Inception Report

Study on promoting multi-level governance in support of Europe 2020

19 December 2013

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1 Introduction

The aim of this study on promoting multi-level governance in support of Europe 2020 is to generate lessons learned from existing experience and to stimulate the learning and transfer between regions. The study focuses on both the analysis and facilitation of transfer processes.

This is a revised version of the Inception Report of the DG Regio study on promoting multi-level governance in support of Europe 2020, presented one month after the start of the study. The revised report mainly presents the single tasks ahead, based on our tender and taking into account the comments and discussions during the first steering group meeting on 23 October 2013. In addition the report contains also a revised version of the literature review carried out.

As compared to the tender this report presents further elaborations on the main tasks ahead:

- The report includes a draft of the literature review carried out under task 1. The intention is to gradually adjust and update this review until the First Interim Report. This will allow to gradually improve the linkage between the case study work and the literature review.

- As for the call for partnership under task 2, further considerations on the approach have been made and a first test-version of the website presenting the call and the application form will be launched in mid-November.

- Following the first steering group meeting, the case study methodology has been further developed.

- The approaches and timing for the two multilateral meetings and 16 twinning meetings (task 4) have been further developed.

- The overall timetable has been updated and the numbering of the tasks has been adjusted to the one of the Terms of References.

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2 Setting the scene

Governance mechanisms for the implementation of the Europe 2020 Strategy, learning platforms for mutual learning and the development of action plans are at the heart of this study. Its objective and scope focus on two specific policy fields within this general framework, namely energy efficiency measures with a special focus on the existing building stock and social inclusion in urban areas.

2.1 Europe 2020 Strategy

Europe 2020 is the overarching key strategy for current policy development in the EU. While, the strategic document of the EU for the decade 2000-2010 was the so-called Lisbon Strategy (also known as the Lisbon Agenda or Lisbon Process), the intended strategic document for the decade 2010-2020 is the Europe 2020 Strategy. It has been particularly shaped by the context of the economic crisis and provides the basis for European policy making until 2020, including the European Structural and Investment Funds (ESIF).

The Strategy consists of a double-folder of thematic organisation: on the one hand, three priorities are launched; on the other, seven flagships are established. For each growth priority headline targets have been set and supporting flagship initiatives have been defined. Cohesion and Regional policies, like all EU policies and instruments, shall contribute to implementing the flagship initiatives and achieving the headline targets. Among others, the role of regional policies in relation to the Europe 2020 Strategy is pointed out by two specific Communications on how regional policies may support the Strategy's goals on smart growth (2010)[1] and sustainable growth (2011)[2].

The Europe 2020 Strategy aims at achieving three dimensions of growth:

- Smart Growth: developing an economy based on knowledge and innovation.
- Sustainable Growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive Growth: fostering a high-employment economy delivering social and territorial cohesion.

In order to catalyse progress towards each one of the priorities, seven flagship initiatives have been put forward. These are key programmes or tools to foster the achievement of the Strategy. The seven flagships are as follows:

- Innovation Union.
- Digital Agenda for Europe.

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[1]	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Regional Policy contributing to smart growth in Europe 2020. COM(2010) 553 final
[2]	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Regional Policy contributing to sustainable growth in Europe 2020. COM(2011) 17 final

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- Youth on the Move.
- Resource Efficient Europe.
- An Industrial Policy for the Globalisation Era.
- An Agenda for New Skills and Jobs.
- European Platform against Poverty.

Beyond priorities and flagship initiatives, several headline targets for 2020 have been agreed for the whole EU. They represent measurable indicators which shall give an appropriate indication on the achievements towards the Europe 2020 Strategy's priorities. These targets are supposed to be inter-related:

- 75% of the 20-64 year-old population to be employed.
- 3% of the EU's Gross Domestic Product to be invested in R&D.
- The three targets known as "20/20/20": a 20% reduction (and even 30% if possible) in greenhouse gas emissions in relation to 1990 levels, 20% of energy from renewable sources and a 20% increase in energy efficiency.
- Reducing early school leavers to below 10%.
- At least 40% of 30-34 year-old population completing third level education.
- At least 20 million fewer people in or at-risk-of-poverty and social exclusion.

Each Member State has set its own national headline targets by adapting the general orientations of the EU. Even though neither EU nor national targets refer to the territorial dimension, in late 2011 the European Commission acknowledged that it is not expected that all regions can or should reach the national 2020 targets. The European Commission has recognised the diversity of European regions and pointed out that for some issues it is neither realistic nor desirable that all regions reach the same target.

Furthermore, it has been pointed out that each Member State has to take into account its different needs, different starting points and specificities for promoting smart, sustainable and inclusive growth. This implies partially highly heterogeneous national targets, which in several cases are not sufficient for achieving overall EU targets as defined in the Strategy.

Governance

The study touches on the heart of Europe 2020 implementation, its governance perspective. The Europe 2020 Strategy stresses the need for "permanent dialogue between various levels of government"[3] and the inclusion of stakeholders and the civil society in delivering the Europe 2020 Strategy. The relevance of multi-level governance for delivering Europe 2020 and future cohesion policy as proposed in this study has been confirmed by the CoR in 2012 by stating that "the principle of multi-level and multi-stakeholder partnership must be

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[3]   COM(2010) Europe 2020. Page 29.

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reinforced in its implementation"[4]. According to the Committee of the Regions (CoR) multi-level governance is defined as "coordinated action by the European Union, the Member States and local and regional authorities, based on partnership and aimed at drawing up and implementing EU policies"[5]. In this respect various different types of governance modes are applied in Europe. The text box presents a few examples of governance modes which are also addressed in the literature survey and the case study methodology later on.

Four modes of governance

- **Governing by authority** implies the use of traditional forms of authority such as regulation and direction which persist despite reforms. This mode refers to situations in which national governments intervene directly in local politics through mandates or other mandatory means. Governing by authority takes place through the use of sanction.
- **Governing by provision** refers to the shaping of practice through the delivery of particular forms of service and resource. This mode occurs when additional services and positive incentives (including funding) are offered by, a national government in return for local action. Governing by provision is accomplished through practical, material and infrastructural means.
- **Governing through enabling** refers to the role of local government in facilitating, co-ordinating and encouraging action through partnership with private- and voluntary-sector agencies, and to various forms of community engagement. Governing through enabling works through persuasion, argument and incentives.
- **Self-governing** is the capacity of local government to govern its own activities. It is characterised by self-motivated action and may take place between cities and regions where urban climate change policy is crucial. Self-governing may occur if mandatory national climate change legislation is limited or non-existent. This reasoning can also be extended to energy efficiency policy. Self-governing relies on processes of organisational management.

Source: Bulkeley H. and Kern K. (2006), Local government and the governing of climate change in Germany and the UK, Urban Studies, 43, pp. 2237-2259

In 2012, Spatial Foresight conducted a study on the implementation of Europe 2020 in German regions.[6] The results underline the importance of regional development preconditions for contributing to achieve the Europe 2020 objectives, and the necessity of a regionally differentiated understanding of and contribution to the aims of the Europe 2020 Strategy. Furthermore, the study showed that the Open Method of Coordination (OMC) is difficult to be successfully implemented without legal means or the possibility for sanctions. It is largely based on the addressees' motivation and voluntary nature. OMC experiences, which are primarily based on media coverage, indicate a better chance for success if certain prerequisites are fulfilled: The targets need to be worthwhile for the public; they need to be easy to communicate; indicators have to be carefully selected and should be comparable; public relations activities have to generate a large publicity effect.

