to have barely been touched by the urban renaissance of the second part of the 90s and early 21st century (MIER, 2009c).

LEPs , as defined by the new National Planning Policy Framework (March 2012), are: 'A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area' (DCLG,2012:53). The Framework demands that the local planning authorities should have a clear understanding of the existing business needs and the likely changes within the economic markets that are operating in and across their area. To this end, they are required to work together with county level (when it exists) and neighbouring authorities and with Local Enterprise Partnerships (DCLG, 2012:39). According to the UK government's Department for Business Innovation and Skills (BIDS,2012), 'Local enterprise partnerships are led by local authorities and businesses across natural economic areas. They provide the vision, knowledge and strategic leadership needed to drive sustainable private sector growth and job creation in their area'. They are seen by the government as 'a real power shift away from central government and quangos and towards local communities and the local businesses who really understand the barriers to growth in their areas' (BIDS, 2012).

Local Enterprise Partnerships are now one of the key ingredients of territorial governance in England. They can integrate relevant policy sectors, co-ordinate the actions of relevant actors and institutions by considering in particular the multi-level interplay, mobilise stakeholder participation (although they are silent on civil society stakeholders), are sufficiently adaptive to changing contexts, and address the place-based/territorial specificities and characteristics. The Greater Manchester LEP is one of 39 such partnerships in England. Its territorial significance, like other LEPs, has focused on efficiency in economic development. The issues of equity and environment have a less visible presence in the documentation. Its mandate includes the following policy areas: employment and skills, business support, science and innovation, international trade and inward investment, marketing and tourism, European funding, low carbon economy, planning, housing and transport, and research and strategy development (AGMA,2010).

A further aspect of governance in response to the recent recession concerns how the city-region's growing social and economic inequalities are managed. Early

signs show that while its diversified economy gives a measure of protection compared to the worst-hit areas in Europe, and the city of Manchester itself is less hard hit than the UK average, Greater Manchester is 'faring substantially worse'. The recession followed a typical pattern whereby the initial impact in the construction section then affected vulnerable parts of the manufacturing sector with consumer rather than public sector clients, then hit the more vulnerable workers in the consumer services sector. This has had the impact of widening the gap between the north and south of the city-region observed above and increasing the disparity between different social groups within it (Harding *et al.*, 2010). The estimated £10bn to be removed from the economy of the city-region in the four years between 2011-15 (Talbot and Talbot, 2011) is likely to aggravate this trend. It will be important to investigate what the city's governance is doing to address the resulting issues for the city's cohesion.

2.5 Territorial specificities and characteristics and territorial governance

The GMCA is a territorially specific arrangement, which combines ten territories into a single authority, and integrates a range of policies across this territory. As such it is a new form of territorial governance in the UK, which has emerged at the intersection of national policy and local initiative. The area has experienced integration and fragmentation of its governance over the last forty years. As it has suffered from industrial decline and all the associated problems of loss of population and economic activity, the emphasis of many regeneration efforts in the last decades has been place-based and selective.

Alongside the City Deal, the GMCA is advancing the pilot for a new initiative on 'whole place' community budget, which works at the level of a functional economic area, aiming at preventing displacement and working towards the internalization of growth (Smith, 2012). The focus of this pilot project is organise service providers to collaborate in transitioning people who currently depend on multiple, high-cost, targeted public services to a position of greater self-reliance and productivity. The idea is that the savings thereby made through the reduction in demand for public services will enable further investment by the partners in reducing dependency in the Greater Manchester area. The pilot is projected to begin operations in 2013/14 (AGMA, 2012).

The GMCA works on the basis of a collection of jurisdictional boundaries. However, after the abolition of the North West Regional Development Agency, the framework for coordination between Greater Manchester and its neighbours in the region has disappeared. The Local Enterprise Partnership is also co-extensive with the area under the jurisdiction of the GMCA and includes the ten boroughs, and hence is at risk of being somewhat disconnected from the surrounding areas.

In terms of connections between government and citizens, different arrangements have pertained to the different constituent authorities. The authority of Manchester, for example, has a long history of trade union activism and collective struggles that have

played a significant role in the successful participation in the various regeneration initiatives taking place in the formerly industrial parts of the city. On a city-wide basis, a system of ward committees – 33 in all –has been in operation since 2000. Here ward residents can make their voices heard on local issues through community representatives, who meet on a quarterly basis with councillors and services managers in a Ward Service Co-ordination Group. Although imperfect, the aim is to 'ensure that local communities are involved in the ward co-ordination process' (MCC, 2003a, cited in Blakely, 2010). The city has also subscribed to a Neighbourhood Planning process involving residents through door-to-door consultation and Resident Steering Groups which take part in the selection of developers for local building and operate in a formal advisory capacity on planning related issues – albeit with varying efficacy (Blakely, 2010). A systematic approach to citizen participation within the Manchester authority was introduced in 2003, with three of the four original community engagement strategy aims directed towards training up citizens to take on governance tasks (MCC, 2003b, cited in Blakely, 2010, p.138). Although citizen participation is not overseen by a dedicated department at the city council, its importance is shown by the way that is has been made the responsibility of the Chief Executive's Department (Blakely, 2010).

3. Features of "good" territorial governance

Greater Manchester's recent history of struggle in creating unified institutions of governance for its ten constituent authorities, in the face of evolving social, economic and political challenges, appears to demonstrate qualities of adaptability and relationality. The government and governance of Manchester has been described as evolving over four 'sequential and interrelated stages' over the last four decades (Harding *et al.*, 2010). The first phase runs from 1974-1986, when in common with England's five other major provincial centres, Greater Manchester was governed by a directly-elected strategic metropolitan council. After the abolition of the metropolitan councils in 1986, and up to the mid-1990s, decision making was generally hindered by the fragmented nature of the ten authorities as well as by political conflicts between the authorities controlled by Labour and the Conservative national government (Boddy and Fudge, 1984; Gyford, 1985; both cited in Harding et al., 2010, p.984). This was the context in which the governance of the city's ten districts came to be increasingly coordinated by the Association of Greater Manchester Authorities (AGMA), and the Manchester City Council took a more entrepreneurial and growth-oriented turn, which led to bids and risk sharing with the private sector in order to access public funding for development projects both within the city centre and across the Greater Manchester area.

In the third phase of development from the mid-90s to 2000, new institutions that brought together the ten authorities in entrepreneurial initiatives were created. While the city's two main regeneration bodies (Urban Development Corporations) were dissolved, two new agencies were set up, one to coordinate inward investment and one to extend the programme of tourism promotion (originally linked to an unsuccessful Olympic games bid). The most recent phase, dating from the new millennium, saw the strengthening of the city-regional institutions and attempts to develop an overarching strategy for the metropolitan area, along with closer ties with central government and growing influence

over national policy. These changes highlighted that AGMA had insufficient powers and authority to take forward the new responsibilities envisaged. Therefore in 2008, an executive board of the ten constituent local authority leaders was introduced, with a new constitution that permitted delegation of powers to seven functional commissions. In 2009, Greater Manchester became one of two 'pilot city regions', and a proposal for a genuinely combined authority with control over transport, economic development and regeneration across the ten authorities was submitted just prior to the to the 2010 election (Harding et al., 2010).

In the Manchester case, the main feature of good governance has been the formation of a single statutory authority through the collaboration of ten local authorities. The process of collaboration, which has culminated in the formation of GMCA, has enabled the parties to develop strategic capacities at the metropolitan scale. They have worked together across geographical boundaries, different policy sectors, and across the public and private sectors, enabling Greater Manchester to be adaptive to major political and economic changes in addressing the problems of its territory. They have been able to attract new powers from the central government through the City Deal, and extend their collaboration with the private sector through the Local Enterprise Partnership.

The concentration of powers in the GMCA has entrusted it with new powers. It appears to have strengthened the Greater Manchester authorities' effectiveness and efficiency in dealing with economic development, regeneration, and transport, as well as a host of other policy areas. However, the case needs to be analysed in the context of its democratic credentials and EU2020 principles.

In particular, the principle of stakeholder participation needs to be assessed. Is the creation of a metropolitan layer of government helping or hindering stakeholder participation? Are Greater Manchester citizens, local civic society groups, and back-bench elected councillors in participating boroughs sufficiently engaged in the process? Or does the metropolitan government suffer from democratic deficit by losing close contact with its people? Is the formation of close links with the private sector through the LEP and other channels sufficient for economic development? Are such links open to scrutiny and critique? What is the potential impact of such concentration of power on the weaker boroughs within Greater Manchester, and on all surrounding authorities in the region? While the formation of a very powerful player may be good for the area's economic competitiveness at national and global markets, how do the neighbours cope with a giant in their midst? How far could economic development considerations at the time of crisis undermine social and environmental concerns?

4. Identification of stakeholders

The case study will conduct interviews with representatives of the following organisations and groups, at a level senior enough to have a strategic view of the governance processes. The composition of the list is on the basis of gathering views from two groups. Group A consists of the local and national institutions that have been involved in the formation of GMCA, the LEP and City Deal. Group B are those on the outside, from neighbouring authorities to the lower levels of government, from civil society groups to academics and the media.

Group A

1. Greater Manchester Combined Authority
2. Association of Greater Manchester Authorities
3. Greater Manchester Local Enterprise Partnership
4. Central government's Department for Communities and Local Government
5. Central government's Department for Business, Innovation and Skills
6. Greater Manchester borough councillors

Group B

7. Greater Manchester's neighbouring local authorities
8. Private companies not involved in the Partnership
9. Greater Manchester civil society groups
10. Greater Manchester pressure groups
11. Local media
12. Local academics

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Case Study 8: North Shields Fish Quay: Neighbourhood Planning in the UK

2012-06-30

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Section 1: Background and context of case

Neighbourhood planning

Neighbourhood Planning is part of a suite of mechanisms connected with the UK Coalition Government's broader agendas of 'localism' and the 'Big Society'. They chime with global agendas of subsidiarity, participation and citizen engagement but have particular manifestations in the UK context. As expressed by a Minster the agenda seeks to "*hand over power and responsibility so that local communities have real choices, and experience the real consequences of those choices*" (Greg Clark, Localism Minister, 3.12.10).

Localism is seen partly as a reaction to the failures of centrist, big state practices and in the UK, of the Westminster model of representative democracy (Parvin 2011). That is, it is a response both to the kinds of state apparatus that grew up under the Labour administrations of 1997-2010 and to a general public dissatisfaction with experts and politicians (Davoudi & Madanipour, forthcoming). The rhetoric surrounding it suggests that it can be both more efficient and equitable; however, many are sceptical about this claim and also point to the problems of trying to achieve broad environmental objectives through a myriad of ultra-local practices (Cowell, 2012). Critics of the Coalition manifestation of localism are sceptical about its commitment to genuine local empowerment, seeing it as an opportunistic window to roll back the state (e.g. Parvin 2011). Localism in this context is then not good or bad; rather it is to be evaluated.

Neighbourhood Plans (NPs) are advocated by central government to be light touch, empowering of communities, led by neighbourhoods, innovative, and permissive with regard to development. With regard to the latter, we see some inevitable, but interesting, shaping of what can and cannot be decided upon locally. For three decades the core concern of central government has been to deliver more housing in the South East of England and it is here that opposition to such building is fiercest. Labour's approach was to assign targets for regional bodies and local authorities to overcome local opposition. The Coalition hopes that empowered communities will opt for development/ growth and see it as a positive choice. In shaping NPs in such a way that they allow more (but not less) development than is allocated in the local plan formulated at local authority scale (known as the Local Devleopment Framework) they effectively admit that many communities will not, as a first position, opt for more development.

Neighbourhood plans are promoted by either a Parish Council (PC)[75], a partnership between a number of PCs, or, when no PC exists, where a Neighbourhood Forum (NF)

[75] A Parish Council is the 'third tier, or lowest layer of governance in the UK system, and derives from the old system of church parishes, although they are now secular bodies with authority over a range of local infrastructural issues (cemeteries, bus-stops, allotments, highways etc.). Approximately 40% of the population of England and Wales lives in parished communities, and areas without parishes are mainly larger urban areas. Parish Council powers recently increased

mobilises, comprised of a minimum of 21 local 'stakeholders'. They propose themselves to local planning authorities (LPAs) who assess NFs for 'representativeness' and decide whether an NP can proceed. LPAs have a duty to 'support' NP preparation but this can be very light-touch, steering them through the various regulatory elements such as environmental appraisal for example. £20,000 is available from central government for the process and it is given to local government, who may then reallocate it to the local body or retain it for the 'support' process. NPs are thus self-selecting, both in terms of areas that come forward and in terms of who participates. In terms of the former, it can be hypothesized that areas rich in certain resources are more likely to come forward and this is partly proved through analysis.

At present, neighbourhood planning in England is very much emergent. One case has had a published plan reviewed (and thrown out) by an independent inspector. Our case of the North Shields Fish Quay is not quite in this position yet. It is thus on-going and part of an on-going governance experiment.

North Shields Fish Quay

The Fish Quay has been subject to a myriad of initiatives over the years. In 2001 consultants 'EDAW' prepared a regeneration master plan commissioned by North Tyneside Council (NTC). Between 2003-and 2010 it is estimated that around £20m of regeneration and heritage funds have gone into the area (personal communication, Jules Brown). In 2004 the area was designated as a conservation area, giving the area greater protection in terms of planning and design. Its selection for neighbourhood planning reflects the curtailing of regeneration funds in 2010 upon the election of a new central government, alongside a local political desire to get a pilot NP going, rather than local demands for one, vocalised or not. Indeed an Area Action Plan for a wider area is being prepared in parallel, a process which began in 2008.

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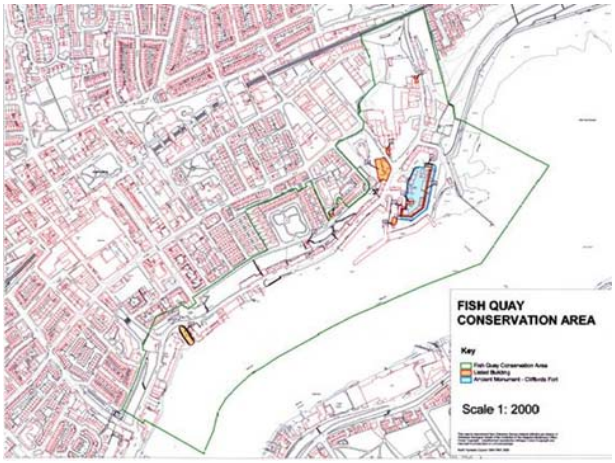
under the Coalition government, for example they now have the right to take on responsibility for some kinds of services from the larger Local Authority within which they are based.

Figure 1: North Shields in the UK context

Figure 2: North Shields in a sub-regional context

Figure 3: The Fish Quay



In parallel to government-led initiatives there has been citizen mobilisation in the area. In 2002 heritage, arts and residents' forums were developed with NTC. At the same time, FISH (Folk Interested in Shields Harbour) was established directly by citizens as a pressure group. FISH generated a 'wish list' of things they would like to see happen in the area. This formed the basis of a formal 'fish quay heritage partnership' in 2005 with NTC, who led the production of a conservation area character appraisal statement (FISH, 2005) to guide future development. This statement, named 'FISHcast', was 'highly commended' in the Cultural Heritage category of the 2006 Europa Nostra Award. It was adopted as Supplementary Planning Guidance by the local authority, North Tyneside Council. FISH are now central to the NP process along with the Council and the North East Civic Trust, a charitable body charged with leading the NP process who were also involved in FISHcast.

The NP process began in 2011 and a sub-group has since emerged charged with preparing the Plan. A draft plan for consultation is expected in September 2012.

2. The dimensions of territorial governance

2.1 Integrating relevant policy sectors

Place is a critical locus in NP to integrate policy sectors. The key actors are the NP sub-group, comprised of around twenty local people (not necessarily residents but those with a stake in the area), the local planning authority and local councillors, and the North East Civic Trust who are facilitating the process based on their long involvement in the area and with the previous 'cast' process. The group has split into four sub-groups:

- Economy & Transport
- Environment
- Housing
- Shopping & Recreation

It is assumed that each of these is linking to actors operating at other territorial levels to coordinate plans and action.

The key driver for the actors engaged in the current NP appears to be heritage preservation, particularly preservation of the built environment. The FISH group was originally formed in the early years of the new millennium with the objective of preserving the character of the built environment through the planning process.

The main actors within the area had previously been centred around the fishing industry. By the late 1980s the quay was no longer a thriving fishing port. This had a knock-on

effect on the associated fish processing industry, which was located in and around the quay.

The key actors in the fishing sector are the local port authority, Port of Tyne (which owns the western quay, the main commercial quay); and the local authority, North Tyneside Council (who have been responsible for a number of regeneration initiatives aimed at supporting the fishing industry in the local area). The core of the fishing industry sector is made up of fishermen (some of whom are physically based in North Shields, others of whom just use the port to sell their catch); and the fish processing businesses.