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[4] Committee of the Regions (2012) Building a European Culture of Multilevel Governance: Follow-Up to the Committee of the Regions' White Paper. Opinion of the Committee of the Regions. Page. 7.

[5] Committee of the Regions (2009): The Committee of the Regions' White Paper on Multilevel Governance. Own-initiative Opinion of the Committee of the Regions. Page 6.

[6] BMVBS (2012): Umsetzung und Wirkungen der Strategie „Europa 2020" in deutschen Regionen, BMVBS-Online-Publikation, 24/2012.

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Open method of coordination:

The Open Method of Co-ordination (OMC) is a non-legal policy instrument aimed at co-ordinating the policies of the Member States between themselves and with the EU. It has been used in those policy domains where direct Community competence is limited, such as national economic policy; employment and training policies; the Lisbon process; health; social inclusion and pensions. It therefore contrasts with the 'Community method' ie the development of legislation through negotiations between the EU institutions. The principal features of OMC include (voluntary) EU guidelines; reporting by Member States on their performance; benchmarking, identification of good practice and peer review by Member States; and 'naming, shaming and faming' by the Commission. The precise mix differs between policy domains.

Source: IEEP – Institute for European Environmental Policy http://www.ieep.eu/eu-policy-process/eu-glossary/

Overall, governance and institutional capacity are widely recognised by researchers as key influences on regional development. Close coordination between public authorities at the various administrative levels and with businesses and other stakeholders can enhance commitment and ownership of EU policies, increase the available knowledge, expertise and view-points in the strategies' design and implementation, and ensure greater transparency in the decision-making process. This can be achieved if, in the process of translating European and national priorities into local or regional action, the objectives of local and regional authorities are integrated into the broader strategies. Territorial governance is concerned both with the governance of territory and with the territorial dimension of governance.

The driving force for territorial governance and enhanced institutional capacity is the need to find a path for recovery from the economic crisis. Integrated approaches are needed which respect the environment, and build regional resilience, competitiveness and territorial cohesion. The details vary from country to country, region to region, and the national level of government is clearly a significant influence on outcomes. Everywhere and at every scale there needs to be a territorial perspective. This is necessary to achieve better coordination of policy within scales and across scales. At times when spending is constrained, it is more important than ever to achieve multiple outcomes that fulfil the aims of different programmes and stakeholders. The ideal of cohesion demands some consistency and shared focus if it is to be achieved.

Territorial governance involves employing a territorial approach in development strategies and decisions. It is related to the concept of territorial cohesion as both a policy goal and a political and planning process including the means to achieve efficient, equitable and sustainable development in all types of territories of the EU. Spurred on by the political debate on territorial cohesion and territorial capital, multi-level governance can be seen as a means to achieve endogenous territorial development via the organisation of new 'constellations of actors, institutions and interests'. Multi-level governance has also been defined as the process of organisation and coordination of actors to develop territorial capital in a non-destructive way in order to improve territorial cohesion at different levels.

Multi-level governance requires new forms of organisation, procedures and skills, in other words new institutional capacity. This becomes clear from research on approaches to building integrated regional strategies. Integration involves a number of agencies and

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stakeholders agreeing on joint solutions. Successful territorial development can no longer be achieved through top-down public sector action alone. The skills and resources of the private and voluntary sectors are needed. This also means that regional development must be done in a more inclusive way, less hierarchical and with cooperative networks and partnerships. In addition, actions at regional level need also to be aligned to policy at national and transnational scales but also at local scale. These principles are very important for effective use of ESIF.

Learning platforms and transferability

The focus of the study is on bringing together experience on processes related to the implementation of Europe 2020 across various levels of governance. This shall allow for mutual learning as well as the development of action plans in single regions or cities.

In this sense the study is closely linked to the idea of capitalisation projects promoted under INTERREG IVC and might possibly even contribute to develop new forms of learning platforms and the stimulation of thematic project clusters in a future interregional territorial cooperation programme.

All across Europe there are plenty of policy processes and actions which are either directly or indirectly linked to achieving the aims set out in Europe 2020. Consequently, it is possible to obtain new insights and lessons learned for the benefit of local and regional authorities in Europe by analysing some of these experiences and providing them a platform for dissemination, discussion and mutual learning. This may (in a similar way as INTERREG IVC capitalisation projects) contribute to a better exploitation of the knowledge resulting from projects working on a similar topic for the benefit of local and regional authorities in Europe. Furthermore, it may increase the visibility of the Europe 2020 implementation activities and their impacts on the policy making process at regional, local, national and European levels.

The systematic analysis of the implementation activities by experienced external experts aims to deliver the following results:
- identified innovative approaches that could be relevant also to other regions in Europe,
- lessons learned of relevance for policy making at local, regional, national and EU level,
- possible synergies and mutual enrichment among the stakeholders dealing with similar issues,
- action plans on how to strengthen the multi-level governance implementation of Europe 2020 in single regions and cities, and
- ideas and suggestions for projects to be carried out under future ESIF programmes.

The question of transferability of policy approaches and lessons is addressed in further detail in the literature review.

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2.2 Objective and scope of the study

Local and regional public authorities play an important role in conceiving and delivering public policies relevant for smart, sustainable and inclusive growth. At the same time local and regional authorities in the EU have very diverse mandates, capacities and resources, and work under different institutional and governance arrangements. This needs to be understood and taken into account when discussing their contribution to and involvement in the implementation of Europe 2020.

Following the tender specifications, the main purpose of the study is to identify the process and success factors leading to strong, high quality political and administrative partnerships across levels of governance. This shall be realised at the example of two policy fields, namely energy efficiency policies and social inclusion in an urban context.

In doing so, the study focuses on existing examples of multi-level governance or other forms of policy management contributing to these two policy fields. The study is centred on eight case studies and their partnerships (incl. administrative and political stakeholders involved). Based on these eight case studies various types of learning platforms are to be established. Firstly two multilateral events focus on a validation of the case study and mutual learning among them as well as the dissemination of case experience to a wider public. This is followed by 16 twinning exercises focusing on one-to-one discussions between the twinning partners and case study partners, with the aim to develop action plans. Last but not least the final report and a final conference focus on the broad dissemination of the experience and results of the study.

Promoting energy efficiency policies

Policies aiming at improving energy efficiency are at the heart of the Europe 2020 Strategy. They shall support the achievement of the headline target on reducing energy intensity by 20% until the year 2020. Energy is used in principally all sectors, whether public or private, by businesses and households alike. Intensity of energy use and potentials for improving energy efficiency differs however between sectors. Among these different sectors improving energy efficiency of the existing building stock features prominently in Europe's fight for climate change mitigation. This is not surprising, considering that nearly 40% of final energy consumption is in houses, public and private offices, shops and other buildings[7]. In particular, large scale interventions in the residential building sector can promote energy efficiency substantially, as households are important energy consumers and are also responsible for significant CO_2 emissions. As part of an integrated approach, energy interventions in housing can also improve the quality of life of citizens and combat energy poverty and exclusion[8].

At the European level, the main policy driver related to the energy use in buildings is the Energy Performance of Buildings Directive (EPBD, 2002/91/EC) which, having been recast in

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[7] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Energy Efficiency Plan 2011, COM(2011) 109 final.

[8] Danuta Hübner, foreword to the CECODHAS' leaflet on 'Housing and the EU Structural Funds in action', 2009.

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2010 (EPBD recast, 2010/31/EU), imposes requirements for certification, inspections, training or renovation in Member States.

More recently, Directive 2012/27/EU (Article 5) on energy efficiency stipulates that as of January 1st, 2014, each Member State will ensure that 3% of total floor area of climate controlled buildings owned and occupied by its central government will be renovated annually to meet energy performance standards established in Directive 2010/31/EU. According to the Directive, Member States shall encourage public bodies also at regional and local level, and social housing bodies governed by public law, to adopt energy efficiency plans and put in place an energy management system. By this way, it should be possible for a larger number of municipalities and other public bodies in Europe to follow the example of those local authorities that have already put into place an integrated approach to energy saving and energy supply[9].

Adequate understanding of policy making in this field requires taking into account the national and territorial specificities in terms of population projections, climatic conditions, behaviour characteristics (e.g. typical indoor temperatures, trends in terms of floor spaces per capita), social conditions (e.g. energy poverty), and other factors affecting people's decision making processes. Additionally, it requires comprehension of the key characteristics of the building stock[10] in terms of: (a) total building floor space; (b) split between residential and non-residential use; (c) age categorisation of the building stock, which affects energy performance; (d) energy mix used in buildings; (e) tenure of buildings (e.g. private or public), which significantly affects the ability to renovate.

An analysis of the practices in the Member States should distinguish between the financial, institutional, administrative, awareness/information barriers that hinder energy saving investments. It should furthermore differentiate between the types of financial programmes and incentives on the energy performance of buildings, e.g. grants/subsidies, preferential loans, tax/VAT incentives, supplier obligations and white certification schemes, third party financing / energy service companies, minimum requirements and penalties, etc.

As it regards the use of EU Structural Funds, the scope of eligibility under the European Regional Development Fund (ERDF) has been extended to residential buildings in 2009 to support energy efficiency interventions in housing throughout all Member States. ERDF support for energy efficiency, primarily in relation to public buildings, increased tenfold between 2000-2007 and 2007-2013. As part of the follow up to the European Economic Recovery Plan, the financial volume that can be allocated to the sector has been increased to 8 billion € or 4% of the total ERDF allocation to the EU Member States.

In concrete terms, the ERDF can co-finance, for example, national, regional or local schemes for insulation of walls, roofing and windows (double-glazing), solar panels, and replacement

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[9]   Sustainable energy action plans developed under the Covenant of Mayors initiative are an example of these integrated approaches.
[10] For a European picture, see: Buildings Performance Institute Europe (BPIE), Europe's buildings under the microscope - A country-by-country review of the energy performance of buildings, October 2011.

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of old boilers for more energy-efficient ones in existing residential buildings. Investments co-funded by the ERDF should be undertaken in the framework of already existing schemes set up by the national public authorities to use EU funding as leverage effect and avoid fragmented actions. Additionally, the investments shall support social cohesion, thus paying a special attention to the most vulnerable households.

The current approach is reinforced by the Commission's proposal for the programming period post 2013, that recognises the major role housing may play in achieving the European Union's major policy objectives of economic stability, social inclusion and combating climate change. For the upcoming programming period 2014-2020, the ERDF regulation proposal is designed to support investments in the wider use of Energy Performance Contracting in the public buildings and housing sectors. Furthermore the regulation aims at supporting small businesses to undertake energy efficiency measures and renewable energy use in their operations[11]. The eligibility of housing expenditure is confirmed in all Member States, and regions will be allowed to develop more ambitious thermal renovation and social housing projects. Additionally, promoting energy efficiency in the housing sector is explicitly mentioned as one of the ERDF's investment priorities to move towards a low-carbon emission economy.

In this policy framework, regional and local authorities, with their respective competences and administrative set-up, are often instrumental in setting regulation and providing incentives for energy efficiency improvements. Additionally, since housing interventions are - in principle - implemented at the local level, local authorities and citizens' organisations have an important role to play in ensuring strong partnerships and efficient monitoring and audit mechanisms, and in carefully selecting operations. In order for the actions to be effective, they need to be fully integrated and coordinated within the EU and national frameworks.

Social inclusion in urban areas

Social inclusion is inextricably connected to the policies of the European Union. The pursue of a society for all people, which is based on mutual respect and solidarity, characterized by equal opportunities and decent living standards is one of the aims of the EU. Through its policies, the EU works for further integration and reduction of social and economic disparities among its Member States, which share different economic, political and cultural backgrounds.

The importance of social inclusion can also be seen in the EU's growth strategy for the coming decade, the Europe 2020 Strategy. Under this Strategy framework for inclusive growth, the initiative "European Platform against poverty and social exclusion" has been undertaken. Main targets are combating poverty and social exclusion, reforming social welfare systems and tackling challenges occurred by demographic changes. The Europe 2020 headline target is the promotion of social inclusion, in particular through the reduction of poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion.

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[11] European Commission (2012) Elements for a Common Strategic Framework 2014 to 2020, SWD(2012) 61 final

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According to the fifth report on economic, social and territorial cohesion (2010), social inclusion policies, both at EU and national levels, tend to focus on specific groups of disadvantaged and vulnerable people, such as single parents, homeless people, migrants, people with disabilities. Active inclusion policy takes into account the need for better coordination between education, social protection systems and labour market policies to ensure transition to the labour market for the most disadvantaged. In other words, social inclusion is also about employment and the creation of new jobs.

As unemployment is a major cause of both poverty and social exclusion, the target is to have by 2020 the 75% of the working age population in work, through actions of reforming "flexibility and security in the labour market", improving the skills and the quality of jobs, as well as the conditions for job creation. Population groups, such as the youth are specifically taken into account, while issues such as decent housing, integration of vulnerable groups or child poverty are on the forefront.

At present it is not expected that the Europe 2020 target of lifting at least 20 million people out of the risk of poverty will be reached, as the national targets do not add up to the European target. Furthermore, given the economic crisis some Member States will not be able to meet their national targets. In addition, the mere understanding of social inclusion and definition of 'at risk of poverty' differ widely between EU Member States. Therefore social inclusion needs always to be seen in the light of national contexts. This regards both the socio-economic preconditions as well as definitions of the objectives.

To tackle these issues, the EU is also providing funding, for instance through the European Social Fund, which funds projects on work skills and job prospects, through the PROGRESS Programme for policy development related too employment, working conditions, social inclusion etc.

Although the above might not be directly territorially oriented, there lies a territorial aspect behind: Awareness that social exclusion phenomena are mainly concentrated in "inner city areas and deprived neighbourhoods", and in some cases in rural areas, where the employment possibilities are limited. This shows that the area where people live, strongly affects the poverty or social exclusion factors. Indeed, local level developments in combination with national systems and policies in the fields of education, labour market and social welfare are decisive for achieving social inclusion.

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3 Task 1: Literature review

The literature review has been conducted with the purpose to inform the design of the study, as well as to establish a reference framework for the final analysis. There are a number of key findings from the literature review which are of relevance for the development and conduction of the case studies. They will guide the case study analysis as these findings represent hypotheses which will have to be tested by the case studies. Additionally, the key findings on transferability provide important inputs for the organisation of the twinning meetings.