At the present time there seems to be little cross-sectoral integration between the fishing sector and the main actors involved in the NP. In part this may be because of existing spatial segregation in the area. The hub of the fishing sector used to be in and around Western Quay. As part of an earlier regeneration project new industrial units were built by NTC away from the quayside. This freed up some of the older buildings previously inhabited by fish processing businesses for renovation. These have now been turned into smart offices for knowledge intensive businesses (KIBs). Thus the business dynamic within the historic part of the quays has been changed. This has been further entrenched by the conversion of warehouses to the west of the port into luxury apartments.

The local authority seems to be best placed to overcome the barriers to cross-sectoral integration. Throughout the regeneration of the NTFQ the Council has engaged in partnerships with various institutions and groups - Port of Tyne, and the former Regional Development Agency, ONE NorthEast for example - to bring about specific regeneration projects. These projects have tended to be somewhat limited in scope, focusing on specific problems in specific sectors. This piecemeal process is what the NP process is seeking to replace.

2.2 Multi-level interplay

A key challenge for NP is to draw down infrastructural and other resources from other levels. The NP process itself has very little by way of resource, financial and otherwise, and its success in being more than a talking shop will be likely to depend on drawing in actors with resources to allocate.

The NP process itself it very much a bottom-up process. The core stakeholder group within the NP are mainly residents and business owners from the KIB sector, along with institutional partners such as the NECT, English Heritage and NTC. It is not clear at this stage why the fishing sector is not represented within the stakeholder group nor to what extent there are interactions between the NP stakeholders and the wider fishing sector. The case study phase of the research will seek to address this gap and understand what is being done to address it.

2.3 Mobilising stakeholder participation

The involvement of citizens in the Fish Quay regeneration process over the years has been variable. While FISH is the dominant organisation, others do not accept its mandate to speak for citizens and business and participate in other ways. There is some evidence too that NTC became less collaborative in the 2008-2010 period in implementing housing and regeneration plans for the area. In this sense NP may be a way of rebalancing the power relations between NTC and citizens in securing a way forward for the Quay.

The NP process is meant to be community-led. To a degree this appears true of this process, although securing interest from the public and training them in the ways of the planning system has proved difficult. A series of consultation events have been critical to bringing in stakeholders and securing legitimacy for the process as a result. This process has been fortunate in being in the first wave of 17 NP pilots (four other waves have now been announced bringing in over 200 more neighbourhoods). But this position in the first wave encouraged a lot of attention from stakeholders such as NDPOs,[76] the private sector and so on, who wanted to understand more about the potentials of NP. That said, it appears that some interests, in particular landowners, are remaining somewhat removed from the process, as the advantages for such actors of openness about their stake in an NP process, within which they have no formal power as such, are not clear. Who else may be missing from the process is open to empirical investigation.

There is a feeling from citizens that they have done this before, and some are ideologically opposed to the process. But the NP process has also succeeded in bringing in new citizens who are not FISH members. Landowners appear cautiously positive about it as it might open up a window for dialogue with politicians and the community. It appears from this example, and from others we know about, that NP is not truly community-driven as was the central government intention/ rhetoric, but that professional interests are driving it, in this case those of the local authority and the Civic Trust.

2.4 Adapting to changing contexts

The big issue here is the newness of the NP process. NSFQ is a pioneer of the process and the legal mechanisms are still being interpreted. Previous regeneration and planning efforts in the Quay area have fully acquainted a number of participants with the nature of the planning and governance processes. Equally, the independent facilitator associated with NECT is essential in providing a bridge to the local authority, and can broker this relationship untainted by any pre-existing associations.

Local property markets are likely to be flat given the impact of the recession on the region. This may have affected what is possible in a plan that will be looking for some form of growth and some surplus from that to pay from improvements to local infrastructure.

[76] Non-departmental public organisations, formerly ‘quangos’.

The regeneration of NTFQ is primarily a response to the decline in the fishing industry, particularly the decline of the small in-shore fishing fleet. The decline resulted in the neglect and underuse of historic buildings in the area. The first phase of the regeneration focused on support for the fishing sector through improvements to the fishing infrastructure and better modern premises for fish processing businesses.

Later phases of regeneration have attempted to find new uses for the area vacated by the ancillary fishing businesses. This has primarily been through preservation of the historic environment coupled with an effort to preserve and market the cultural heritage of the area, something that has been tried successfully in other local areas (for example Bailey et al., 2004). In addition a concious effort has been made to diversify the businesses located in the area with the provision of high quaility, flexible office space targeted at KIBs.

It is not clear how far the NP process is able to balance the tensions between the support needed to maintain a traditional sector such as fishing and fish processing and the shift to a new local economy centred on tourism and KIBs.

2.5 Territorial specificities and characteristics and territorial governance

The place is a major actor here. FQ has 'genius loci' and citizens are prepared to invest time in its governance as a result (see Gonzalez and Vigar 2008 for a similar local case). The built heritage is a key feature, alongside the waterfront and the on-going fishing industry and market, which adds 'colour'.

3. Features of "good" territorial governance

Neighbourhood planning is an interesting example of community-led, ultra-local planning; as such its implications could be far-reaching. What is perhaps new in NP is that it is intended to be very bottom-up. This is not about 'participation' in an initiative led by the state; rather the state plays a supporting role, advising where called upon, and, at least in theory, it is up to citizens to construct the processes that may be assessed as being more or less democratic. It is thus intended to be community-driven. This seems to us to render much of the territorial governance and planning literature on collaboration and participation only tangentially useful, as on reading it the assumption lurks behind the text of a 'planner' at the heart of it. While the aim of much participation literature is for some form of co-production, with collaborators including the public, NP does represent something potentially more radical.

Tentatively speaking, in the North Shields case, the main feature of good governance is the mobilisation of stakeholders at the local level and their engagement at the neighbourhood level for spatial planning. The key challenge, however, is the relationship between this level of local decisions making and the national and local statutory processes and resource distribution, and the implications for implementing the neighbourhood plans. The case study will explore how far the process of neighbourhood

planning is citizen-led; how far this process has reframed existing problems and issues; to what extent this emerging level of territorial governance is capable of changing and challenging pre-existing visions delivered in a more top down and sectoral way. It will also explore how this emerging micro-level level of governance influence the role played by actors and stakeholders including planning professionals. The case will also shed new lights on the questions of leadership, spatial relationality, scalar fit, and multi-level and cross-sectoral coordination.

4. Identification of stakeholders

The main relevant stakeholder groups are as follows:

1. North East Civic Trust
2. English Heritage
3. North Tyneside Metropolitan Borough Council's officers
4. Local politicians
5. NP sub-group
6. FISH (folk interested in shields harbour)
7. Landowners
8. Businesses from the fishing sector
9. Businesses from the KIBS sector
10. Businesses from the tourism sector
11. Port of Tyne Authority
12. North Tyneside Fish Quay Co. Ltd

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Case Study 9: Management of Structural Funds in Central and Eastern European countries

2012-06-20

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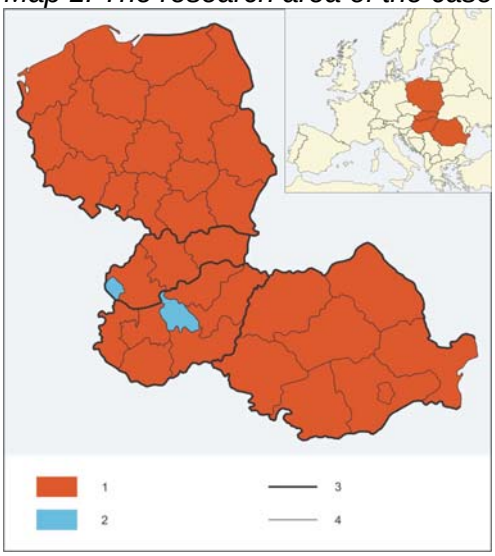
1. Background and context of the case

The case study deals with the development of a management process for Structural Funds in Central and Eastern European (CEE) countries. From the research point of view, the relevant policy areas are European regional, cohesion policy and the process of strategic planning directed at the access to the Structural Funds money. We will analyse the context of these policy areas and territorial governance, and the impacts that they have on each other. Further, the process of public administration reforms implemented in four CEE countries (Poland, Slovakia, Romania and Hungary) will be explored. We have chosen these four countries as they represent special Eastern European answers to the institutional pressure of the Structural Funds. Three of them gained accession to the EU at the same time, which had a different SF managing structure at the time. Through its delays, Romania shows the same harmonization problems as the other CEE countries.

In light of the expected development objectives of Europe 2020, cohesion policy with its strategic and programming approach as well as its stable financing conditions over a seven-year period is perhaps best equipped to address the new global challenges at the local and regional levels. Clearly, cohesion policy is and will remain a central pillar for achieving the EU's sustainable development goals. This particularly concerns its historical task of promoting the further development of a single market through the strengthening of economic, social and territorial cohesion (Hübner, 2008).

Map 1: The research area of the case study



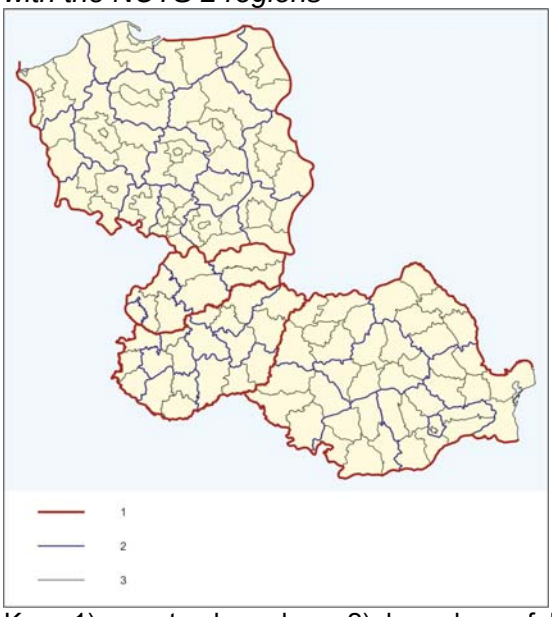
Key: 1) Cohesion Regions, 2) Competitiveness and Employment Regions; 3) National boundaries; 4) NUTS 2 boundaries
Designed by: Valéria Fonyódi.

Structural Funds (SF) have a significant impact on public administration, especially in Central and Eastern European (CEE) countries, where the absorption of the EU subsidies is one of the most important policy and political ambitions. However, the governance regime of Structural Funds is a considerable challenge, since traditional government structures and practices in CEE countries do not typically harmonise with the principles of decentralisation or regionalism, partnership, efficiency, transparency and strategic integrative planning. Therefore, CEE countries have tried to adapt to these

challenges in different ways. They do so institutionally by implementing internal structural reforms of public administration (learning) and/or by establishing separate, “unfamiliar” structures and institutions to better fit to the SF system (imitating). Further, there are functional changes in the functional, instrumental model and processes. The main question was: is it better to establish an internal institutional development process and as a part of it an integrated (into the national administration) and convenient (from the point of view the EU) institution. Or, is it better to build a new SF institution separated from the national governmental structure, where the SF institution fully fits with the European requirements. The investigated countries chose different solutions. The case study therefore deals with territorial public administration reforms of the selected countries and the SF management institution building process and its governance methods (multilevel, multi-actor).

While the European Union generally considers the structure and functioning of public administration as a national internal affair, it has established a fairly strong adaptation force through the rules of utilization of Structural Funds (Pálné Kovács, 2005). From the territorial governance perspective, it is an important question. Each Eastern European Member State (EU 12) is characterized by the institutional pressure of EU Structural Funds which push the administrative reforms simultaneously with the SF management building. The Structural Fund’s relative importance is particularly high in the CEE countries, where the SF has virtually replaced the domestic development policy which determines the national contributions, the national development resources, and therefore significantly exceeds the volume of national development resources regulated by non European Union rules. Therefore, the role of the SF is much more dominant in these cases than in the old Member States, and it has the instruments to promote a multi-level and participative mode of governance in the new Member States. That is why the Structural Funds were able to influence to such a high degree the administrative reforms in CEE countries. For example, a significant change in the Polish regional policy model was introduced when the comprehensive territorial reform came into force; there we can see a real learning process. On the other side, Slovakia, Hungary and Romania rather imitated the institutional reforms, as they built separate SF institutions, which have not yet been integrated into the public administration system. While in Poland, the public administration reform has created self-governing regions, the so-called voivodships at NUTS 2 level, Slovakia, Hungary and Romania have only built planning regions at NUTS 2 level transferring the administrative adjustment to these scales.

Map 2: *The investigated countries' public administration system and their relationship with the NUTS 2 regions*



Key: 1) country boundary, 2) boundary of NUTS 2 (planning or self-governing) regions; 3) boundary of NUTS 3 self-governing regions
Designed by: Valéria Fonyódi

This diverse set of regional institutions and frameworks demonstrates that the scope for implementing EU Cohesion policy varies greatly (Bachtler–McMaster, 2008). While the Polish NUTS 2 level forms a rational basis for regional Structural Funds programmes, in the other investigated countries, the NUTS 2 regions contain more than one self-governing unit.

The most relevant issue in the case study is how the countries deal with the regional development programs. This is important in their management within the system of SF, since they were offered the possibility of regional decentralization and the involvement and empowerment of territorial governmental actors. The appearance of the ROPs in national development plan made the accession of SF resources as a learning process in itself. Regional actors have also learned progressively about the management of resources.

The main approach of this study describes the changes and effects since EU accession, taking most examples from 2004, and the practice of Romania in 2007. In special cases, it extends to a wider time interval, as in the cases of preparation for the structural funds with the use of pre-accession funds, and the regional, public administrational reforms that took place earlier in some cases, simultaneously with the so called Europeanization pressure.

During the reference years (2004-2012), the partnership principle has become one of the key principles of EU support policy. It means multi-tier (sub-national, national, supranational) and multi-actor (local and regional authorities, private or civil organisations) participation in policy-making, planning, implementation, monitoring and evaluation (EP, 2008a). The system of multilevel governance, the degree of decentralisation and participation practice in decision-making and power, however,

varies between the analysed countries and also between regions within a country. The legacy of centralism, the lack of traditions in making partnerships, and the weakly institutionalized sub-national authorities in CEE countries prompt questions about the transferability of the partnership approach to the new member states, the main recipients of cohesion funding (Dąbrowski, 2011).

This study deals with four countries and makes comparative analysis of these countries, which increases the complexity of the case study. Due to limitations in extent and the comparative nature of the study, and also because of the author's deeper local knowledge and the availability of interviewees, the main investigated country is Hungary. It is presented in more detail through an in-depth analysis and with interviews, too. The study can be complicated due to the relatively rapid changes during the investigation period within the SF institutional system. This can be seen in terms of institutions and staff, including the sectoral ministerial restructuring caused by the government's change, the change of the managing authorities and the intermediate bodies, and the continuous fluctuation of these institutions' staff. However, these changes are poorly documented in the official documents, scientific publications and reports also published with delay. Therefore during the study we could mostly rely on the official and accessible strategic documents (eg. NSRF). Providing current and detailed information, the interviews can refine our view about the operation of the SF institutional system in the next stage of the research.

2. Dimensions of territorial governance

2.1 Integrating relevant policy sectors

Each Member State prepared a National Strategic Reference Framework (NSRF) agreed to by the Member States and the Commission. The NSRF set out the investment priorities for the 2007-2013 programming period's regional and sectoral programmes to be supported by the European Union. The *SF management institutions are responsible* for compliance with the objectives of the NSRF (), which should be consistent with the *EU's balanced development requirement*. That is why the *planning* section of the *NSRFs* and the *implementation* of the national programs are both important in the CEE countries.

There are two main strategies in the CEE countries' practices in connection with supporting the balanced development of the territory through *domestic regional development management* and implementation. In the first model, the special regional development "sectoral institution" (ministry) is responsible for regional development tasks. In the second, a supra-ministerial institution is responsible for inter-sectoral coordination for the horizontal enforcement of the territorial approach. In this case, the central administration of regional development is divided between two institutions. In the second model there is a top ministry which performs the management and planning of development policy as a whole, including the domestic regional and inter-sectoral development.

These models vary through time and from country to country. For example, in Hungary the first model was built between 2008 and 2010, but before and after that period, Hungary used the second (divided) solution, as the tasks of planning and implementation of regional development have become separated into two ministries. In Slovakia, a regional development ministry (the Ministry of Construction and Regional

Development) functioned from 1999 to 2010, but from 2010 onwards, the tasks of the ministry were divided (mostly) between two ministries and the Prime Minister's Office. The Polish practice can be classified as the second integrated type from 2005. In Romania, regional policy's central management is still looking for its place – during the reference years many ministries had the tasks of regional development.