3.1 Lessons for the case study approach

There are a number of general findings on governance arrangements presented in the literature review which are clearly included in the case study design and the eight case study reports. Among the main findings relevant for both policy fields in this respect are:

- **Types of coordination.** Multi-level governance involves various types of policy coordination, such as vertical, horizontal and functional coordination. The specifically applied type of coordination considerably depends on the national institutional framework. Consequently the case studies will assess all three types of coordination rather than only focusing on the vertical coordination. They shall also identify which type of coordination is most important.
- **Organisational capacity.** Multi-level governance requires institutional capacity e.g. with regard to new forms of organisation, procedures and skills. Indeed, the lack of organisational capacity has negative effects on the efficiency of policy implementation. In that sense, the organisational capacity as pre-condition for policy changes needs to be addressed in the case studies.
- **Stakeholder mobilisation.** In multi-level governance processes the mobilisation of stakeholders is necessary to activate their tacit knowledge and incorporate their interests throughout the decision-making process, from policy design to implementation. There are different ways of how stakeholders can be mobilised, such as partnership approaches or contractual arrangements. The case studies will need to investigate which stakeholders have been mobilised by which means.
- **Governance modes.** Multi-level governance can make use of various formal or informal arrangements. This ranges from formal contractual arrangements, to directives, incentive or enabling focused approaches to various forms of informal arrangements. The case studies will need to assess which approaches are at play in each case study and what are the preconditions on that this builds on, as well as the effectives that come with it.
- **Pragmatic arrangements.** In particular with regard to the later transferability, pragmatic arrangements, including methods and techniques, are highly relevant. Different methods, tools and techniques are used for implementing policies of one theme. Their use depends on various other conditions of the policy design and implementation. Therefore the case

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studies need not only to focus on the more abstract governance arrangements but also on concrete tools and pragmatic arrangements used.

- **Political vs. administrative stakeholders.** The literature review found no recent substantial references to the different roles of and relations between administrative and political stakeholders. Nevertheless, as they have different roles this is believed to be important for the understanding of governance structures. Furthermore, practical experience shows that the roles and relations between the administrative and political stakeholders differ greatly between countries. This calls for the case studies to emphasise these aspects in more depth in order to shed further light on the relations between political and administrative stakeholders.

In addition to these more general findings, the literature review provides also lessons on the two different policy fields, which are relevant for the case studies. With regard to the case studies on energy efficiency following lessons can be highlighted:

- **Cross-sectoral coherence.** Initiatives tackling energy efficiency issues need to focus on a greater level of integration and coordination between sector policies that are traditionally conceived and implemented in parallel. As for the case study this implies that the involved policy sectors need to be carefully mapped including a rationale why these are involved and others possibly not.
- **Local level importance.** Energy efficiency issues tend to concentrate in urban areas. In governance terms this implies the need to focus on the (relatively powerful) local governments with strong responsibilities, and the strategic and regulatory frameworks induced at national and European levels. As most of the energy efficiency case studies actually have a regional focus, this implies that special attention needs to be paid to the link to and implementation at the local level.
- **Partnership approach & private sector.** The liberalisation of the energy sector makes it necessary to develop strategic partnerships between local authorities and private actors, as well as with national and EU regulatory actors. Therefore the case studies need to map the partnership approaches at place and especially the involvement and role of private sector actors.
- **Asymmetric funding.** Multi-level governance for energy efficiency initiatives tend to be heavily asymmetric in their funding, i.e. funded in majority by higher levels of governments (national and European). While local governments are willing to engage in multi-level governance for energy efficiency, if given the institutional and financial conditions to do so, the over-reliance on external funding may jeopardize the long-term commitment when the funding stops. Therefore, the role of funding needs to be critically assessed in the case studies.
- **Accountability & Monitoring.** The multiplicity of potential MLG arrangements makes it necessary to develop better practices for monitoring the initiatives and projects developed for promoting energy efficiency. Using multiple strands of 'good governance' indicators may provide enough flexibility as well as coherence in order to systematize the way such information are compiled and analysed. Monitoring fosters a better alignment

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between the funding resources and the outcomes achieved in such initiatives, and thus promoting greater accountability of the participants.

Focusing on social inclusion some of the key messages to be taken on board in the case study work are:

- **Cross-sectoral coherence.** Even more than in the case of energy, social inclusion involves a wide range of different policy sectors and different approaches to social inclusion. Here, the horizontal inclusion of policies at local level is crucial for overall governance arrangements. As for the case studies this implies that the involved policy sectors indeed need to be carefully mapped including a rationale why these are involved and others possibly not.
- **Local implications.** Whereas in some countries poverty is rather an urban issue in others it is more of a rural issue. In both cases, however, the policy approaches centre very much on the local level. Focusing on social inclusion the literature points especially at urban areas as main focal points. As most of the social inclusion case studies actually have a regional focus, this implies that special attention needs to be paid to the link to and implementation at the local level.
- **Partnership approach.** The partnership approach, and especially reaching out to local stakeholders and private actors, is under-developed on issues of social inclusion due to the traditional weight of national ministries on welfare issues. However, the move in many countries to a less 'universalistic' welfare model and the strong spatial concentration of poverty increase the importance of other socio-economic units, such as neighborhoods, communities or families as loci of social inclusion initiatives. Partnership approach would tend to increase the accountability of public actors through a more participatory process.
- **Asymmetric funding.** The recent budget crisis in the EU has brought to the fore the limitations induced by an overreliance on national funding for the design and implementation of social inclusion measures. Hence new forms of innovative financial arrangements, connected to the previous point on the emergence of a partnership approach, need to combine funding from different sources. Such innovative financial arrangements should be brought to the fore through the case studies.
- **Accountability & Monitoring.** Social exclusion is an elusive concept that can be understood and interpreted in different ways depending on the geographical and institutional contexts. Social inclusion, understood as the necessary combination of policy initiatives that may induce a reduction of social exclusion patterns, is thus difficult to measure and monitor. The impact of social inclusion initiatives 'on the ground' should be measured relatively to functional aspects of people's life such as employment, access to basic services, or inclusion in policy processes.

Last but not least the review of the literature suggests overlapping benefits or complementarities between energy efficiency and social inclusion initiatives (e.g. energy poverty, public housing). Indeed, challenges like increasing energy efficiency can rarely be dealt with independently from other pressing issues at the local level. Frequently, urban challenges are interrelated, with objectives that may appear contradictory. As noted in *Cities*

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of Tomorrow (2011), "the challenge of turning cities carbon-neutral must also be understood through a social inclusion perspective, where green technology needs to be accessible for all if we want to avoid energy poverty and exclusion"[12]. The recognition of the interaction between these issues is valuable in identifying opportunity for complementarities in policy at multiple governance levels. These should be kept in mind and explored by the case studies. Indeed, this might also be a suitable discussion point for multilateral meetings.

3.2 Lessons for the transfer processes

There are a number of findings from the literature review which provide important inputs for the design of the twinning meetings as well as for the selection of twinning partners. Among the main findings in this respect are:

- **Mutual learning.** To be successful (policy) transfer process and knowledge exchange should be based on mutual learning, as this is expected to create more engagement from stakeholders. Stakeholders will be more eager to participate in a process where they can also bring their knowledge, and exchange with their peers. Furthermore it might make the exchange exercise more fruitful and interesting, as the mutual aspect of knowledge exchange will better spark a debate on good governance practices.
  However, one standalone twinning exercise will not necessarily guarantee that the new knowledge leads to action and thereby brings about change. The transfer and learning should also be embedded in the institutional practice and thereby be a natural process in the development of the institutions and governance structures.
  The dimension of mutual learning needs to be taken onboard when selecting suitable twinning partners as well as when preparing the twinning meetings.
- **Similarities.** Transfer processes are often considered most useful or interesting where (twinning) partners are highly dissimilar, like between Western and Eastern countries, but the likelihood that such a transfer can be efficiently implemented is rather low as territories may have little in common in terms of territorial conditions and institutional context. Indeed similar settings can be decisive for the result of a mutual learning process. This goes for especially two factors: (a) institutional proximity and (b) similar territorial developments paths. By ensuring that cases are similar and thereby more comparable, a successful transfer process would be more realistic, as the institutional set-up would be better suited to accommodate and implement the ideas and principles of the transferred governance elements. Accordingly, the selection of twinning partners needs to strike a balance between similarities and dissimilarities of the involved partners.
- **Transfer processes.** There are several understandings of how exchange and transfer processes are working. Both the transfer process and the outcome of the transfer can be quite different, depending on the type of transfer being applied. It is therefore advisable to have an idea of both the project team expectations to a transfer process, as well as how the participating transfer partners understand and incorporate transfer processes into their daily practices and organisations. Five main types of transfer have been identified:
  - o **Transfer.** Transferring a policy or mode of governance into a new context

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[12] European Commission (2011) Cities of Tomorrow – Challenges, Visions, Ways forward

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- o **Diffusion.** Spreading of policy or mode of governance from one context to another by a slow and successive adoption
- o **Convergence.** Process where policies or modes of governance in different areas become mutually more alike
- o **Translation.** Translation requires the interpretation of & experimentation with policy packages
- o **Organisational/institutional learning.** Implies the move from individual learning towards changes in organisational routines etc.
- ○○ **Pragmatic focus.** Programmes, institutions, modes of organisation, principles of actions have a generally low transferability potential. On the other hand, as afore mentioned, methods, techniques, know-how and operating rules, have high a transferability potential. Therefore it is important to consider which aspects could be useful to apply in other settings. Furthermore, the ability of the transferring partners and facilitators to interpret and translate a practice into another context is crucial. Also this needs to be considered carefully when designing the transfer processes.

3.3 A framework for Multi-Level Governance analysis

The ambition of the Europe 2020 Strategy to tackle a series of key issues through the Flagship Initiatives, associated with concrete quantified targets at the Community and national levels necessitates the governance arrangements at the implementation end that are capable of 'delivering' the targets in the most efficient way. In that respect, it is crucial to understand what types of Multi-Level Governance (MLG) are the most efficient in delivering different types of objectives in different policy fields. There is a clear understanding from the literature that there is no blueprint MLG arrangement that can be replicated at will across regions and policy fields. As a consequence, it is crucial to understand what different aspects of governance need to be considered and the interplay between them.

"First, such a perspective implies the need to focus on understanding the system of governing (Bulkeley, 2005) in all its complexity – rather than just as a traditional hierarchical, linear form of control from national to regional and local levels (Biermann, 2007). Second, the governance concept encourages the understanding of the role of different actors in the governing process when national actors are not necessarily the only or most significant participants. That is, it is important to understand the role of different actors in the process of allocating resources and exercising control and coordination. Finally, such a perspective not only involves understanding the role of individual actors, but also how these actors interact. That is, a governance perspective necessarily involves understanding the world of overlapping and competing authorities at different scales (Bulkeley, 2005). […] MLG initially described a "system of continuous negotiation among nested governments at several territorial tiers – supranational, national, regional and local that was distinctive of EU structural policy." (Jollands et al., 2009, p. 11)

The OECD report stresses that since public investments are shared between different levels of government, it is only a natural consequence that policy initiatives need to be addressed by engaging a constellation of actors: "Policy-making authority has been progressively more

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distributed across levels of government, both downwards to SNGs [sub-national governments[13]] and upwards to supranational authorities. Moreover, the private sector's role has grown as a result of the privatisation of many services, shifting redistributive policies and the move from discretionary management to market regulation in many policy domains. Governments have also enlarged the space for the participation of other non-state actors in the policy process, most notably citizens and civil society organisations".[14] Such governance arrangements are "likely to require a complex, multi-level approach, involving both top-down initiatives and collaborative interventions".[15]

It seems that the establishment of MLG arrangements has become the norm in modern regional development policymaking. In the context of European policies, and especially in light of the current Europe 2020 Strategy, it can be said that MLG arrangements are a way of conciliating the objectives emerging from an overarching development approach at the European level with a more place-based approach, i.e. taking into consideration the socio-economic preconditions and institutional capacity of territories, as advocated by the Barca report.

3.3.1 Five meta-dimensions of MLG

Multi-level governance is a concept to help explain the system of nested relationships among primarily governmental levels within the EU.[16] This present review of the literature on MLG identified five meta-dimensions of MLG, i.e. basic organisational principles, which need to be considered when analysing MLG practices. The meta-dimensions are:

- Vertical coordination
- Horizontal coordination
- Functional, cross-territorial integration
- Organisational capacity of territories
- Mobilisation of stakeholders (i.e. non-governmental actors)

Whereas these meta-dimensions are important from an analytical point of view, they cannot be dissociated in the actual act of making policies and implementing them. The recent move towards both a more Europeanised and territorialised approach to policymaking has put subnational governments "at the centre of a policy process that, to work well, requires intensive co-ordination across levels of government and among different actors at each level"[17]. This new position of the regional level as a natural platform for the coordination and implementation of European policies has stretched their capacities further. The OECD points out that "regional or local governments may lack the capacity to implement the policies

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[13] In most cases this responds to regional authorities, but as the understand of regions differs between countries, the term sub-national governments is technically more 'universal'.
[14] OECD, 2013, p. 36
[15] OECD, 2013, p. 36 In this quote SNGs stands for
[16] Nordregio *et al.*, 2013
[17] OECD, 2013, p. 25

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needed to foster regional growth, though their knowledge and preferences remain essential to informing place-based policies"[18].

Vertical coordination (between levels)

Vertical coordination corresponds to the policy mechanisms that aim at promoting a better integration of the work of different levels of government, on the basis of the subsidiarity principle, in order to make a more efficient use of public investments. The need for a greater alignment of public investment policy at the design and implementation phases, across levels of government, requires co-ordination throughout the process[19]. These vertical coordination mechanisms should not be confused with hierarchical mechanisms, which are based on higher levels of government imposing policy decisions on lower tiers of government.[20] Recent studies have emphasised that 'Governing by authority' modes of governance, for which the higher levels of governments interfere directly in local development, are hardly found when analysing MLG practices.[21] One reason for this, according to the OECD, is that that a central principle for vertical coordination is "partnership" rather than subordination.[22]

Hence, vertical coordination thus induces a certain degree of reciprocity in the relationship between government actors. Such mutual relationships are often difficult to put effectively into practice: "while the central level tends to see a lack of engagement and co-financing capacities to be major obstacles to effective vertical co-ordination, the sub-national levels counter that the incentives for them to engage are small and the conditionalities by the centre are too demanding"[23]. According to the OECD, the development of mutual relationships need to be based on better flows of information, clearer division of labour and accountability, and ensuring consent in the decision-making process[24].