From the point of view of the compliance of the *SF institution* to the domestic public administration system, two models can be identified. In the *integrated* model the planning, implementing, monitoring and evaluating institutions and procedures are not distinct from the domestic development institutions and procedures. The *separated* model means that there are parallel SF and public administration institutions. This model depends on the degree of administrative integration (using existing administrative bodies), the integration of programming (the EU programmes are integrated partly to the domestic development policy implementation), and the financial integration (using funds according to the national accounting rules). It may imply therefore the appearance of a mixed model, too like in Hungary (Perger, 2009).

From 2004 to 2006 the Polish SF management system was an integrated one. The managing authorities were located at different OPs in different ministries, narrowing the circle with the Integrated Regional Operational Programme where the Ministry of Economy, Labour and Social Policy of Poland (which was the central body of SF management until 2005) was responsible for co-operation with the self-governments of 16 voivodships, in the form of Steering Committees created in accordance with the partnership principle, and voivodship offices were the intermediate bodies. After 2005, the Ministry of Regional Development had the overall responsibility for regional planning and the coordination of regional development initiatives between the national and sub-national levels. The ministry became the managing authority at all of the OPs.

In the period between 2004 and 2006 Slovakia and Hungary also had an integrated system for SF management. Usually, the sectoral ministries were the managing authorities, and they (and not the intermediate bodies) made decisions about support. The intermediate bodies varied by OPs and had different tasks and responsibilities.

For the new programming period (2007-2013), the Hungarian SF institutional system is more distinct. SF planning, implementation and management are now tasks of National Development Agency (NDA), which is subordinate to the National Development Ministry and is separate from the traditional public administration organizations. However, Hungary is rather a sample country of the *mixed* model, whose characteristics are the integration of the SF institution's programming and financing, and administrative separation. The NDA, in co-operation with the ministries concerned, is responsible for the planning and implementation of the entire NSRF as well as for performing managing authority functions with respect to all operational programmes, including regional ones.

From 2005, and of course during the new programming period, the Polish regional development top ministry is responsible for the domestic regional policy and the SF program implementation, too. The managing, intermediate, certifying and auditing bodies are integral parts of the national public administration system. The situation is similar in Slovakia and in Romania (where only the Auditing Authority is independent) (EP, 2008a). The practice of these three countries therefore can be classified as the *integrated* model.

The Slovakian SF system remained integrated after 2007, and except for the ministry responsible for the regional development, there have not been significant changes in it.

They made one competitiveness OP for Bratislava and an integrated ROP for the other side of the country.

In the new programming period, regional self-governments have become the managing authorities of the 16 new ROPs in Poland. These voivodeships are responsible for the domestic regional development tasks too, so at regional level it is also an integrated model.

2.2 Multi-level interplay

The extent of centralisation is the other aspect of territorial governance in this context. Here, we should analyse the centralised and the decentralised public administration bodies' roles in programming and implementation. In the *decentralised* model, the regional actors have an important role in the process of planning, programming and implementing ROPs. They make decisions about the allocation of the ROPs. In contrast, in the classical form of the *centralised* model, administration bodies of the central state are responsible for planning, implementing and managing the whole SF program, including the ROPs. Even though these central bodies can involve regional partners in the planning process, it still remains central, and the managing authorities are also centralised (Perger, 2009).

During the first programming period (2004-2006), the Polish SF management system was the most decentralised model among the CEE countries since Poland has a decentralised state administration system. The new three-level territorial structure with the large voivodeships was introduced in 1999. The regional level is an administrative level with the government's local representatives, but there are also elected self-governments of voivodeships, with their own budget and own competencies. This new regional self-governmental framework corresponded to the NUTS 2 level, which formed the basis for the preparation of the required institutional system of European Cohesion Policy in Poland. Territorial structural changes enabled the commencement of the management of regional development at the regional level from 2007 onwards. Essentially, due to the IROP (2004-2006), the regional institutional capacity was successfully built up at the voivodships. Thus, during the new programming period, the SF management's decentralization could become deeper as the 16 ROPs and their management by the regional self-governments justify this (MRD 2011b). The Polish practice shows that development policy can be transferred from the state administration sector to the self government sector, which increased the policy's legitimacy and integration. From the point of view of territorial governance, the problem is that the public finances for regional development have remained centralised in Poland despite the so called regional contracts signed between the regional self-governments and the Ministry (Kramer–Kołodziejski, 2011).

As an evaluation study explains, the impact of European Cohesion policy on the Polish multi-level governance system goes well beyond financing. The system needs the further enhancement of co-operation across levels of government, municipalities and public and private actors. There are other challenges: the capacity-building at local-governmental level (competent and effective public officials), performance monitoring and policy impact assessment at the local and central levels (Kramer–Kołodziejski, 2011).

The Hungarian and Slovakian SF management were centralised in the period from 2004 to 2006. This resulted from the fact that they have centralised state administration systems and the EU's expectation of a single, transparent and centralized program

structure (Perger, 2009). The new Slovakian territorial governments (operating from 2004), had no role in the NSRF planning. By contrast the Hungarian RDCs, established by the regional development act and operating form 1999, had the time and ability to make the regional development strategies. Finally, due to pressure from the EU, Hungary made just one single ROP, which relied only partially on regional plans. Slovakia however, had no regional program at all, only sectoral OPs with regional elements. After 2007, the Hungarian model, with 7 separated ROPs but with a centralised managing authority (NDA), became even more centralised, although the RDAs are the intermediate bodies of the ROPs. However, the Slovakian practice is even more centralized. Except for the Bratislava OP, the regional self-governments (kraj) are not involved in the implementation of SF, they are only partner organisations. In the Bratislava OP, the city self-government is the intermediate body (Perger, 2009). The Slovakian state-owned RDA network has a role in the SF program implementation. However, after the 2012 elections, the institutional structure of SF could change again, as was done in 2010.

In Hungary, as a result of the process of the elaboration of national development plans from the 2000's (which have regional dimensions, and there were multi-level discussions about the plans), or earlier from the birth of the regional development act, Hungarian regionalists had hoped that top-down regionalisation could occur. But RDCs and RDAs had a negligible role in the allocation process of the national development resources from the beginning (1996) to 2008. This negligible role originated from the limited amount of decentralised domestic regional development funds. Since 2012, when RDCs were abolished, the county governments remained the only spatial development and spatial planning actors, which have practice in the regional development strategy making process as a partner, but not a coordinator. The self governments have lost a lot of functions, which have been transferred to the county level state decentralised administration. Further, the RDAs, as SF institutional and regional development institutional actors, have also become centralised organs, as they were transferred from the RDC's control to the ministry responsible for regional development.

Romania has a very similar centralised SF institutional system to the former Hungarian one. The managing authority of the IROP has the task of the ministry responsible for regional policy. Regional actors contribute to the planning and implementing process of the NSRF, but they have no role in the implementation of other OPs; ministries and deconcentrated bodies are responsible for this. The RDCs in Romania have more local governmental than central state administrational members, but the territorial governments are weak actors in the public administration sector. The RDAs in turn are financed mostly from the state budget. So this model seems to be a centralised model (Perger, 2009).

2.3 Mobilising stakeholder participation

In the design of the financial and operational framework of supporting policy, the importance of the partnership principle has increased and includes civil society organisations. They are also defined in the White Book on European Governance: trade unions and employers' organisations ("social partners"); non-governmental organisations; professional associations; charities; grass-roots organisations; organisations that involve citizens in local and municipal life with a particular contribution from churches and religious communities. In this respect, the partnership principle highlights aspects of both vertical and horizontal integration. Cooperation between such actors can be realized through vertical and horizontal networks and involves the state,

but also civil society at the local, regional, national and global levels (EP, 2008a; Oriniaková, 2008).

The partnership principle is a general requirement of the EU towards all of the institutional bodies of the SF management system during the whole implementation process. However, it was a great challenge, due to the CEE countries' traditional, bureaucratic state administration system and their limited experiences in the area of partnership, which needs a new form of management. There are two forms of involvement of stakeholders into the SF allocation process. First, they are members of Monitoring Committees, and they monitor the implementation of SF money. Second, they can comment on and create the sectoral and regional programs of NSRFs.

It was common that the biggest, umbrella organisations were able to exploit the opportunity of the SF consultation process. The involvement of smaller NGOs poses some technical problems when it comes to expanding the civil society partnerships in cohesion policy. Local or ad-hoc NGOs often lack the resources in terms of personnel and infrastructure to analyse and process documentation, and even to have a continuity of representation in the instances where they participate (different voluntary representatives attending meetings) (EP 2008a).

The SF institutions' relationships and networks can cause significant differences within a country in the area of successful partnership involvement. The poorly performing organizations of the SF managing institution during the planning section could lag behind. After this programming section, the good relationships could be transferred into the monitoring committees or ongoing involvement of interested local stakeholders during SF programme implementation. The provision of appropriate structures (forums, dialogue platforms etc.) manifests the strongest commitment and the most advanced forms of integration (EP 2008a).

In the period between 2004 and 2006, the monitoring committees, as the new coordination bodies of the Hungarian SF institution, became the foes of the sectoral ministries who had been excluded from the managing OPs. Neither side was prepared for partnership building. There were neither traditions nor national rules, and the civil sphere was not able to realize self- and bottom-up organizations. They had the pretext that the centre had selected the partners for itself so the more active and less "disciplined" civil organisations were rather excluded. The opportunity for partnership building resulted in a competitive situation at the civil sphere, where the civil organizations used this new situation to consolidate their position. The members of the SF institute system were looking for partners whose involvement would match the EU's requirements. From the point of view of SF institutions, partnership building was a compulsory extra task; they just wanted to imitate its performance (Perger 2009). The other aspect of partnership requirements was interest reconciliation with the NGO partners during the programming period. Hungary had real partnership making practice at regional level during the planning of ROPs and national programmes. The NSRF was surrounded by a broad public consultation, but it was more for publicity than for relying on the principle of partnership (Perger, 2009). The tools of the public information were websites, conciliation boards questionnaires, strategic background surveys and formal/informal, thematic and regional working groups (Molnárné Hegymegi, 2009).

Since 2007, Hungary and Romania have had national councils for regional development, which are partnership-based institutions for the drawing up and implementation of the objectives of regional development policy. The state has a strong position in this institution, which is chaired by the relevant regional development ministry. Different

representatives of the other sectoral ministries are members of the Council and in Romania (and in Hungary until 2012) regional development councils as well. The Hungarian Council's voting members are the presidents of national chambers of commerce, a representative of the National Economic and Social Council and three representatives of the national local governmental associations. In Hungary, the recently eliminated regional development councils had an important role during the planning process of the ROPs. Further, the regional strategies emerged as a result of widespread multi-actor consultation, and the councils themselves are multi-actor bodies. At the regional level, the process of public consultation on the ROPs was co-ordinated by the RDAs. This process varied from region to region, and operated through public forums, e-mail list, workshops or work-groups. However, the emphasis on a place-based approach was lacking during the preparation of the NSRF, so the regions with different characteristics accepted very similar programs without highlighted regional specialties. The Hungarian RDCs were weightless participants, as they do not have sufficient resources and legitimacy, so the regional strategies were integrated into the national plan on the basis of residual principle.

In Hungary, the professional groups and civil society in many cases were only involved in a formal way in the program's public consultation. This meant that some proposals were not or were only partially incorporated into the planning process. Efficient involvement of stakeholders contributed to the bottom-up planning, and the more accurate identification of needs (KPMG 2011). During the programming period the stakeholders characteristically were able to deliver their own opinions by web-expression. The NDA started its own portal with an internet platform for web-expressions in connection with 14 OPs (from the 15). 1350 NGOs reflected the OPs, most of them in connection with the social renewal and the transport infrastructure programs (Molnárné Hegymegi, 2009). This form of partner involvement limited the range of the involved stakeholders, and the situation was further complicated by the limited time for review. Furthermore the NDA sent letters or e-mails to 4000 partner organisations registered during the former conciliation process or found in the ministerial databases (Oriniaková, 2008).

The Slovakian NGOs, after the first programming period's negative experiences, were involved in the preparation of the NSRF only formally again. NGOs and other partners, including regional and local self-government bodies, could not participate effectively. Due to the overly short deadlines for commenting, documents were sent only few days prior to the meeting, the NGOs decided to boycott the whole consultation process of the NSRF (between 2005 and 2006). Such collective absence of NGO delegates from the work of committees had never happened in the EU before. As a result, none of the NGOs' suggestions were taken into consideration in the OPs. The situation changed after the parliamentary elections (Oriniaková, 2008).

The Polish NGOs took part in official conferences, which were regionally organized by the public administration. More than 1000 active NGOs participated in the process. However, the NGOs opinion is that the final document was only amended insignificantly, so during the preparation process the passivity of partner organisations increased (Oriniaková, 2008).

In each country, the Managing Authority is included among the members of the OP's Monitoring Committees. The ministers interested in the OP's implementation, the intermediate bodies of the OP concerned, the Regional Development Councils, or regional self-governments concerned (Poland), the local governments' associations, tripartite (labour market) reconciliation council (if it is available), NGOs (environmental

protection, equal opportunities, other) and other governmental organisations concerned are also involved. There are also some members with the right of consultation such as the representative of the European Commission, the Controlling Authority and the Certifying Authority, the EIB, the EIF, and the organisations responsible for the implementation of the European Agricultural Fund for Rural Development and of the European Fisheries Fund (EP 2008a-b, NSRFs). During the interview section, we would like to analyse the selection mechanism of Monitoring Committees. Our hypothesis is that in many cases, the central managing bodies have the main role in this process.

In Hungary, most NGOs' representatives in decision-making structures for SF management are the delegates of some civil platform which were elected in a transparent way by voting. There are, however, some cases when the president of a national umbrella organization takes part in the Monitoring Committee through invitation or the delegate wasn't elected directly but nominated by the NGOs and was then accepted by voting at the government's consultation council (Oriniaková, 2008).

In Poland, at the regional level, coordination is assured through the voivodeships and the Voivodeship Boards, with the assistance of the Monitoring Committees of the ROPs. Comments from the consultation process of the NSRF were then integrated into early draft strategic documents. There were a wide range of consultative meetings and workshops at the national, regional and local levels. The Ministry of Regional Development also organised several thematic conferences. Finally, there were a range of cross-sectoral events co-organised with the social partners (EP, 2008b).

Regional coordination committees have been established in the eight Romanian planning regions to assist the coordination between Operational Programmes at the regional level and the national sectoral OPs. The organisation of partnership relied on the framework created for the drawing up of the NSRF. An e-mail voting system from the lists of NGO representatives was used in different structures where the representation of NGOs was required. Many of the partners who participated in the consultations have already been selected to form the membership of OP Monitoring Committees, or their sub-groups, and will therefore be actively involved in the strategic decision-making process for the various OPs. This integration of partners is a relatively new phenomenon in Romanian governance, and will require capacity building (EP 2008b; Oriniaková, 2008).

2.4 Adapting to changing contexts

One of the largest challenges of adaptation was the so called Europeanization pressure, especially regionalisation. The invasive effect of the SF on national administrations of CEE countries is explained by the strong motivation to acquire development resources eligible for less developed regions. The CEE countries were preparing for accession in this period, strengthening the conviction that regions mattered. The main argument for the necessity of regionalisation stemmed from the regulation of SF, although the criteria of "good governance" formulated and controlled yearly by the European Commission, implied the indirect message to decentralise and develop the "regional administrative capacities" (Pálné Kovács, 2011). CEE countries have tried to adapt to tasks deriving from the Europeanization process. The motivation of accessing SF played the most significant role in this process, but there were no strict regulations for the establishment of administrative regions. The necessary elements of the SF-driven adaptation were the delimitation of the NUTS 2 regions; the establishment of regional consultative bodies based on the principles of partnership, and building up or designating the managing authorities of SF (Pálné Kovács, 2011). Poland was the "eminent student" among the

new member states, as the other countries used the freedom of adaptation falsely and simply imitated regionalisation.

Both the system of objectives of regional policy and the requirements concerning the institutional system of the SF, as well as the national programming and planning prescriptions created for fund absorption have been frequently modified. Accordingly, national and regional practices of adjustment and plan elaboration procedures have been modified, and the success of adaptation is varying. In principle, nation states have enjoyed a greater liberty and have faced wider responsibilities post-2007. Poland exploited the opportunity of decentralisation, which the rest of the investigated countries have failed to achieve. The large cities involved in the Hungarian Pole Program have not lived up to the new requirements of urban development. When institutional changes in the system of public administration or regional policy occurred, as in the case of the four examined countries, this further decreased the chances of preserving and transmitting the organisational knowledge, network of relations and established networks. For instance, the Hungarian regional level, deprived of functions, will not be able to coordinate the joint preparations for the period starting from 2014. The method based on the collaboration of county municipalities replacing it is an utterly new practice that makes access to functioning methods and reliable partners difficult. County municipalities are not prepared for this task.