The main mechanisms developed to ensure greater vertical coordination are widely known. First, *co-financing* through programmes and initiatives are a way to "invite regions to engage in projects, reduces the risk and increases the commitment of all engaged actors"[25]. Second, there is the possibility of establishment contracts between levels of governments. For instance, *conditionality* is "a type of contractual arrangement whereby a government takes, or promises to take, certain policy or institutional actions, in return for which a higher level government authority or an international institution will provide specified amounts of financial and/or technical assistance"[26]. Conditionality has been widely used in the context of European policymaking. However, it is difficult to be efficient put into practice due to the usual asymmetry in access to information, the complexity of setting clear objectives and the danger of defection during implementation phase[27]. In most instances, the main issue

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[18] OECD, 2013, p. 25
[19] OECD, 2013, p. 52
[20] Bulkeley and Kern, 2006
[21] Jollands *et al.*, 2009
[22] OECD, 2013, p. 78
[23] OECD, 2013, p.50
[24] OECD, 2013, p. 50
[25] OECD, 2013, p. 53
[26] OECD, 2013, p. 57
[27] OECD, 2013, p. 58

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lowering the effectiveness of the conditionality approach is that the lower levels of government are more considered as the operational arm of higher tiers than as integral partners. Bilateral agreements and contracts, mutually designed and agreed upon, have been widely used as a complement to the conditionality approach[28]. Contracts are effective as they "take the co-ordination discussion a step further, creating credible partnership arrangements between levels of government to generate a joint commitment for rendering public investment more efficient and effective. They can encompass both specific instruments and projects, from design and implementation through monitoring and evaluation, as well as agreement on broader objectives and strategies"[29]. Whereas contracts between levels of government allow "tailor-made" and flexible approach for assigning responsibilities across governments for specific aspects of regional policy[30], they tend however to focus on the role played by governmental actors in the governance process. The contract choice is dependent on the institutional context as well as the complexity of the issue to be tackled[31].

Horizontal coordination (between policy sectors)

Horizontal coordination relates to mechanisms aiming at better integration programmes and initiatives across traditional policy sectors. Based on recent evidence, the OECD conjectures that "failures of cross-sector coordination remain widespread"[32]. One major reason for this failure is that policy coordination is often expected to occur at the higher tiers of governments, especially at the EU and national ones, rather than at the lower levels, i.e. during the implementation of strategies and initiatives at regional and local levels. More recently, a more *pragmatic* approach to horizontal coordination aims at integration initiatives and projects downstream the policy-cycle at the place where investments are made. The rationale for this is that different sectors need to co-ordinate their policies and programmes in order to maximize the outcome of policies and increasing their leverage on regional economies. This rationale is aligned with the push for place-based policies, thus aiming at managing interactions among sector policies "where they occur – in specific places"[33].

Functional coordination (between territories at the same level)

What we call *functional coordination* correspond to the attempt at initiating cross-jurisdictional cooperation[34] for integrating projects, investments and initiatives within delimited functional territories, the rationale being that as they share a certain set of challenges, coordinating their response to these challenges collectively would provide a higher leverage. Such forms of coordination are typically found in metropolitan areas, but could be as well developed in link with the identification of territorial specificities, such as mountain or sparsely populated

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[28] OECD, 2013, p. 78
[29] OECD, 2013, p. 78
[30] OECD, 2013, p. 78
[31] OECD, 2013, p. 79
[32] OECD, 2013, p. 70
[33] OECD, 2013, p. 71
[34] OECD, 2013, p. 72

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areas[35]. The extent, scope and forms of these types of cooperation arrangements are strongly dependent on the national institutional architecture[36].

Organisational capacity of territories

From the previous three meta-dimensions, it results that regions and places are increasingly considered as the key level for establishing a more efficient policy process, from the design to the implementation phases. However, "to design, finance and implement public investment projects, sub-national governments need the capacity not only to carry out the delivery of public investment projects (from project identification to monitoring), but also the ability to engage vertically with actors at higher (or sometimes lower) levels of government and, in many cases, to co-operate horizontally with "peer" jurisdictions on specific public investment programmes"[37]. Developing such capacities has become essential in order to ensure a higher degree of vertical, horizontal and functional coordination. To a large extent, the organisational capacity of sub-national territories is still highly dependent on the institutional architecture at the national level[38]. The notion of organisational capacity has a clear dynamic connotation as it often relates to the adaptability of institutions and collective learning processes[39].

The literature emphasises the fact that the *lack* of organisational capacity has negative effects on the efficiency of policy implementation. Indeed, Adshead acknowledged that the under-spending by regions of European funds was "probably a reflection that these regions did not have the necessary institutional and organisational capacity to deliver and implement regionally differentiated programmes"[40]. Hence, the organisational capacity of different territories is central for enabling them to take the best use of funding possibilities from higher levels, and not the least with regards to EU programmes[41].

In a recent review on Multi-Level Governance processes, the OECD defines 'capacity' as "the ability to adhere to good practices in the design and implementation of public investment"[42] and identifies several features of territorial organisational capacity that are critical to the policy process. In this section, we highlight several features that can be more explicitly related to governance and transferability aspects.

- **Strategic planning**[43]**.** The investment mix should be tailored and linked to a development strategy based on an assessment of regional (or local) characteristics and specific competitiveness factors. Such a mix need to be result-oriented, with the

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[35] Dubois and Roto, 2012
[36] OECD, 2013
[37] OECD, 2013, p. 38
[38] OECD, 2013, p. 51
[39] Nordregio *et al.*, 2013
[40] Adshead, 2013, p. 9
[41] Adshead, 2013, p. 11
[42] OECD, 2013, p. 96
[43] OECD, 2013, p. 98

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elaboration of clear goals and targets in order to take benefits of policy complementarities and conflicts among sectoral investments.

- ○ **Innovative financing**[44]. sub-national capacity needs to be able to make the most of traditional instruments (e.g. collection efficiency, technical skills for accessing grants, sufficient regulatory authority and political will to raise rates/fees), as well as newer forms of financing (such the use of technologies to improve user fees, value-capture taxes or carbon financing for green investments).

- ○ **Promoting results and learning**[45]. Monitoring and evaluation (M&E) processes play a crucial role in improving the efficiency and effectiveness of public investment for regional development through results and learning. It is not only an important co-ordination instrument (as seen in Chapter 2); well-designed monitoring activities allow sub-national actors to follow the implementation of investment projects and the achievement of contractual obligations, to encourage performance, to make mid-course adjustments and to identify medium-term outcomes.

Mobilisation of stakeholders

Whereas the mobilisation of stakeholders has been a key aspect of collaborative planning[46] at the local and urban scales, it has only emerged recently in the European policy making discourse and associated practices. This emergence can be traced to the emergence of the place-based approach to regional policymaking. In that respect, the mobilisation of stakeholders becomes a necessary step in order to "activate 'their' specific knowledge and incorporate 'their' claims and concerns"[47] throughout the decision-making process, from policy design to implementation. Hence, a major added value of stakeholder mobilisation has to do with accessing specific territorial knowledge that can improve the compatibility between pan-European overarching objectives and the territorial realities. An important benefit relates to the unlocking of new sources of finance[48], especially when the private sector gets involved.

A classic model for engaging stakeholders in the (local) policy process is through *Public-Private Partnership*. PPP is often related to the achievement of a specific societal task by one (or more) private actors. The main objective of PPP is to make more cost-efficient the provision of certain type of services in a community. Another example mentioned by the OECD as a good practice is *Alliance Contracting* in Australia: "alliance contracting is an emphasis on a trusting strategic relationship amongst the parties, and, compared with other contracting methods, there is less focus on competitive pricing. In essence, it represents an attempt to employ relational rather than transactional contracting (OECD, 2007) in public-private co-operation"[49]. Hence, whereas earlier forms of engaging with the private sector was

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[44] OECD, 2013, p. 104-105
[45] OECD, 2013, p. 109
[46] Healey, 1997
[47] Nordregio *et al.*, 2013
[48] OECD, 2013, p. 54-55
[49] OECD, 2013, p. 57

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essentially about cost-efficiency on a short-term period, new modes of stakeholder mobilisation are reaching out to a more strategic partnership.