The biggest challenge and the most difficult task from the aspect of SF management is the empowerment of final beneficiaries and to assure them the time to learn the process. The constantly changing conditions, institutions, rules and staff practically render the slow knowledge accumulation for stakeholders involved in the project realisation impossible. Project generation and the elaboration of project proposals has been transferred to the private sector, since the institutional system of SF is lacking the necessary capacities. This may be one of the underlying reasons why the poorest are the least successful in the projects. Organisations with insufficient funds (enterprises, self-governments, civil stakeholders) cannot afford to exploit the services of external project proposal writing companies.

The problem of temporal and advanced political elections and the impacts of the hectically changing public administrative system have to be investigated as a separate process. These had an impact on the functioning of the entire institutional system, internal and external relations and communication of regional policy and SF management. For example, in Hungary, continuous personal and institutional changes at the sectoral ministries, in addition to the unclear division of labour between them, inhibited the operation of the bureaucratic automatisms, despite the existence of unchanged institutions, such as NDA (KPMG, 2011). The changing intermediate bodies caused problems in communication with stakeholders and beneficiaries. The same effect of erratic communication was caused by fluctuation in staff in the SF management organisations. The latter can hinder the accumulation of organizational knowledge, even in a centralized system, such as the Hungarian one. The impacts of the governmental change resulted in a disruption between sectoral portfolios and the NDA precisely in 2010, when they should have collaborated at the level of strategic planning (preparation for the new programming period, rethinking the rules of the spending money in light of the financial crisis and the midterm evaluation reports).

The global financial crisis proved a challenge for all CEE member countries which were manifest in central budget restrictions on one hand. This has delayed significant development priorities from social to territorial and often with economic aspects. The crisis has also blocked development projects and reduced funds amongst local/territorial

public administrative units (self-governments). The crisis has placed several potential project owners in a hopeless situation, regardless of whether they were actors financed from public or private funds. From the aspect of SF funds, it is important to note that the exhaustion of national development resources has considerably raised the importance of SF funds, thus the regulation (in certain cases the overregulation) of SF may further hinder the success of allocation. Overregulation excludes good ideas and potential projects, so that they do not even reach the phase of the preparation of proposals or fall out in the first round. The last aspect to be considered is that the financial crisis has raised the risk of successful project realisation in the case of several beneficiaries.

In Romania, the enormous challenge faced by the institutional system of SF is the absorption of the EU support framework funds until the end of the present programming period (2013). The over-bureaucratised Romanian public administration evidently tries to slow down the processes and the huge amount of organisational changes in institutions, ministries and SF management do not strengthen the functioning of the SF institutional system either. All of this gradually prevents the SF institutional system from meeting the requirements of partnership and coordination. Without a doubt, the absorption of SF funds requires gradual institutional learning from the institutional system of each country, thus the institutional changes may oppose its success. On the other hand, the financial pressure Romania is facing may drive the country to commit the same mistake that all of the countries gaining membership in 2004 have done during the first programming period, namely that the success and degree of allocation had become a priority instead of the effectiveness and efficiency of fund utilisation.

The impact of the challenges on certain actors and stakeholders and the entire institutional system will be explored by the interviews.

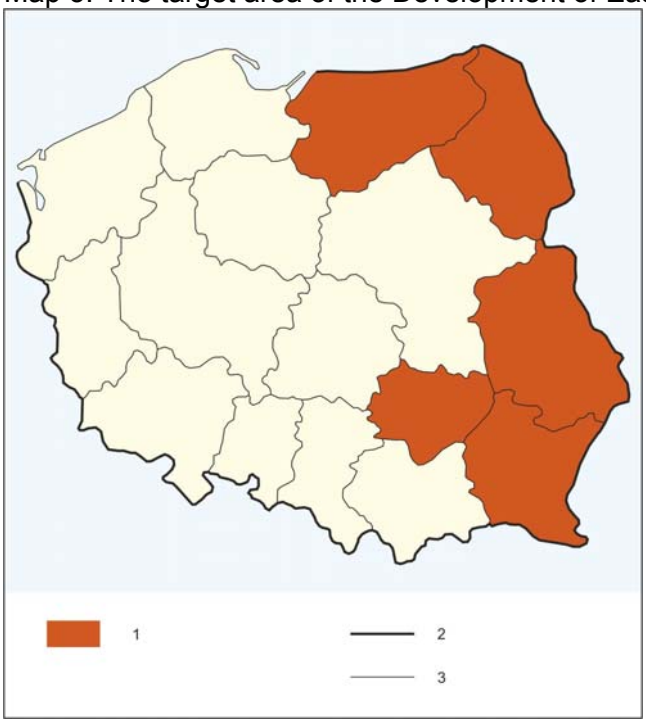
2.5 Territorial specificities and characteristics and territorial governance

The *Regional Operational Programs* and special programs with territorial aspects within the NSRFs reflect the place-based approach of European regional and cohesion policy. It is common inthe CEE countries for separate regional operational programs to be introduced in several steps. Since 2004, Hungary and Poland have had an integrated ROP, while Slovakia had no regional operational program. From 2007, Slovakia and Romania chose to develop integrated regional operational programmes, although the Bratislava region is not a cohesion region, so it has its own (competitiveness) regional programme. On the other hand, Hungary and Poland have separate regional operational programmes. In Poland a decentralised SF institution was created, while in Hungary, the managing authority of the ROPs has remained the National Development Agency (a centralised institution). Further, the Polish self-governing regions have a role in the implementation of the otherwise centralised Human Resource Development OP as intermediate bodies (besides others). But, it should also be mentioned, that the territorial scale of the Hungarian ROPs, namely the planning regions, lack traditions, regional identity and the regional-scale participants, so this form of place-based development can not be as successful as the Polish solution.

Besides the separate ROPs in Poland, a *specialised programme for the less developed five regions exists*. The Operational Programme Development of Eastern Poland is financed by the ERDF. The difficult situation of the eastern regions is long standing and is considered as one of the most important problems of Polish regional policy. For this reason, five regions (Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie and Warmińsko-Mazurskie) have received special support. The management of this OP is

centralised in a manner similar to the Hungarian system and contrary to the Polish ROPs. The outreach of the Eastern Poland OP covers the areas of intervention of other programmes but it differs in that its scope is restricted to selected areas which, because of the scale of activities and the expected long-term results, may have a special impact on the development processes. This programme is an additional element of support under the Structural Funds which will enhance the actions of other programmes on the territory of Eastern Poland (Polish NSRF).

Map 3: The target area of the Development of Eastern Poland OP



Designed by: Valéria Fonyódi.

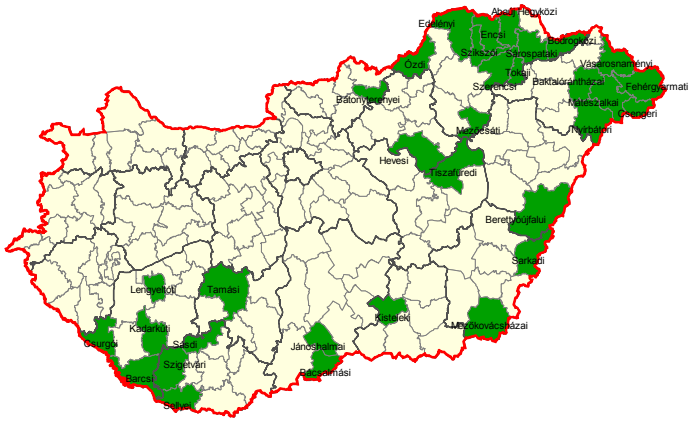
As a place-based example, the Hungarian *Pole Program* is a comprehensive economic development program funded by Structural Fund sources with strong focus on the 8 pole cities in Hungary (Budapest, Miskolc, Debrecen, Szeged, Pécs, Székesfehérvár, Veszprém, Győr) and cluster development. Objectives of the Pole Program will be reached through the improvement of the business environment and cluster development. The actors of the programme are municipalities, universities and R&D institutes, companies, civil organizations and Chambers of Commerce. In Slovakia, underdeveloped regions will receive higher financial support from the Funds. In order to maximise the impact of the limited funding, the agreed approach is that some spending areas, such as regional infrastructure, health infrastructure, R&D, universities, and support – mainly through innovation – for the competitiveness of enterprises and services, will be concentrated in '*growth poles*'. In the NSRF the Slovakian settlements are divided into three categories with reference to the future allocation of structural funds' subsidies and in line with the approach of territorial concentration: innovative growth poles (82), cohesion growth poles (891) and non-growth poles villages (1918).

The urban dimension and urban development play a key role in the implementation of the investigated NSRFs. In Slovakia, the concept of *integrated urban development* will be implemented through the Regional and the Bratislava Programme. In Romania for the

7 regional and the other 13 growth poles the elaboration of Integrated Urban Development Strategies (IUDS) was compulsory, while for other urban centres, that was only the case if they wanted to apply for funds sustainable urban development actions. In Hungary, cities have to develop IUDS as an obligatory requirement to gain funds for urban rehabilitation projects from the ROPs. The IUDS has to cover the whole city area and has to include sector development policies and the local development policies in an integrated way. This integrated approach contributes to the demonstration of a place-based planning approach, the combination of various policy approaches and the matching of the aims of inhabitants, local governments, business and NGO actors.

Based on economic, social and infrastructure indicators, the Hungarian Government defined the 33 *most disadvantaged micro-regions* (LHH) and decided to launch a specific, fairly complex scheme to develop them. A financial envelope, including monies from various operational programmes of the NSRF was set for each micro region in the new programming period of 2007-2013. During the planning, they were assisted by dedicated consultants who were to guide applicants to define development objectives on the basis of local stakeholders' agreement. The involvement of local governments, institutions, Roma organisations, NGOs and enterprises was considered as a high priority and a very important tool to produce more coordinated plans, carry out more coherent developments and strengthen local cooperation. Despite the previously mentioned most disadvantaged micro regions with complex programme needs, the micro regions of Hungary were grouped into three defined categories based on a complex set of indicators of economic development, infrastructure standards and demographic parameters: most disadvantaged micro-regions (14), disadvantaged micro-regions (46), and micro-regions with regional backwardness (14). These defined micro-regions mostly got extra scoring in the evaluation systems of the calls of the OPs.

Map 4: The LHH micro-regions of Hungary



Source: Hungarian National Development Agency

The special aspects of the territorial dimension of territorial cohesion are the *Macro-regional strategies*, which are prime test cases of what territorial cohesion means in practical terms. In particular, the cross-sectoral integrated approach spans the whole process of the strategy development. From the point of view of the investigation, the Danube Region Strategy is important. The place-based approach is visible in the

formulation of the Strategy, which is both integrated (covers several policy areas making the links between them) and focused (concentrates on the main issues which concern the entire macro-region). Its content had to be discussed with the countries concerned, the relevant stakeholders within the region (including regions, municipalities, international organisations, financial institutions, the socio-economic partners and civil society) and the relevant EU services and institutions (Katsarova, 2010). Poland is member of the Baltic Sea Macro-regional Area, which has its own macro-regional strategy too.

Other "macro-scale" initiatives are partly implemented by the *Territorial Co-operation Objective*, which are cross-border, transnational or interregional programs for the development of a certain area. The European Grouping for Territorial Cooperation is a legal entity and as such, will enable regional and local authorities and other public bodies from different member states, to set up cooperation groupings with a legal personality and govern the development programme. This form could be the gate to the place-based development of the transnational functional areas, which are not necessarily limited by administrative boundaries.

3. Features of "good" territorial governance

The investigated countries, with the exception of Poland, have responded to the challenges coming from the EU and globalisation with centralisation and imitation attempts (SF institutional system functioning in parallel with the public administrative system). Moreover, Hungary has coupled its efforts with recentralisation. The management of regional policy apparently seeks its place in the national sectoral policy sphere. Poland is the only country where regional policy is stronger. In the rest of the countries, its weight decreased and it lost or was unable to obtain the role of integration and inter-sectoral coordination.

In dealing with the lack or insufficient degree of intersectoral cooperation, the Polish solution may represent an advancement in this field. In Poland, regional policy is placed on top of sectoral policies, granting it a coordinating role, which has been realised on the level of national strategic documents (MRD 2011a-b). On top of this, the ministry for regional development is the designated coordinator of national development policy whilst assuring the management of the SF institutional system (MRD 2010).

Some evaluation analyses have already been made about the functioning of the SF allocation mechanisms. These evaluation reports forecast the governance problems of the SF institutional system. A general finding of the national SF evaluation identifies that the fault of particular national rules for SF is that *the implementation of complex* (multi-sectoral and/or concerning more than one OP) *development programs* is usually impossible, or at least, can be realised with serious difficulties, which opposes the place-based approach.

SF management institutions have maintained the compulsory relations with stakeholders, yet the evaluation reports clearly show that their actual involvement and empowerment is lacking. The building of partnerships is harder in non participatory type countries such as CEE countries. Territorial stakeholders are absent from the centralised system of SF management, the planning phase constitutes an exception, where multi-actor planning or the social debate (via internet) of the plans is more or less realised, this

is mainly the function of the strength of state organisation and the territorial level, therefore a bottom-up and place-based approach should further be encouraged.

The Europeanisation pressure may support or hinder the domestication and functioning of territorial governance. Besides the encouragement of a multilevel and multi-actor approach, the EU has incorporated requirements in the SF system of regulation which have increased centralisation.

The centralised SF managing system may increase the efficiency of co-ordination of the implementation of OPs and improve transparency, but from the point of view of territorial governance this solution provides fewer opportunities for regional actors.

Centralisation processes, because of the lacking conditions of a place-based approach and multilevel, multi-actor governance, may be disadvantageous from the aspect of territorial governance.

The financial scope of action is one of the most significant elements among the conditions of territorial governance. Authorisation in itself is not sufficient to guarantee the effective scope of action, financial autonomy is also required. The global financial crisis proved that the considerable amount of external funds (EU support) and the conditions they implied (e.g. pressure towards integration or centralisation) opposed the functioning of territorial governance. Although the in-depth analysis section of the case study did not explore the financial terms of territorial governance, we would like to further investigate this question. Furthermore, we would like to mention that the first, short version of the case study concentrated mostly on the institutions and actors, but during the next section the processes and the instruments will be at the focus as well.

4. Identification of stakeholders

Because of the case study's transnational and comparative approach we will focus our stakeholder interviews to Hungary. On the one hand, this guarantees one country's detailed and deep analysis and exploration of the exact relationships in connection with the Hungarian stakeholders. On the other hand we have good connections in the Hungarian SF institutional and partnership system, and the geographical distance may hinder the interviews in other countries due to the short time available. So we are planning a dozen in-depth interviews with relevant stakeholders, most of them selected from the Hungarian participants. We would like to make interviews with the representatives of the ministry responsible for regional development (employee), the Hungarian Development Agency (ROP Managing Authority), one of the Hungarian Regional Development Agencies (head of agency), the ROP Monitoring Committee (an NGO member), the new Hungarian National Planning Office (employee), one of the county councils responsible for the regional planning (president) and one of the settlement self-governments (mayor), one of the self-governmental associations (president). A potential interviewee could be one employee of the Slovakian Regional Development Agency and a representative of a Slovakian NGO.

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Case Study 10: European Capital of Culture, Pécs, 2010

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1. Background and context of the case

The European Capital of Culture (ECC) is an initative of the European Union to enhance the creativity of the concerned cities by putting them on the European map and through multilevel and multi actor collaboration. The project appears to belongs to the European cultural policy since the designated city celebrates dozens of cultural programmes and events during the year. But for the last decade, the scheme could be characterized rather as a complex urban development project with strong connections to culture/knowledge-based investments. The case study of Pécs ECC will therefore focus not on the cultural programmes themselves, but rather on the huge complex urban development project implemented within a relatively short time. The investments (constructions) or more precisely the complex development package were financed by the Structural Funds (SF), so the case can provide information on how an integrated urban development program can be proceeded within a concrete local and national institutional context.

Pécs is a medium sized city in Hungary that celebrated the ECC project in 2010 and counts as a regional centre in Hungary with about 150 000 inhabitants. After the systemic change in 1990, the former coal-mining city started to decline as industrial activities were almost completely eliminated. The Balkan war worsened the situation further, along with its poor accessibility to the capital, Budapest. In this situation, the ECC project was practically the only chance to catch up.

The five-year story of the project implementation was a painful, hectic process of construction, new investments and preparation for the cultural jamboree to be celebrated in 2010. The local struggle with time, politics, media, central government departments, development agencies, European experts and offices and with the increasing number of disappointed cultural local “civilians” can provide lots of evidences on mechanisms and determinants of a complex urban development programme. The case study is focusing on governance elements in order to explain why the local/urban level is contested in such a centralised governance system like that of Hungary.

Since the project officially finished in 2010, the two years after ensure an appropriate perspective to assess the results and to identify the role of governance mode among the reasons for successes and failures. Time will be the exclusive dimension of comparison since we compare the Pécs case with other ECC projects implemented before as well to understand the role of governance and governance context.

2. Dimensions of territorial governance

The implementation of the ECC project proceeded in the framework of a horizontally (partnership among sectors) and vertically (partnership among levels) fragmented governance model. In general, the one-year cultural jamboree and the development projects require very innovative solutions to involve social, artisan and business partners (partnership) to cooperate with upper governance levels (MLG), to harmonise the project actions with traditional, permanent government system. The most important governance feature of this project is that it needs a bottom-up, place-based approach. The city is in focus as the central actor shaping the vision of the project and this is where the project

took place, although it has had regional effects as well. The case will provide evidence as to why the city alone was not able to implement this challenging project.

The project combines various policy sectors, focusing on the cultural industry, cultural policy and on the regeneration of public spaces, with a very complex set of considerations for harmonizing development in city districts and the agglomeration. Furthermore there was an ambition to exercise the impacts on the broader region.

The management system suffered from the fragmented and centralized governance context together with the branch-oriented management model of Structural Funds, and the lack of local governance potential. All of these facts are embedded in a special, Eastern European political culture.

The case will be analysed through the era when the Hungarian territorial governance reforms occurred. It provides an outlook on the impacts of the rescaling and restructuring of territorial administration in Hungary.

2.1 Integrating relevant policy sectors

The ECC project requires the harmonization of temporal cultural activities with long term city development aspects and investments within the geographical frame of city and its region. Long term/short term, hard and soft, local/regional, culture and economy; many aspects are to be integrated in a feasible model. The ECC regulation recommends the combination of cultural events and investments within a broader urban and regional development context, recognising that culture may be a driving force of local/regional development and economy. The relatively soft cultural policy of the EU consists in general of the support of regional identity that combines social-economic and cultural development. It also encourages opening up new ways of participation for the local/regional civil society. However, the literature says that the synergy is still missing between the different policy fields and cultural aspects are usually neglected in the different policies (During et al, 2009).

The temporally created “project” structures are working well in general, where the permanent government structures are able to involve them (the problem of fit). Key issues are that the administrative and political cultures are compatible, and that the actors can behave as partners, each having their own human, financial resources, and culture of cooperation. ECC projects should be integrated into the overall context of city-marketing and cultural industry, or more generally of creative cities (Cook, Lazzeretti, 2008). This means that the so called project-based organisation could be efficient if it was also embedded in the territory (Belussi, Sedita, 2008) and in the governance traditions.

The aim in Pécs was to implement a complex urban development programme by constructing new cultural institutions (concert hall, library, exhibition centre), regenerating an old industrial district, renovating public places in inner and peripheral parts of the city. The expectation was that new institutions and developments would ground new, long term development directions using culture (creative and performance cultural industries) for economic growth. The concept outlined in the ECC bid of Pécs was challenging and up to date, however the authors did not care too much about the

real local context and preconditions of the comprehensive and ambitious plan. It proved to be a crucial failure later.

The financial model was evident; using sources from the European Structural Funds (SF), since Pécs is eligible as "lagging behind" region. The development aims and philosophy were mentioned in the Regional Operative Programme (ROP), for instance, culture based development, opening towards the Balkans, renewing public spaces etc. This financial model however had a big disadvantage, namely the very slow and difficult process of using the European funds. The external financial and procedural determination proved to be an obstacle to integrate the elements of the project. The city had to apply separately in the case of each investment to the National Development Agency which too long with implementation and thereby disabled the local creativeness. This left no space to handle problems in complex, "place based" and flexible ways. The paradox in this fragmented and centralised model is that at that time the Hungarian government was experimenting with the so called "regional pole" programmes in the seats of the seven NUTS 2 regions to integrate the separate development projects. However, the centralised management and the operative programs structured by sectors were unable to implement or generate such developments and the pole programme slowly disappeared from the national development plan.

2.2 Multilevel interplay

The starting point to understand what happened in Pécs is that Hungary is a centralised country, where the regions, cities or civil society are unable to reconcile and enforce their interests and values.

Theoretically, the most important level and actor group should be the local ones. This results not only because of EU regulation and indirect requirements but also because the nature of the project was to generate local ideas, and involve local citizens and relevant stakeholders. But the locality was progressively weakened during the project. The "pushing out" of the local government from the decision-making arena started with the fact that there was no exact information on available resources for local programming and development for a long time during the project. At the end of the long debate between local and central government, a central cultural agency was commissioned to organise the cultural programmes in 2010 and almost completely excluded local management and artists, actors, something unique in the history of ECC projects. This external determination and inserting "outsiders" into the system limited the local space for movement. It also made the decision-making process slow and difficult, less transparent and unpredictable, which contributed to the loss of trust.

It was also interesting how this "project type" decision-making process suffered under the distrust between "ordinary" bureaucrats and the external "project managers" coupled by the traditional central-local tensions. For example, the Ministry of Culture nominated a commissioner to deal with the cultural programming and later, the Prime Minister personally nominated the commissioner who was dealing with the investments. However, the National Development Agency (NDA) and its regional intermediary body (the regional development agency) had the competence of managing the investments financed by the ROP. These commissioners acted as clients of central politicians transmitting the central will to locals.

The “European” level was embodied by the NDA and the regional development agency, since they were obliged to control the entire process (applying, planning, using the money, public procurement etc.) following the strict EU regulations and regularly reporting to the European Commission. These agencies possibly behaved most rationally, although processes were extremely slow and full of administrative burdens. These caused serious delays and unavoidable bypasses, but on the other side, they prescribed, for example, feasibility studies and eliminated the big exhibition hall from the “list of dreams”, declaring that it would be unsustainable. These elements of “Europeanisation” tried to keep the project to some extent close to the European standard and provided special skills for the operators, but most of the domestic stakeholders regarded these frames as obstacles rather than guaranties of quality and efficiency.

In summary, the governance of the project would require strong cooperation between levels (European. central, local) and sectors (cultural policy, urban development, cultural industry, urban regeneration at least), but the real channels and powerful actors were centrally controlled. This was the main obstacle for place-based/territorial and policy integration and caused a big loss of synergy and a number of sustainability problems later.

2.3 Mobilizing stakeholder participation

The ECC projects have a bottom up spirit because their mission makes it necessary to generate local ideas, to build trust and to involve potential sponsors, etc. This was the case in the first stage in Pécs. It was also the case when the task was to convince local politicians about the sense of applying, when the application has been made, and when locals had to co-operate with each other to win. In that stage, the independent local management agency was in the middle of the broad informal network giving chances for individuals according to merit or skills to participate in or even dominate some decisions

It is, of course, hard to involve artists, cultural institutions and civic groups in a very intensive and complex process. Tensions between politicians, bureaucrats, managers and the direct stakeholders in culture are evident as they all have different interests, attitudes and positions within the local sphere. This was also stated in the evaluation reports on the former projects (Palmer, 2004, 2011). However, ECC projects are especially suitable forums for civil participation compared with other European common policy realms, where hierarchy and special expertise often limit the scope of civil knowledge and interest (Heinelt, Meinke-Brandmaier, 2006). The partnership is weak when neither the civil nor the economic partners are strong enough to maintain their position within the project arena however; as is well known by the European Commission from the practice of the SFs reported in several evaluations (Kelleher et al, 1999, EP, 2008).

The speciality of Pécs was that this generally difficult local task was further hindered by the obstacles caused by the centralised governance and political environment. The “borderless city” (the title of the bid) faced the borders not at all in geographical terms, but much more as the borders of power and competences. The story started nicely since the project was initiated in a very bottom-up fashion by civilians and an independent local civil intelligence group, commissioned by the city hall to write the conception and the bid. However, it soon it became clear that the authors of the successful bid would not

be the key actors during the implementation phase as it became a “crucial issue”, therefore not for “civilians”, in the opinion (and interest) of local politicians, civil servants of the city hall and cultural institutions of local government.

In the second stage, from winning the tender to the accelerated final implementation phase, politics ruled the action arena, pushing out civil actors and subordinating the local management agency. This preparatory stage had the mission to set up the local decision making system, to manage financial issues, and to select the main actors and beneficiaries of the investments and cultural attractions. This period was over politicised, causing a number of conflicts between the city hall and the management agency. It also led to a period of informal bargaining with the central agents. This phase was the least transparent and least efficient with almost continuous changes in the institutional setting and the fluctuation of persons involved. The programming of cultural events was more open, as the management tried to involve ideas and initiatives of civil groups and individuals through open calls. These actions failed not because there were not enough ideas or civil enthusiasm, but rather because management and city hall were not in the situation to accept and finance these local ideas. This resulted from the fact that the budget for cultural programming was centralised and the central “commissioners” and sponsors mostly did not support local ideas, regarding them as “provincial or unsustainable”. One small grant was distributed among the civil applicants awarding the most interesting ideas but almost none of them were implemented.

The final stage, the year of the celebration, was almost boring from aspect of governance. At the end of the long debate between local and central government a central cultural agency, Hungarofest, from Budapest, was commissioned to organise the cultural programmes in 2010. It almost completely excluded local management and artists, which is really unique in the history of ECC projects. Most of the local artists were not involved, being treated rather as an outsider audience instead of being real stakeholders.

Summarising the performance, Pécs was not bad in learning the main messages of ECC and in motivating local intelligence and civil society to common actions and cooperation. However, neither local politicians nor the central government were generous enough to delegate real power and resources downwards. Through external determination and inserting “outsiders” into the system, local involvement was limited, made the decision-making process slow and difficult, less transparent and unpredictable contributing to the loss of trust. This trend was far from the original concept formulated in the bid: “create us ourselves” or “show ourselves to Europe”. The city was the audience rather than the provider of its “own” cultural events or a place where cultural events just happened rather than the cultural product itself.

2.4 Adapting to the changing context

The project process was very hectic, and the preparation started with delays, but the ability to adapt was limited by the almost permanent lack of information and by the unstable power relations. Since the local level had very limited space of movement, it was hard to adapt to the changing situation and challenges. If we compare the adaptability of the various institutions and actors, we find that the ad hoc commissions, boards and the special management company were better able to adapt than the local government, with its multilayered decision making structures and the central

government, with its difficult departmental and political organisations. It was not an accident that several commissioners were nominated to coordinate the departments, levels, politics and policies, clients etc.

The most pressing challenge was to adapt to the European requirements, reporting on the state of the art of the project, and in following the procedural order of the investments, which were strange for Hungarian businessmen and civil servants. Therefore the experts in "European issues" had a key role as information and knowledge brokers advising on how to adapt in concrete situations.

One of the hardest challenges was to sell and communicate the project and Pécs itself to the local and country wide public however. The media in particular was unfriendly with the city, reporting on the developments in very pessimistic manner, blaming the locals for the inability to manage the project because of lack of knowledge and cooperation. This phenomenon can be explained by several factors. First, the cultural controversy of the capital (the centre) and the countryside was striking based on the opinion shared by the media and artisan circles that Pécs is too small (and too provincial) to be the European Capital of Culture. Further, the frequent local political and personal conflicts were more interesting than the small results and progresses. Finally, the city was not prepared for this very intensive and complex communication and suffered a number of failures in its marketing activity.

In summary, we assume that the knowledge-routine and information was missing and the difficult and inflexible centrally controlled organisational model of decision making hindered fast and smooth adaptation.

2.5. Territorial specificities and characteristics and territorial governance

At the time of the ECC project preparation, Hungary was a "fan" of regionalism. This was officially announced in the government programme for territorial administrative reform. The parallel ECC project in Essen was also regionalised, covering the whole Ruhr region. Pécs should have followed this direction, although local politicians were not so enthusiastic to cooperate regionally, as the city regarded itself as a centre of the region. The bid included the idea to expand cultural cooperation across the agglomeration, the wider region and beyond the Croatian border, as the "gate of the Balkan". This regional vision was supported by the fact that the so called pole programme financed by SFs also had the aim to develop the seats of the regions to contribute to regional development and inner cohesion. The idea proved to be just a "lesson in reciting" (lip service), as none of the investments and programmes had the function or impact of bridging the city and its territories.

The project was territorially blind within the city. New investments were not made in a coherent context as regards to the specialities of various city districts. The new investments were located far from the city centre, causing logistic problems and difficulties by shifting functions formerly settled in the downtown.

Summarising, we can say that in spite of the theoretically wide dimension, expanding from Europe to the Balkan, the project was localised within the city walls. This is actually understandable when we take into consideration that actors from the agglomeration or

region were not involved, other than through the county assembly, which was the partner of the city hall in the construction of the knowledge centre (library). However, this deal was made between two business partners rather than local and territorial governmental actors. The city was not able to create real territorial (horizontal) partnerships with the municipalities and territorial self-government because all of the efforts were directed "up" the vertical levels.

3. Features of "good" territorial governance

ECC kinds of projects are ideal to generate bottom up complex, inter-sectoral, multilevel governance structures in Europe providing opportunity for designated cities for experiments. The case of Pécs also had some good solutions and phenomena, although in general the project was rather a failure than a success story.

Good features

- Bottom up approach in the phase of initiation and preparation.
- Involvement of the creative class in shaping of the vision of the city.
- The ambition to bridge the cultural programming with economic and urban development elements.
- Outsourcing the management of the project together with some partnership in the monitoring of the process.

Bad features

- Lack of trust towards local, civil or "independent" actors.
- Inability to integrate different interest and aspects of the development (lack of institutional frameworks and instruments).
- Absence of important actors (business, territorial partners etc.)
- Lack of culture and routine of cooperation and communication

Although the project could be deemed "unsuccessful" in some aspects, there are a number of hypotheses and lessons to be learned from the experience about "good" territorial governance:

- ECC project was a very effective *external motivation* to initiate a bottom up, complex development programme and to require horizontal governance elements. This motivation contributed to the emergence of a local intelligence group for shaping long term vision for the whole city, to use local creativity, to learn cooperation, to create innovative institutional solutions etc.
- But this *temporal project* alone is not sufficient to change the traditional administrative structures and attitudes because it is *too short* a process in time. Also, it did not take the political, administrative, cultural contexts into consideration having much stronger determination for the actors than the new challenges. Therefore similar projects should have longer time horizon to give the opportunity for the new model to act and to be embedded.
- The *MLG logic* is crucial and necessary for the success of European cohesion policy but it has many obstacles in the *centralised countries*. So the power balance or the system of shared competences among European, national and local levels look completely different where the national government enjoys dominance. This asymmetric power picture could be counterbalanced by much stronger European role (control, regulation etc.) and by enabling the local

governance for adaptation to the challenges. Without local space of movement and responsibility the place-based projects will be just a performance of marionette puppets.

- From the point of view of "good territorial governance" the *new schemes of SF are welcome* since it promotes the so called "community led local development" and "integrated territorial development". These new schemes provide more opportunities for local implementation and control of place-based projects. The experience concerning previous ECC projects (like Pécs) could help in the preparation of these new schemes similarly to LEADER or Urban experience.
- EU requirements should deal with the decision-making and institutional model of the development programmes in more detail since it seems to be not enough just suggesting the involvement of local actors in different EU guidelines. *Special programmes for local governments and other local actors to build capacities for preparing* should be considered for such locally integrated development programmes.

The performance of Pécs was not bad in learning the main messages of ECC and in motivating local intelligence and civil society to common actions and cooperation. However, neither local politicians nor the central government were generous enough to delegate real power and resources downwards. External determination and the inserting of "outsiders" into the system limited the local space for action. It also made the decision-making process slow and difficult, less transparent and unpredictable contributing to the loss of trust. This trend was far away from the original concept formulated in the bid: "create us ourselves" or "show ourselves to Europe". The city was rather the audience than the provider of its "own" cultural events.

4. Identification of Stakeholders

The case study has been based on public (national and local government, management firm, development agencies, special ECC bodies, newspaper) documents, literature, domestic, local, and international evaluation reports and local/personal experience.

Interviews are going to be made with: elected politicians of the local government, former central actors (minister of culture, prime minister, commissioner, MPs), journalists, local artists, members of the artistic board, chief of the management firm, experts in development agencies, local opinion leaders (university professors, civil organisations), and business organisations. We will try to interview (at least through correspondence) foreigner experts being in touch with Pécs in this time.

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Case Study 11: Formulation and implementation of spatial planning strategies and regional development policies in Ljubljana Urban Region

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1. Background and context of the case

The case study of the Ljubljana Urban Region analyses territorial governance practices in *Ljubljana Urban Region* (or Central Slovenian statistical / developing NUTS 3 region) during the past 10 years, following the establishment of the *Regional Development Agency of Ljubljana Urban Region* - RDA LUR (2001-2002). A specific focus will be on the implementation of multi-level policies at the (inter)municipal level, in relation to the implementation of some transport infrastructure and environmental projects.