The capacity of subnational government to mobilise 'their' stakeholders has become a central for consolidating their organisational capacity. The OECD suggests that stakeholder involvement follows five consecutive steps[50]: *i)* identifying stakeholders, understanding their "stake" and their right to and capacity for engagement; *ii)* designing outreach to and consultation opportunities for stakeholder groups; *iii)* selecting the right technique to involve stakeholders; *iv)* developing a stakeholder communication strategy; and *v)* managing grievances.

3.3.2 Roles and relations of the administrative and political stakeholders

By definition the roles of civil servants at administrative level and politicians are different. Civil servants are employed to serve the administration, which are, in the end, controlled by the government. They should act based on facts and neutrality. On the other hand politicians are elected for a discrete period, have a mandate to represent public interest and values and are judged in elections[51]. There can be conflicts between, on the one hand technical efficiency and on the other hand democratic responsibility[52].

However the roles and relations of civil servants and politicians are intertwined. Different types of typologies or structures in the relation between political and administrative stakeholders can be distinguished. Four main aspects can be distinguished:

- Politicians making the decisions and the administration implementing it;
- Civil servants bringing evidence and knowledge into the policy making, whereas the politicians represent different interest and define the principles and values;
- Politicians being the main driver in bringing change, while the civil servant holds a more conservative role, by moderate radical changes;
- Hybrids of overlapping roles resulting in a fuzzy boundary between decision-making and administration[53].

These relations change over time, and reflect current trends and streams in society. It can be questioned whether the roles are dual or more overlapping. Furthermore the nature of the relations and roles vary from one place to another.

Based on a case study from the US, civil servants have high levels of involvement in policy analysis, goal setting and resource allocation and policy initiation and formulation. Elected officials, on the other hand, are less engaged in these administrative tasks, but the involvement seems to be increasing[54]. More overlapping roles can also be noted in European

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[50] OECD, 2013, p. 100
[51] Miller K. J. and McTavish D. (2013)
[52] Hacek (2006)
[53] Aberbach and Rockman (2006)
[54] Demir (2009)

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cases. A Scottish example states that there is more active engagement of the administrative level in political management[55]. Case study research from three Swiss cantons has also shown interdependence between the two potentially conflicting groups, in designing, deciding and implementing of public policies. This research furthermore concludes that there is no wish for separation between administrative and political stakeholders[56]. However, in a Slovenian case study, conflicts between the roles of the administrative and political stakeholders remain[57].

The relationship between political and administrative stakeholders is rather complex and can change over time and between regions, depending on the social-cultural and political context. Politicians remain the representative of public interest, but the role of administrative stakeholders in these discussions seems to be increasing, also due to the fact that civil servant have often more detailed knowledge on the project or policy. An increasing complexity in the relationship, where roles are becoming more intertwined can be noted.

In this respect also the role of elections and possible changes of politicians involved in a policy process can bring uncertainty as well as new momentum to policy processes.

3.3.3 Analysing MLG empirically: noteworthy examples

Due to the diversity and complexity of possible MLG arrangements, an important focus of the recent literature has been to develop analytical frameworks able to translate in empirical terms the conceptual aspects of MLG. In that respect, two recent studies provide an interesting background for developing such a framework: 1) Innovations in MLG for Energy Efficiency (commissioned by the International Energy Agency and 2) Territorial Approaches for New Governance (commissioned by ESPON). Unpacking MLG arrangements in the most systematic and comparable way has been seen as a critical point in order to provide pertinent feedback that can be used to improve the policy process and foster the transfer of good practices across territories.

The challenges of developing such analytical frameworks is that they need to be, at the same time, *systematic* enough so that it encompasses a wide range of possible MLG arrangements and *specific* enough so to it is to grasp the particularity of the territorial, institutional and theme-oriented contexts for each case. In the remainder of this section, we will provide some insights from two recent projects.

Innovations in Multi-Level Governance for Energy Efficiency[58]

This study, commissioned by the International Energy Agency, aimed at comparing the MLG arrangements in about 30 different case studies. For each case, the empirical work aimed at mapping the following elements:

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[55] Miller and McTavish (2012)
[56] Giauque, Resenterra and Siggen (2009)
[57] Hacek (2006)
[58] Jollands *et al.*, 2009

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Vertical and Horizontal dimensions

- Relationships between different levels of government
- Relationships within one level of government, but across multiple territories

Modes of Governance[59]

- Governing by authority: direct intervention (top-down)
- Governing by provision: using incentives and funding schemes
- Governing through enabling: using guidelines, best practices and information
- Self-governing: i.e. based self-motivated action

Pragmatic elements

- Level of inclusion: i.e. if the arrangement is based on bilateral or multilateral partnerships
- Type of measures promoted: direct (subsidies, refurbishments...) or indirect (capacity-building, training, information diffusion…)
- Initiation and decision-making process
- Nature of participation: voluntary or compulsory
- Degree of formality of the process
- Level of accountability of the actors
- Budget size
- Funding symmetry

Territorial Approaches for New Governance

TANGO is an ongoing project funded in the framework of the ESPON programme. The project adds on to the existing literature by putting special emphasis on the role of territories as incubators of MLG processes. The project uses five dimensions to frame MLG:

- Dimension 1: Coordinating actions of actors and institutions
- Dimension 2: Integrating policy sectors
- Dimension 3: Mobilising stakeholder participation
- Dimension 4: Being adaptive to changing contexts
- Dimension 5: Realising place-based/territorial specificities and impacts

The interplay between these five dimensions in a specific territory provides an understanding of what kind of 'policy packaging'[60], i.e. the specific combination of policies, programmes and projects programmes, that would be the most effective in 'delivering' the territorial objectives and unlocking the territorial potential. An important finding is that "the softer functional territories address cross-sectoral integration more explicitly than do the administrative spaces, since the softer spaces have an often non-binding character with allows them to be

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[59] Bulkeley and Kern, 2006
[60] Nordregio *et al.*, 2013

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more experimental in their approaches to integrate policy sectors"[61]. Finally, one of the bottlenecks for MLG pointed out by the project is the lack of integration between, on the one hand, dimensions 1-2-3, which otherwise show a high level of interplay among them, and, on the other hand, the more territorially specific dimensions 4-5.