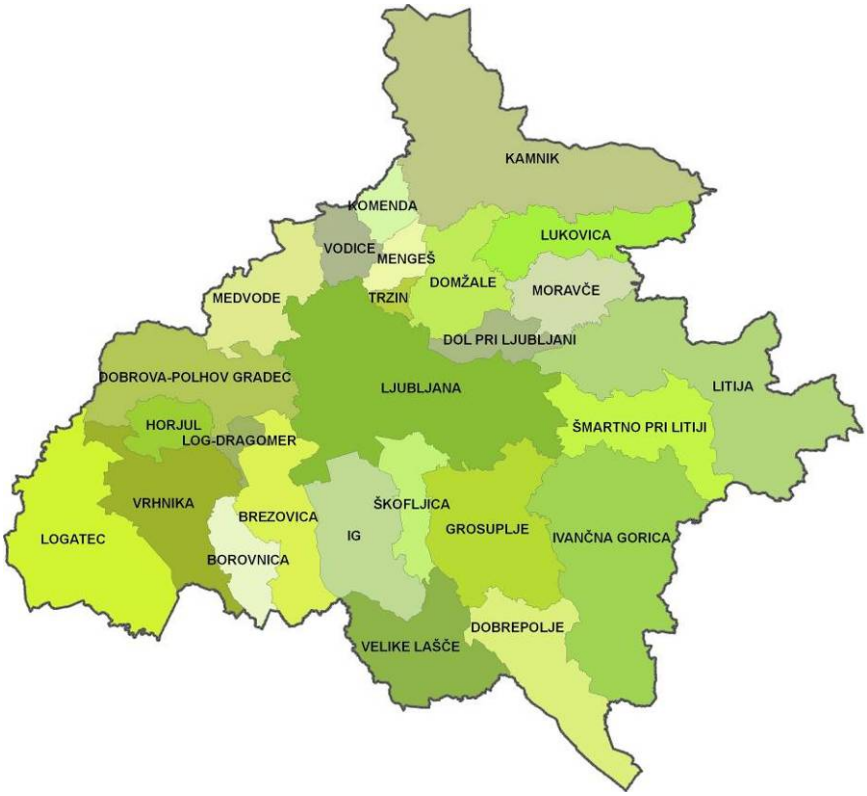
Until now, no administrative NUTS 3 regions (provinces) have been established in Slovenia as yet, due to long-term academic and political debates about the number and size of regions. For statistical and analytical purposes, 12 statistical NUTS 3 regions (known in 1980s as 'planning regions') have been used since mid-1990s. Since year 2002, they are also known as 'developing regions' in the new national and regional policy documents. The Central Slovenian (statistical) NUTS 3 region is the largest region in Slovenia by population size with approximately 500.000 inhabitants or 25% of the total Slovenian population and 12.6% of country's territory comprising the City Municipality of Ljubljana (capital city) and 25 smaller NUTS 5 / LAU 2 municipalities. It forms the economic centre of the country.

The Central Slovenian statistical NUTS 3 region is often called the *Ljubljana Urban Region* (LUR), especially after establishment of the ***Regional Development Agency of Ljubljana Urban Region (RDA LUR)*** in 2001(www.rralur.si). The main task of RDA LUR is the preparation of the ***Regional Development Programme of Ljubljana Urban Region*** for the period 2002-2006 and the current programming period 2007-2013 in cooperation with municipalities, the state, economic sectors and other stakeholders. RDA LUR also works on the formulation and implementation of operational programmes with key development projects of regional or (inter)national importance eligible for EU funds.

Since 2003, municipal authorities in Slovenia have been obliged by the new *Spatial Management and Planning Acts* (2002 & 2007) to formulate and adopt long-term spatial development strategies, and municipal and detailed land-use plans with environmental impact assessments. During 2008-2010 RDA LUR coordinated the preparation of the first ***Regional Spatial Development Concept*** according to the new spatial planning regulation as a joint venture between the City Municipality of Ljubljana and other municipalities and stakeholders in LUR. This represents an important step towards the preparation of the prospective *Regional Spatial Development Plan of Ljubljana Urban Region* in the future.

The next important challenge for the regional, spatial, environmental and land use development policies as well as territorial governance of Ljubljana Urban Region is the implementation of policy goals, strategies, programmes, and projects. These are formulated at the national, sectoral, regional and local levels. This challenge has been compounded by the economic crisis and financial austerity in Slovenia since the end of year 2008. New (policy) demands for climate adaptation and mitigation, energy efficiency, low carbon economy, etc. as a way to adapt to new circumstances and achieve complex goals of *Europe 2020 strategy – smart, sustainable and inclusive* city regions, further complicate the situation.

Figure 1: »Ljubljana urban region (NUTS 3)« with 26 NUTS 5 / LAU 2municipalities



Source: www.rra-lur.si.

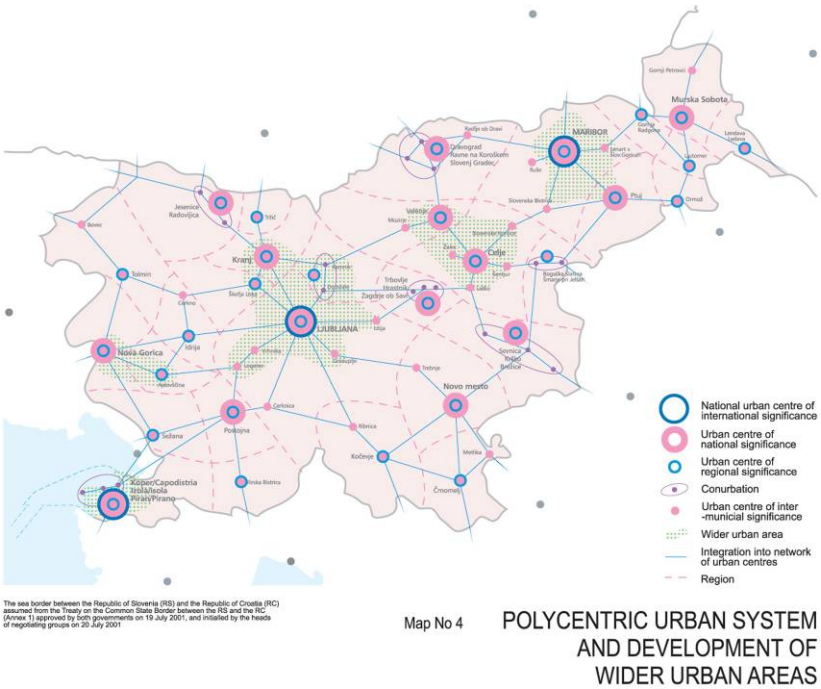
New spatial planning policies

In 2002, the National Assembly of the Republic of Slovenia (after a 10 year delay) adopted the new ***Spatial Planning and Management Act*** and ***Construction Act*** with *Spatial Management Policy,* and two years later the ***Spatial Development Strategy of the Republic of Slovenia*** with ***Spatial Order*** (2004). These documents were the first new spatial planning documents following Slovenia's independence. They introduced a new legal system and market economy values. The *Spatial Planning Act* determines the responsibilities and procedures in spatial planning and defines the types and contents of spatial documents at the national and local level. At the national level these documents *are* ***Spatial Development Strategy of Slovenia*** with ***Spatial Order of Slovenia***, and ***Detailed Plan of National Importance***, and at the local level, these are the ***Municipal Spatial Development Strategy*** with *Spatial Development Order*, and the ***Local Detailed Plan***. The law also introduced a new document, the *Regional Spatial Development Concept*. With this document, the municipalities and other local communities have an opportunity to coordinate their strategic development issues at the regional level. This is an optional document, filling the gap between the national and local planning levels until the establishment of new administrative regions (provinces) in Slovenia. In April 2007, the National Assembly of Slovenia adopted the new (modified) ***Spatial Planning Act*** with new a hierarchy and content of spatial planning documents (e.g. bringing detailed land use plans back to the legislative agenda) at the national, regional and local levels. As a result, all municipalities are now obliged by law to prepare

the new detailed municipal spatial development plans (Pichler-Milanović, Kreitmayer MacKenzie, 2008).

Spatial Development Strategy of Republic of Slovenia (2004) further promotes the polycentric urban development of Slovenia through 51 *centres of (inter)national, regional and inter-municipal importance* (together 62 urban settlements including city clusters/conurbations) and *functional urban areas* of 15 *centres of national importance* (i.e. regional centres). Ljubljana, the capital city, with Maribor, the second largest city, and a coastal conurbation (Koper-Izola-Piran) at the Adriatic Sea near Italy and Croatia are also defined as *centres of international importance*. The new concept of polycentrism (as before 1990s) highlights the improved (equal) accessibility to public goods – administration, jobs, services and knowledge, located in these region and urban centres. They are also employment and service centres and important transport nodes in Slovenia. Therefore, *polycentric (urban) development* of (3-12-16-19 urban centres) corresponds to the *balanced regional development*, and development of transport infrastructure in Slovenia. Spatial planning documents in Slovenia *are not favouring per se* the role of Ljubljana as the capital city of Slovenia – but only as a *centre of international importance* together with Maribor and the Koper-Izola-Piran area.

Figure 2: Concept of polycentric urban network – 51 centres of (inter)national, regional and inter-municipal importance« with city conurbations, agglomerations and local functional urban areas



Source: Spatial Development Strategy of Slovenia (2004). Ministry of the Environment and Spatial Planning of the Republic of Slovenia.

In December 2007, the Regional Development Agency of LUR advertised a public tender for the preparation of the first regional spatial development concept and strategy following the new *Spatial Planning Act (2007)*. It was a joint venture between the City Municipality of Ljubljana and other municipalities in LUR that was completed and approved by the LUR Council in year 2010. The ***Spatial Development Concept of LUR*** was co-financed from the ERDF (360.000 EUR) through the Operational Programme

Strengthening Regional Development Potentials 2007-2013 with additional contributions (175.000 EUR) from 22 municipalities in LUR. The main goal of the project was the preparation of a comprehensive territorial analysis of LUR with different spatial development scenarios. The project also looked at the functional urban region of Ljubljana, taking into account the regional development programmes of the neighbouring NUTS regions in Slovenia – Gorenjska, Primorska, Notranjsko-kraška. Savinjska, Jugovzhodna Slovenija. Finally, the nearby NUTS 2 regions Friulia-Venezia-Giulia and Veneto, in Italy, were considered.

At the same time the project *Expert Basis for Managing Public Transportation in LUR* was prepared in connection with the *Regional Spatial Development Concept*. The RDA LUR also submitted this project as a public tender within the framework of the Operational Programme *Strengthening Regional Development Potential 2007 – 2013*. They acquired co-financing from the ERDF (440.000 EUR) while the rest of funds were obtained by the 24 municipalities of LUR, with the City Municipality of Ljubljana contributing 227.552 EUR. The value of the entire project was 863.000 EUR.

The first draft of the new urban development strategy with a spatial development concept for the City Municipality of Ljubljana was adopted in June 2002 under the paradigm of sustainable development. It also specified the list of programmes and projects needed for the improvement of city competitiveness, quality of life and (partly) the internationalisation of the city of Ljubljana. These two planning documents are now part of the new comprehensive - ***Strategic Spatial Plan and Implementation Spatial Plan*** as part of the ***Spatial Development Plan of the City Municipality of Ljubljana (2010),*** being prepared according to the *Spatial Planning Act (2007)*. In 2007, the City Municipality of Ljubljana also adopted the new ***Vision of the City of Ljubljana by year 2025***, emphasising 22 strategic projects (from the list of approx. 100 projects) to be realised by year 2025, linking the three principal development aims of Ljubljana: ***Ideal city*** *(i.e. the optimal city size – for living, working, recreation),* ***Sustainable city*** *(i.e. preserved natural and urban environment in the city and urban region), and* ***Slovenian metropolis*** *(European competitive capital city)*.

Spatial planning and regional programming: two separate development policies and/or territorial governance domains?

This case study of LUR will primarily focus on regional development and spatial and land use planning. The focus will be on relevant policy actors active within these two territorial governance domains to define the question whether territorial development of LUR has been a result the development process, macro-economic and sectoral policies from 1994 onwards or the (new) spatial and land use planning system and regional programming in the past decade. The availability of national and EU funds and public-private investments for particular projects have been an important impetus for local authorities. This is particularly important in regards to planned development according to the official spatial and land use plans that favour the protection of the agricultural land, environment and compact settlements. In particular this case study will look at the provision of transport infrastructure in relation to the polycentric development policies of Ljubljana Urban Region, City Municipality of Ljubljana, and Slovenia.

2. Dimensions of territorial governance

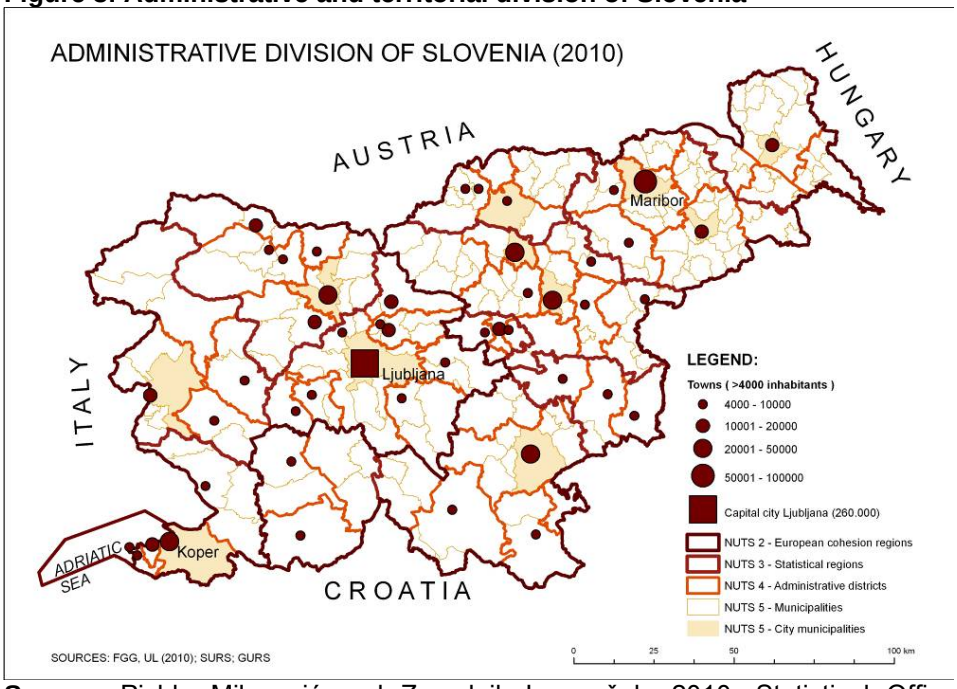
2.1 Integrating relevant policy sectors

In December 1994, the new *Local Self-Government Reform Act* changed the local administrative divisions of Slovenia from 62 communes to 147-192-193-210-211 municipalities (NUTS 5 / LAU 2) by 2012. Only 11 of these are *urban municipalities*. At the same time, the state (re)created 58 local administrative (NUTS 4) units, equivalent to previous communes (NUTS 5), with the exception of Ljubljana (former five communes) that become one NUTS 4 unit after 1994.

From 1955 to 1994, the city (agglomeration) of Ljubljana was administratively divided into ***five communes***: Center, Bežigrad, Šiška, Moste-Polje and Vič-Rudnik. In 1991 the territory of Ljubljana agglomeration (five communes) comprised of 902 square km and 321.607 inhabitants (density of 356 inhabitants per square km) - which expressed the diversity of city's geographic location and morphological form. The division of the city into five communes was made in the context of decentralisation (i.e. self-management) reforms to achieve the 'even' redistribution of resources (e.g. services, housing, industrial investments, etc.) despite disadvantages for urban planning and management.

Therefore the local government reforms in late 1994 transformed the city of Ljubljana *administratively and spatially.* The official city territory was reduced from 902 to 272 square kilometres. The administrative division of the agglomeration was abolished with the establishment of the City Municipality of Ljubljana and 9 surrounding small municipalities: Brezovica, Dobrova-Horjul-Polhov Gradec, Dol pri Ljubljani, Ig, Medvode, Škofljica, Velike Lašče and Vodice, with their own mayors and municipal councils (Pichler-Milanović, 2005a).

Figure 3: Administrative and territorial division of Slovenia



Source: Pichler-Milanović and Zavodnik Lamovšek, 2010; Statistical Office of Republic of Slovenia; Geodetic Office of Republic of Slovenia.

In 1995, the ***City Municipality of Ljubljana*** became the largest local authority in Slovenia. Local elections brought directly elected mayors to city municipal councils.

Until June 2012, no regional NUTS 3 administrative provinces have been established in Slovenia, due to long-term professional and political debates about the number and size of administrative regions (provinces). For data collection and analytical purposes, 12 *statistical NUTS 3* regions (known in 1980 as geographical or planning regions) have been used since 1995. These 12 statistical NUTS 3 regions are also used in regional policy and programming documents known as *developing regions* (from 2004 onwards) until the process of regionalisation is complete. From January 2008 there have also been two NUTS 2 European *cohesion* regions – the more developed West Slovenia NUTS 2 region and the less developed East Slovenia NUTS 2 region, but without political representations. Ljubljana urban region (NUTS 3) is part of West Slovenia NUTS 2 region (Kušar and Pichler-Milanović, 2010).

In 2002, ***Regional Developed Agency of the Ljubljana Urban Region*** (RDA LUR) was established with the main task to prepare ***Regional Development Programmes of LUR*** for period 2002 - 2006, and the new programming period 2007 – 2013. The operational programmes with the list of priority projects of regional importance eligible for EU funds were also established. The *Regional Development Agency of the Ljubljana Urban Region* (RDA LUR) is a competitive and internationally recognised development agency. The RDA supports economic, social and cultural activities in 26 municipalities of LUR which enables the best access to public services and at the same time preserves the close proximity of nature and cultural goods to all citizens. With effective and quality regional development projects and provision of necessary information for their implementation, the RDA designs opportunities for a quality lifestyle in LUR. The RDA plans development programs by focusing on faster development for the entire region

with the harmonisation of regional structural policies and preparation of projects eligible for EU funds.

The overall development goal of LUR is the following: *"Ljubljana Urban Region is a conurbation, intertwined with nature. The region will achieve high level of global competitiveness and high-quality living through encouraging creativity and co-operation. The entire region will benefit from Ljubljana being "a European capital".* To achieve this goal the activities of LUR are:

- develop relationships between the public and private sector at the local, regional, national and international levels in order to promote development initiatives and enhance coherent regional development;
- accelerate integrated regional development;
- plan and implement regional and other development programmes;
- acquire domestic and foreign financial support.

The most important regional development programme goals of LUR are: ***accessibility for quality of life, preserved heritage, efficient high-quality spatial planning, efficient municipal utility services, equal opportunities – contribution to the region's competitiveness, culture – competitive advantage of the region, e-administration, supportive entrepreneurial environment***.

The key members of the Regional Development Agency LUR are: the ***LUR Council*** and the ***Regional Development Council of LUR***. The ***LUR Council*** *is* the decision-making body involving the locally elected representatives (municipal mayors) from the City Municipality of Ljubljana and other 25 smaller municipalities in LUR. *The* ***Regional Development Council of LUR*** – consists of the following representatives:

26 representatives of LUR municipalities;
26 representatives of the associations of the economy at the regional level;
13 trade union representatives, non-governmental organisations and representatives of other partners at the regional level;
1 representative of administrators of protected areas;
1 representative of the Roma community.

The representatives are active on several ***boards*** including: a) ***Human Resources***, b) ***Environment, Spatial Planning and Infrastructure***, c) ***Economy***, d) ***Rural Development***. The board members are appointed by their organisations. The boards contain between 7 and 15 members. The institutional members are in close contact with the operational actor – RDA LUR (administrative team), *LUR Council* (municipal mayors), and different (thematic) boards of Regional Development Council.

Therefore, in the LUR, territorial governance is about horizontal coordination with stakeholders participation at the regional (inter-municipal) and inter-sectoral level for the purpose of formulation and implementation of regional development programmes and projects. This helps to counter municipal competition for national and EU funds, or private investments. The interviews with stakeholders will reveal more information about the effectiveness and quality of these operations in the past decade.

2.2 Multi-level interplay

The *LUR Council* that manages the *RDA LUR* is the decision-making body and involves the locally elected representatives (municipal mayors). The *Regional Development Council* of LUR exercises the political tasks and is linked to the institutional members. The administrative team of RDA LUR works together with the institutional members' employees. The thematic boards analyse the proposals for the plans and programmes suggested by the municipalities, institutional members and local communities. Therefore the RDA LUR is the operational body of the territorial governance system, as the contact point between different stakeholders - the politicians, municipalities, sectors, other institutional partners and bodies in charge of different legal aspects, etc. The operational and managing actors for the implementation of the regional development programmes are boards and committees, etc.

The main tasks of the ***LUR Council*** are the following:

- acceptance of the regional development programme of LUR;
- approve the implementation plan(s) as part of regional development programme;
- approve the criteria for the preparation priority lists for regional development projects;
- appoint municipal representatives to the Regional Development Council of LUR;
- appoint representatives to the development council of the NUTS 2 Cohesion region – West Slovenia;
- define the organisation of institutions at the level of development NUTS 3 regions;
- conclude contracts for financing of operations of regional institutions between municipalities and other partners at the regional level;
- represent the LUR in cooperation with other regions.

The main tasks of ***Regional Development Council of LUR*** are the following:

- adopt decisions on the preparation of the Regional Development Programme and other decisions in the preparation procedure;
- prepare a proposal for the Implementation Plan of Regional Development Programme;
- monitor and evaluate Regional Development Programme;
- appoint representatives to the Development Council of Cohesion Regions;
- participate in the programme councils for the preparation of the regional spatial planning documents;
- cooperate with regions from other countries;
- appoint board heads of Regional Development Council;
- adopt the Rules of Procedures;
- consider other issues of regional importance.

RDA LUR is closely cooperating with the *Government Office for Local Self-government and Regional Policy* and other Ministries of RS as well as the City Municipality of Ljubljana. The Mayor of Ljubljana and city management staff has been also closely involved in the preparation of the spatial development concept and regional development programme of LUR for balanced regional development and territorial cohesion of LUR.

2.3 Mobilising stakeholder participation

The most important activity of the RDA LUR is the preparation of Regional *Development Programme(s) of LUR* for the periods 2004-2006 and 2007-2013 and *Implementation Plans* with projects within a participative approach involving different territorial actors such as municipalities (mayors, elected representatives, professional staff), ministries (sectoral approach), private sector (Chambers of Commerce and Industry, Chambers of Crafts, developers, investors, construction firms, companies, etc.), professional associations, non-profit associations, local communities, individuals (involved in the public consultations). The involvement is possible through a communication plan managed by RDA LUR and Implementation Plan of RDP.

For the case study, the most important strategic regional policy documents taking in consideration development of Ljubljana urban region are (i) ***Balanced Regional Development Act of the Republic Slovenia*** (1999, 2001, 2006, 2011) with (ii) ***National Strategic Reference Framework 2007-2013*** and ***three strategic (national) operational programmes:*** *Human Resources, Environment and Infrastructure, Regional Development,* and ***(iii) Regional Development Programmes of Ljubljana Urban Region (LUR) 2002-2006 and 2007-2013*** with the operational programmes and the list of strategic projects of regional importance eligible for EU funds. The capital investment projects in the City Municipality of Ljubljana that were approved in 2008 at the ***national level*** through operational programming activities are: new sports centre Stožice (close to completion), new university and technical library, new medical centre, and improvement of transport infrastructure. In the LUR, the most important ***regional development projects*** are: new waste collection plant, integrative public transport, logistics centre, enterprise zones with technology parks, flood protection measures, and establishment of (natural) public parks. At the ***local level*** - the City Municipality of Ljubljana listed 22 strategic projects, of which the most important are a) the new railway and bus station with offices, hotels, restaurants, shops, b) construction of new or upgrading of existing sport and cultural centres and c) environmental projects (waste management and recycling plants). Some of these projects have been already under (re)development in parallel with the preparation of the *Municipal Spatial Plan of the City Municipality of Ljubljana* (2010) (www.ljubljana.si).

Therefore, the key importance for the strategic selection of projects and operations is the preparation of regional development programmes in the LUR. This is based on an analysis of regional development (as well as municipal) potential and opportunities and the definition of regionally specific priorities and activities that should be ensured by a comprehensive development approach involving stakeholder participation at the regional level. Regional development programmes take into consideration strategic development documents, which the Republic of Slovenia has adopted as a basis for directing development processes for the period 2007-2013. Based on professional and stakeholders analyses and taking into consideration development potential, LUR defines specific priority areas, on which to build future development. This is a development priority, which will concentrate on key distributed regional operations and contribute to the complete internal development mobilisation in the region and Slovenia as a whole.

In other words, the many institutional and policy innovations that have been introduced in recent years have resulted in a number of new policy documents, which suggest the implementation of concrete projects and other initiatives. However, most important in our context is that as a result of this rather complex territorial governance system that has

been established, new 'rules of the game' have been introduced to enhance multi-level participation and cooperation several stakeholders.

2.4 Adapting to changing contexts

Territorial governance adaptation can be found in reference to both the internal context and to the external one. The first internal change that the territorial governance system has to face concerned the establishment of Regional *Development Agency of LUR* in 2001 and the promotion of statistical developing NUTS 3 regions in Slovenia for the preparation of the *Regional Development Programme of LUR 2004-2006* and *2007-2013* with *Implementation Plans* (for 3 years). Preparation was also necessary for the *Regional Spatial Development Concept* (2010) with the preparation of the new municipal spatial plans since 2005 in all LUR municipalities.

The external change that the territorial governance system has to face concerns the consequences of the financial and economic crisis in Slovenia (as in other European countries). These include unemployment, lack of investment capital, decline of large construction firms and industrial companies, uncompleted (or empty) properties. In coping with the effects of climate change and demands for energy efficiency and low carbon city region other challenges include traffic congestion, environmental pollution, loss of social cohesion, etc. All of these changes and demands will have to be considered in the new programming period 2014-2020 in Slovenia and in the EU, which will also challenge the adaptive capacity of the prevailing territorial governance system, due to the limited available financial means.

2.5 Territorial specificities and characteristics and territorial governance

Ljubljana is the capital city and the largest city located at the cross-roads of Central Europe, the Mediterranean, and South-East Europe. The city, the historical cultural capital of Slovenia was exposed in the 1990s to the international challenges of globalization, Europeanisation (or rather "EU-isation"), political, economic and institutional reforms that have shaped inter and intra-city transformation of Ljubljana. This has increased city competitiveness in the (inter)national context with different impacts on economic and social cohesion. The independence of Slovenia from the former Yugoslav Federation in 1991 was an important trigger for the *capital city formation*, which strengthened administrative, financial and business functions. It was also the catalyst for *city internationalisation*, the strengthening of cross-border and transnational links, and *regionalisation* the establishment of functional (urban) region instead of administrative region with political representation (Pichler-Milanović, 2005a, 2005b).

In order to achieve the overall goal of the new urban and regional development vision - ***»competitive and sustainable Ljubljana with its own identity in national, cross-border, European and global networks«*** - a coherent horizontal and vertical actions are needed not only supporting "smart growth" but also other territorial capital specificities of Ljubljana urban region in the (inter)national context. LUR has a strategic position in Slovenia and Europe that deeply influenced the economic and human activities. LUR is therefore a complex territory with full of diversity, that up to now have

hampered shared projects that have to be the key of the turning point towards a new territorial development. These different realities that characterise the LUR and that are picked up by the territorial analyses; seem to be well considered in the regional development programme and regional spatial development concept.

3. Features of "good" territorial governance

Until now, no administrative NUTS 3 regions (provinces) have been established in Slovenia, due to long-term professional and political debates about the number and size of regions. For analytical purposes 12 statistical NUTS 3 regions (known in 1980s as planning regions) have been used since mid-1990s for statistical and analytical purposes, and since year 2002 they are also known as developing regions in the new national and regional policy documents.

The main task of Regional Development Agency of Ljubljana Urban Region (RDA LUR) is the preparation of the *Regional Development Programmes of Ljubljana Urban Region* 2002-2006 and 2007-2013 in cooperation between LUR municipalities, the state, economic sectors and other stakeholders, as well as formulation and implementation of operational programmes with key development projects of regional or (inter)national importance eligible for EU funds. Since 2003, municipal authorities in Slovenia have been obliged by the new *Spatial Management and Planning Acts* (2002 & 2007) to formulate and adopt new long-term spatial development strategies, municipal and detailed land-use plans with environmental impact assessments. During 2008-2010 RDA LUR coordinated a preparation of the first *Regional Spatial Development Concept* according to the new spatial planning regulation as a joint venture between the City Municipality of Ljubljana together with other municipalities and stakeholders in LUR. This represents an important step towards the preparation of the prospective Regional Spatial Development Plan of LUR.

The establishment of RDA LUR (2001) and formulation and implementation of RDP LUR 2002-2004 and 2007-2013 and *Regional Spatial Development Concept* (2010) have been possible due to well-established procedure that have played an important and positive role in terms of collaborative capacity building, shared consensus and development strategy of LUR which represent an important good feature of the territorial governance process - taking in consideration the lack of administrative regions in Slovenia.

This experience – taking in consideration different practices can be transferred to some other Central and South-East countries with no administrative regions and similar EU demand for regional programming.

There is a significant difference in the tradition of spatial planning and new regional management in Slovenia, nevertheless a few aspects seem to be crucial for the successful implementation of regional development programmes and projects and municipal spatial plans in Ljubljana Urban Region. There is a long history and tradition of cooperation in Slovenia between sectors and institutions in the process of spatial planning, development and management.

New regional programming and management is also producing the urgency of horizontal and vertical collaboration, created by an ***external*** pressure – availability of EU and

national funds for implementation of projects at the local level. The concept of regional management incorporates few integrative ambitions concerning spatial and land use planning systems and regional programming:

- to connect and combine different aspects of regional development, such as strategic, financial and land use planning (i.e. economic, social, environmental, etc…);
- to stress the need for external relationships between spatial planning, regional programming and other policy domains, such as transport, agriculture, housing, nature conservation and tourism, etc.
- the lack of administrative (only statistical or developing) regions as starting point for stakeholders co-operation in crossing administrative (municipal) borders aiming at inter-municipal cooperation and inter-sectoral cooperation.

In relation to the five dimensions of territorial governance, the non-administrative NUTS 3 regions concept helps to integrate relevant policy sectors, helps to co-ordinate the actions in the multilevel interplay and addresses by definition the place based characteristics.

In the future, the obstacles for inter-municipal and sectoral cooperation in the daily operational work has to be investigated to see whether the applied strategies, programmes and projects are really the successful solutions for regional development and good territorial governance for LUR.

The formulation and implementation of a regional development programme has been possible due to a well-established procedure already tested in other regional/local context in EU countries. Previous experiences, particularly those related to the spatial planning procedure had played an important and positive role in terms of collaborative capacity building. Clear objectives on which it has been possible to build a shared consensus and then a shared strategy represent another important good feature of the territorial governance process. Therefore during the case study of LUR, we mostly rely on the official and accessible strategic documents. Providing current and detailed information, the interviews can refine our view about the operation of the regional management system in the next stage of the research. As for the negative features, obstacles and challenges, they will be better considered through the stakeholders' interviews.

4. Identification of Stakeholders

Local policy and decision makers:

- City Municipality of Ljubljana (www.ljubljana.si);
Prof. Janez Koželj (Architect and Urbanist, Deputy Mayor of Ljubljana)
Mr Miran Gajšek, M.Sc., Head of the Department of Urban Planning
- Heads of other city departments and offices (economy, transport, environment, etc)

- Other municipalities (25) in Ljubljana Urban Region (LUR)
(spatial planners / architects)

- Regional Development Agency of Ljubljana Urban Region, RDA LUR (www.rralur.si);

Mrs Liliana Madjar (Director)
Mr Matej Gojčič (Deputy director)
- LUR Council (decision-makers: municipal mayors)
- Regional Development Council of LUR (policy makers)

National policy makers:

- ***(former) Government Office for Local Self-Government and Regional Policy*** (www.gov.si/svlr) now part of the ***Ministry of Economic Development and Technology (***www.mgrt.gov.si)
- *Directorate for EU Cohesion Policy*
- *Directorate for Regional Policy and European Territorial Cooperation*

- (former) ***Ministry of Environment and Spatial Planning of the Republic of Slovenia*** (www.gov.si/mop) now ***Ministry of Infrastructure and Spatial Planning*** (www.mzip.gov.si/) and ***Ministry of Agriculture and Environment (***www.mko.gov.si)
- *Directorate for Spatial Planning:*
- *Directorate for Infrastructure*
- *Directorate for Transport*
- *Directorate for Environment*
- *Directorate for Public Service for Environmental Protection and Investments*

Private sector:
- Chambers of Commerce and Industry;
- Construction firms and developers involved in transport, infrastructure and environmental projects (managers, engineers, architects, planners);

Other:

- Trade unions;
- Professional associations;
- NGOs and local action groups

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Territorial Approaches for New Governance

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Case Study 12: Governance of natural areas in the Alpine Adriatic area

2012-06-20

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ESPON 2013

Table of Contents

1. Background and context of the case

The thematic focus of this case study is the governance of natural areas within the framework of the Alpine Adriatic area. Like most parts of the Alps, natural areas form a key component of the territory, crossing all kinds of administrative borders, from the municipal borders through regional and national borders. This adds several layers of complexity to the task of protecting and managing natural areas: legislative frameworks, strongly influencing the governance of natural areas, change across national borders, and so do the competences of different administrative levels and different sectors.

As awareness about the importance of nature protection grew during the 1960s and 1970s, cooperation in the Alpine Adriatic area also increased, as did the need for a coordinated approach to the protection and management of natural areas. The case study investigates the evolution of cooperation between regions and countries in the Alpine Adriatic area in relation to natural areas, the diversity of approaches to their governance and the efforts for their coordinated protection and management.

Although the origins of the name Alpine-Adriatic date back almost half a century (Valentin, 2006), it has never been very clearly defined. Alpine-Adriatic refers to the area in the eastern part of the Alps, touching the Mediterranean in the south and the Pannonian plain in the east, in which the Germanic, Romanic, Slavic and Finno-Ugric language groups and cultures meet. Formally speaking, it has always encompassed at least the Italian region of Friuli – Venezia Giulia, the Austrian region of Carinthia and Slovenia, most often including the Italian region of Veneto, the Austrian region of Styria and Croatia. For a long time, the Alpine Adriatic area was synonymous with Alps-Adriatic Working Community (AAWC), which was formally established in 1978 (AAWC, 2010). In 2010 the members of AAWC included the region of Lombardy in Italy, regions of Salzburg and Burgenland in Austria and regions of Vas and Baranya in Hungary (Figure 1).

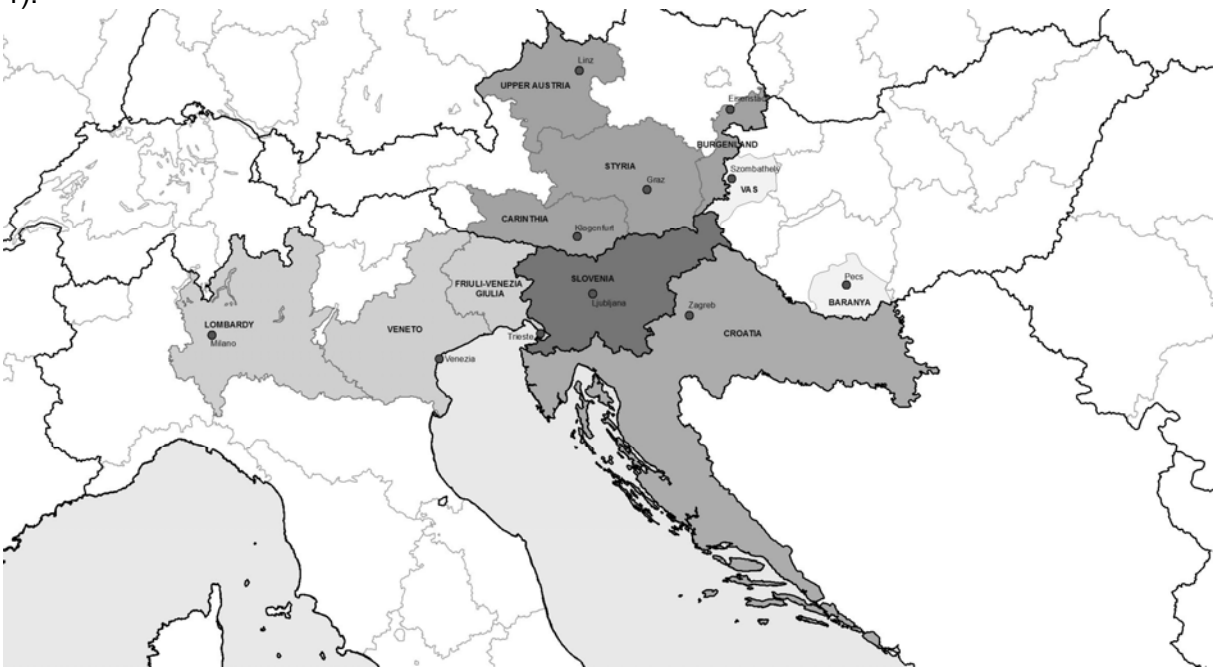

Figure 1: Map of the Alps-Adriatic Working Community in 2010. (Source: Marn, T. 2010 after AAWC 2010)

Territorial cooperation and the ambition for a more coordinated spatial development including the management of natural areas are not recent issues in the Alpine-Adriatic area. Carinthia, Slovenia and Friuli-Venezia Giulia started to cooperate under the term “Alps-Adriatic” in the 1960s. In mid the 1960s intense diplomatic contact between heads of regional governments of Friuli – Venezia Giulia in Italy, Carinthia in Austria and Slovenia (which was then in Yugoslavia) had started to develop (Valentin, 2006). In 1965, this resulted in the setting up of Working Groups for culture, science, transport, tourism, water management as well as spatial planning and landscape protection. In 1969, when Croatia was also included in the cooperation, the initiative became known as the “Quadrigon”.

In 1972, the “Working Community of the Alpine Regions”, involving mostly regions west of the Alps was established. This served as a trigger for the Austrian region of Styria to take the initiative in the eastern part of the Alps, building on the well developed cooperation between the regions of the “Quadrigon”. After a series of formal meetings in the period from 1975 to 1978 the Working Community of the Eastern Alpine Regions, which soon became known as the Alps-Adriatic Working Community, was formally founded at a meeting in Venice in November of 1978.

During the 1990s, cooperation within the AAWC started to lose importance, following mostly major political changes in the wider area, including the emergence of new independent states, war in the former Yugoslavia, Austrian EU membership and the start of the EU accession process for Slovenia and Hungary. Partly, this was also the consequence of another cooperative initiative that was formalised in the Alpine arc in the beginning of the 1990s – the Alpine Convention – which has a much stronger focus on the protection of natural areas.

Cooperation became more intense again in the beginning of the new millennium, but this time with a strange twist, which will be further investigated in the later stages of the case study. Within a time-frame of only a few years, the Villa Manin initiative and two INTERREG IIIB CADSES projects, CONSPACE and Matriosca, were started with the ambition to set the foundations of the new macroregional cooperation, each being led by a different region. The initiatives seemed to compete with each other and have all further diminished the importance of the AAWC.

During the 1990s, when Austria joined the EU in 1995, and even more after 2004, when Slovenia and Hungary joined the EU, the importance of the EU for cooperation in the area was also steadily growing. With regard to the governance of natural areas, the EU nature & biodiversity policy is of particular importance.

Biodiversity policy is also one of several policy areas supported by the “Resource Efficient Europe” flagship initiative of the Europe 2020 Strategy, together with climate change, energy, transport, industry, raw materials, agriculture, fisheries and regional development. The reasoning behind this flagship initiative is focused purely on efficiency, as increasing resource efficiency is seen as a key to

securing growth and jobs for Europe, bringing major economic opportunities, improving productivity, driving down costs and boosting competitiveness (EC, 2012b). The economic reasoning behind biodiversity policy is further stressed in the latest resolution on the presented strategy by the European Parliament (EC, 2012c), which states that each year we lose 3% of GDP due to the loss of biodiversity. More interestingly from the point of view of territorial governance, was the passage in the resolution that "the real key … is not this new strategy, but, rather, the forthcoming reforms of the common agricultural and fisheries policies and the multiannual financial framework (MFF)". It thus clearly addresses the need for cross-sectoral coordination at the EU level for efficient biodiversity policy.

From the point of view of development objectives used in this project, the case study is primarily addressing environment quality, but as stressed above, this has significant indirect impacts on efficiency and economic issues. Equality and social issues are less emphasized.

In further stages, the case study will strongly focus on two cross-border protected areas within the Alpine Adriatic area, the first one being Kras/Carso, crossing the border between Italy and Slovenia and the second being Goričko-Raab-Őrség, crossing the borders between Slovenia, Austria and Hungary. The case study will investigate the role of cooperation within the Alpine Adriatic area for the designation process and management of respective protected areas. It will also look into the role of the EU biodiversity policy in relation to this.

Relevant policies, programmes and projects that the case examines and how do they address the issue

The case study will focus on the designation and management of protected natural areas in the Alpine Adriatic area. At present, this is addressed primarily through biodiversity policy at the EU level, also involving other environment policies, such as land use or marine and coast policies. It further involves other EU policies, including agriculture, climate change and regional development. At the national and regional levels, the policies may be defined differently, as we will investigate in the later stages, and tourism as well as transport, may also be added to the relevant policies.

At the EU level, the centerpiece of EU nature & biodiversity policy is Natura 2000, an EU-wide network of nature protection areas established under the 1992 Habitats Directive. It is comprised of Special Areas of Conservation (SAC) designated by Member States under the Habitats Directive, and also incorporates Special Protection Areas (SPAs) which they designate under the 1979 Birds Directive (EC, 2012a). Recently, the update of EU biodiversity policy was formulated in the document "Our life insurance, our natural capital: an EU biodiversity strategy to 2020" (EC, 2011).

As the analysis will cover quite a long time-span, we will also have to take the fact that polices areas have changed significantly in the last decades into account. Since the time

the first Working Groups were formed in the framework of cooperation in the Alpine Adriatic area, nature protection and environmental issues have been slowly growing in importance, but have not been identified as a topic for a separate Working Group yet. Instead, natural areas have been primarily the subject of cooperation within the fields of spatial planning and landscape protection.

The relevant policies have mostly been in place for some time now, so the analysis will address their implementation at various levels, but also focus in large part on how the policies and programmes are and were formulated. The analysis will start with the beginnings of cooperation in 1960s and end in present.

It is interesting to note here and further investigate in the interviews that spatial planning, also at that time involving the designation of protected areas, soon became a central issue of the cross-border cooperation between Friuli-Venezia Giulia, Carinthia and Slovenia (Peterlin and Kreitmayer McKenzie, 2007). After the inclusion of Croatia in the cooperation and several years of preliminary work the Working Group on Spatial Planning presented the "First common Report on Spatial Planning" of the four regions in May 1975. Later on, when the AAWC was established in 1978, an initial result of cooperation was the "First common report on regional planning of the Alps-Adriatic WC", and a report on environmental protection was edited in the same year (AAWC, 2012).

2. The dimensions of territorial governance

2.1 Integrating relevant policy sectors

Relevant policy sectors include, as mentioned, biodiversity and the environment, climate change, agriculture, spatial and regional development, tourism and transport.

The main actors are national administrations, mostly the ministries responsible for the above mentioned policy sectors, and most often also having the competences for cooperation across national borders. Further, regional administrations are also key actors in most countries except Slovenia. Other actors include municipalities, administrations of protected areas, non-governmental organizations, farmers and agricultural industry as well as tourism and transport organizations and chambers of commerce.

From the point of view of the development objectives, as dealt with in this project, biodiversity and environment policy are most important for environment quality. Spatial and regional development mostly affects efficiency and equality, tourism and transport contribute almost exclusively to efficiency, while agriculture contributes to efficiency and environmental quality.

Cross sectoral integration within administrations is taking place through formal and informal processes, which will be further investigated in the later stages of the case study. Formal integration includes protocols for the flow of information and decisions through hierarchical organization within administrations, and various cross-sectoral working groups. Informal processes include personal contacts between responsible officials in different sectors.

Integration, or rather coordination across national borders, is to a certain extent formalized, considering it involves international relations and intergovernmental committees, but on the other hand the processes are often rather loosely defined and the outcomes of the processes are typically not binding.

Cross-sectoral coordination not only enables the adaptation of strategies and actions between the actors involved, but also mutual learning. Among the political barriers to cross-sectoral integration we can typically identify sectoral functioning of administrations, lack of trust and too rigid formal frameworks. We will further investigate how cross-sectoral coordination works in relation to governance of natural areas through interviews.

2.2 Multi-level interplay

As previously mentioned, relevant actors are distributed across national administrations, regional administrations and municipalities. However, in various countries of the Alpine Adriatic area, the competences and responsibilities of administrative levels are considerably different. To be more precise, we first need to define the administrative levels:

- The local level can be considered the smallest territorial entity with any kind of formal competences, in most cases these are local municipalities (e.g. "Gemeinde" in Austria, "Občine" in Slovenia, "Comune" in Italy);
- The sub-regional level corresponds to a grouping of at least two communities (also in a cross-border context) but is often consistent with NUTS 3 territorial level. The level of the “Region” in Austria; the “sovracomunale” level in Italy; the level of the “razvojna regija” in Slovenia;
- The regional level refers to authorities, which are in charge of planning legislation and implementation. This is the level of the “Land” in Austria; the level of the “Regione” in Italy;
- The national level is the level of the state.

When dealing with planning, Fabbro & Haselsberger (2009) stress the need to recognize that different national planning systems have different ways of dealing with similar spatial planning “issues” (CEC, 1997), including designation of protected natural areas, in accordance with their own traditions. Therefore, trans-national cooperation could risk placing the Member States on a collision course (Haselsberger, 2009). An example of this is the so-called integrated-comprehensive approach of the continental planning tradition, which can be detected in many countries including Austria or Germany and Slovenia (CEC, 1997; ESPON et al., 2006). Although this approach seems capable of giving valid guarantees towards long-term sustainability, it also appears to provide an overly rigid framework for accommodating issues such as competitiveness and multilevel governance. On the other hand, the orientation towards “Urbanistica” in Italy seems to place more emphasis on the regulation of urban development and urban form, rather than on the major complexity of the territorial system as a whole (Fabbro & Haselsberger, 2007).

Regarding the regulatory and strategic functions and associated instruments in relation to spatial planning, Fabbro & Haselsberger (2009) identify that the local level appears to be organized in similar ways in the planning systems of Austria, Italy and Slovenia. All the municipalities are in charge of establishing strategic planning, locationally referenced

land-use plans and detailed implementation of regulative plans, with variable restrictions due to the higher-level planning levels.

The sub-regional level, often coinciding with NUTS3 units, appears relatively under-developed in all three planning systems. Despite considerable emphasis on this level particularly in the EU programmes, it does not hold any planning competences in Austria and Italy, while in Slovenia it has a competence for preparing Regional Development Programme.

In Italy and Austria, the regional level has a significant role in terms of planning legislation and implementation. This is reserved for the national level in Slovenia.

2.3 Mobilising stakeholder participation

Stakeholder participation is crucial for securing wide ownership of protection measures. If this is not in place, the protection of natural areas can be perceived as disturbing to the local population and economy.

First and foremost, stakeholders include the inhabitants of the natural areas, non-governmental organizations, farmers and agricultural industry as well as tourism and transport organizations and chambers of commerce, and last but not least administrations of protected areas.

2.4 Adapting to changing contexts

After the major political changes in the beginning of the 1990s the character of cooperation began to change and the importance of the AAWC slowly started to fade. As previously mentioned, to some extent this may also be the consequence of the emergence of the Alpine Convention, which has a much stronger focus on the protection of natural areas.

It seems that cooperation in the area was quite sensitive to changing contexts and this holds true for the designation and management of protected natural areas. This may be to some extent also a result of low stakeholder participation, but further research will be needed in the later stages of the case study to address this issue.

2.5 Territorial specificities and characteristics and territorial governance

The protected natural areas in the Alpine Adriatic area are often mountain areas, border areas, or both. This means that they are typically peripheral areas, with problems of depopulation and many related issues, such as the provision of services to ageing populations.

3. Features of “good” territorial governance

We will try to point to some very preliminary assumptions about the features of “good” territorial governance in relation to governance of natural areas in the Alpine Adriatic area. First, in relation to the integration of policy sectors, relevant for the governance of natural areas, such as environment, agriculture, land-use planning, tourism, we can note that the need for cross-sectoral integration was much more obvious when biodiversity

policy was not yet formulated as a separate policy area. In the early stages of cooperation in the area, during the 1960s and 1970s, the protection and management of natural areas was clearly a cross-sectoral issue. There has been, for instance, no Working Group dedicated to nature conservation or environment issues, due to the fact that environment agenda has only been developing during that time. Quite contrary to that, since the formal designation of the Natura 2000 areas within the EU, the cross-sectoral nature of the designation process and management of protected natural areas is much less evident and is therefore also more rare and difficult.

Second, despite the fact that natural areas seamlessly cross administrative borders, their protection and management across national, regional and even municipal borders is an extremely complex task in a cross-border and transnational setting. The already complex multi-level interplay is made even more complex as different levels and their competences do not necessarily coincide well in different countries, as is the case in the Kras/Carso natural area between Slovenia and Italy, for instance.

Third, involving all of the relevant stakeholders from the earliest stages of the designation process and in the management of protected natural areas seems to be even more important in such complex administrative setting, as it allows for common understanding of problems and solutions and thus helps to bridge the borders.

And fourth, territorial governance in the Alpine Adriatic area turned out to be quite sensitive to changing contexts. Although the changes were profound indeed, first with new countries arising as actors and then with the EU enlargement, the changes might have been absorbed more easily if the common understanding of problems and solutions would be secured through wide stakeholder participation. This also places a larger emphasis on informal processes of cooperation rather than on the formal ones.

At least some of these very early assumptions should be tested in the later stages of the case study.

4. Identification of Stakeholders

Transnational/EU level:

- Representative/expert from NATURA 2000 network

National and regional level:

- representatives of national administration in Slovenia and regional administrations in Austria and Italy from the relevant sectors (biodiversity, spatial planning, agriculture,...) in relation to area-wide cooperation and to specific protected areas

Local level:

- representatives of municipalities in relation to the Kras/Carso and Goričko-Raab-Őrség protected areas

Stakeholders:

- representatives of administrations of protected areas in relation to a specific protected area
- representatives of non-governmental organizations, farmers, inhabitants

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