Figure I.   Relations between dimensions of Multi-Level Territorial Governance
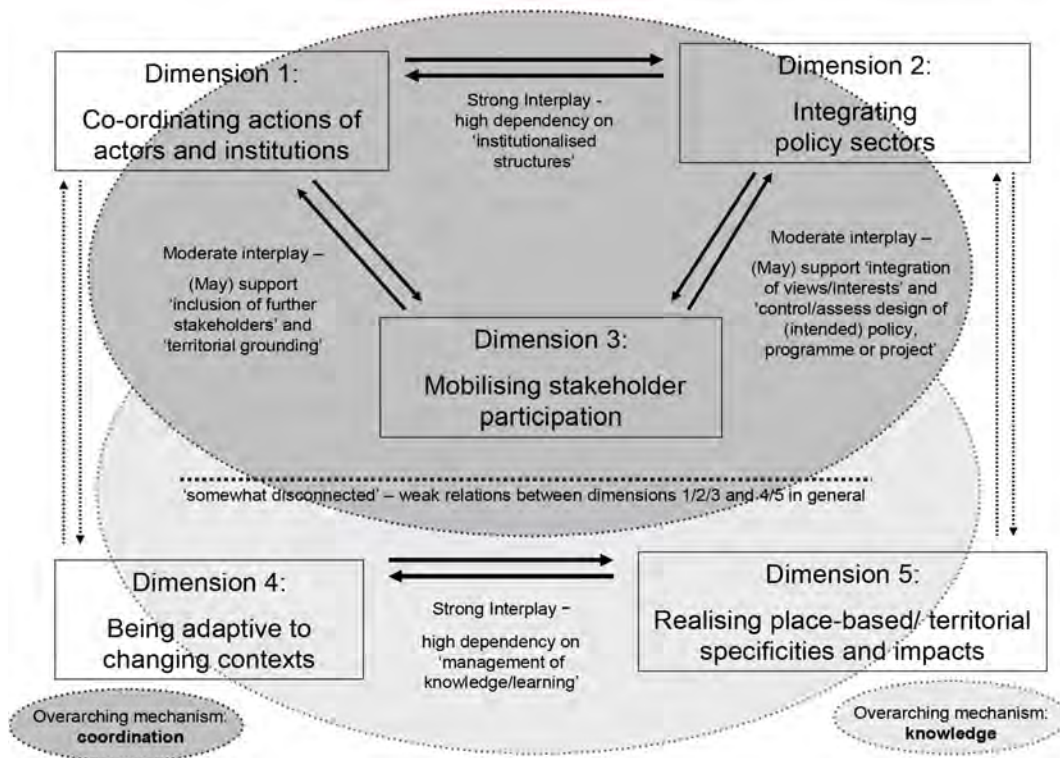
Inter-relations between the five dimensions of territorial governance

Source: Nordregio et al., 2013

3.4 Transferability of governance practices across regions

Most empirical studies on governance are based on the identification of 'best' or 'good' practices in certain regions or territories. There is a lively debate in the scientific community on the extent to which such best practices can be transferred from one territory, with its particular geographical and institutional contexts, to another. Key questions with regards to transferability are thus:

○○ What governance aspects of 'good practices' can actually be transferred?
○○ What are the necessary conditions for effective and efficient transfer of knowledge and practices across borders?
○○ What policy mechanisms are the most adapted to 'transfer' some governance aspects from one territorial setting to another?

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[61] Nordregio *et al.*, 2013

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3.4.1 Challenges of policy transfer

In a seminal contribution on policy learning, Bulkeley acknowledges that the assumption that dissemination practices can lead to policy change 'has become an accepted wisdom within national policies and programmes, as well as in international arenas and networks'[62]. Hence, the development and dissemination of good practices has become a key component in the policy process at the transnational level by promoting policy transfer and learning[63].

However, one central assumption with the idea of good practices' transferability is that "they are equally applicable and effective in another setting"[64]. Clearly, such an assumption does not seem to take into consideration the diversity of European territories, with substantial differences in governance, administrative cultures, and professional capacities, as a limitation for undertaking such learning processes[65]. Hence, the idea that a governance practice can be effectively replicated in other geographical and institutional setting is questionable[66].

There is a trade-off between the expected benefits of policy transfer and the feasible of its application in practice. Indeed, good practices appear to be most useful in cases where countries or territories are highly dissimilar, like between Western and Eastern countries, but the likelihood that such a transfer can be efficiently implemented is rather low as territories may have little in common in terms of territorial conditions and institutional context. This point was already highlighted in an OECD report that stresses that the development and use of best/good practices is not without difficulties and challenges because there is "no single model of how to implement local development or of what strategies or actions to adopt"[67]. Another issue raised about policy learning practices is what the Barca report labelled as the 'Best Practice Syndrome'. Barca's concern is that European authorities have in mind a 'template' of governance arrangements, based on observed success from selected regions, that could be undifferentiately applied in other regions[68].

Furthermore, the transfer of good practices is often seen from the receiver's end "the quickest solution to many problems without having to reinvent the wheel"[69]. In behaving this way, regional policy-makers try to find a quick-fix to some of their issues without having to make profound changes in the regional institutional setting. Hence, satisfying to criteria set up at higher levels of government is an effective way to attract new funds and investments, but such a way of proceeding can hardly be sustained in the long run without adapting the regional institutional context. As witnessed in the case of Ireland, the policy learning process appeared to be rather shallow[70].

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[62] Bulkeley, 2006, p1030; Nordregio *et al.*, 2013
[63] Nordregio *et al.*, 2013; Bulkeley and Betsill, 2005
[64] Stead, 2012, p. 107
[65] Stead, 2012, p. 107
[66] Vettoretto, 2009; Stead, 2012, p. 107
[67] OECD, 2001, p29; Nordregio *et al.*, 2013
[68] Barca report, 2009, p. 114
[69] Stead, 2012, p. 107
[70] Adshead, 2013, p. 9

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Finally, there seems to be a certain degree of local inertia and 'stickiness' that prevents efficient transfer of good practices. For instance, Stead acknowledged that "while a high proportion of local authority actors agree that learning from the experience of others is important and indicate that they engage in such activity, only a small minority of officials believes that it plays a large or significant role in their decision-making"[71]. The bottom-line is that, as simply expressed in a report OECD report, learning happens only if information produced in a first step is used in a subsequent one[72]. Hence, policy learning needs to be conceived and implemented as a *reciprocal* process of exchange of information and not as a mere diffusion of some information from one place to another: the exchange of knowledge needs to be *embedded* in the institutional practices in both the origin and destination regions.

3.4.2 Europeanisation of policy practices

Policy learning and knowledge transfer has been a central process in anchoring ideas of European and transnational integration in national, regional and local governance practices, which is referred to in the literature as the Europeanisation of practices[73]. As suggested by Stead, "the underlying belief is often that identifying, promoting, and disseminating good practice will help contribute to transnational learning and lead to improvements in policy and practice"[74]. Learning has been used as an important discursive and practical tool for fostering the Europeanisation of policy practices by inducing the adaptation of regional policy activities to "redefine actors' interests and preferences in a way that supports Europeanization"[75]. In that respect, an interesting example is the institutionalisation of partnership approaches in regional governance practices[76].

Referring to Bulmer and Radelli's definition of Europeanisation, Adshead claims that it mainly consists in the processes of "a) construction, b) diffusion and c) institutionalisation of formal and informal rules, procedures, policy paradigms, styles, 'ways of doing things', and shared beliefs and norms which are first defined and consolidated in the EU policy process and then incorporated in the logic of domestic (national and subnational) discourse, political structures and public policies"[77]. Hence, the idea of Europeanisation can be deemed to consist in an application at the Community level of the idea of policy transfer as defined by Dolowitz and March as "initiated by jurisdictions, international organisations, agencies, etc. in order to develop a policy that addresses a particular policy issue/problem, although, of course, whether the data are used, or used as intended, depends on a range of factors associated with the policy-making environment and situation which are often beyond the control of those who initiated the transfer process"[78].

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[71] Stead, 2012, p. 110
[72] OECD, 2013, p. 112
[73] Böhme and Waterhout, 2007; Adshead, 2013
[74] Stead, 2012, p. 104
[75] Adshead, 2013, p. 4
[76] Adshead, 2013, p. 9
[77] Adshead, 2013, p. 3
[78] Dolowitz and Marsh, 2012, p. 340

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However, Adshead deems that the Europeanisation approach focusing on policy transfer through participation to EU programmes and projects has been rather effective, in the sense that it pushed participating regions to adapt to the changing institutional environment: "The range of projects and the levels of funding meant that EU approaches to policy, practices and preferences were positively endorsed by the broadest range of actors in a wide variety of institutions: this greatly facilitated policy transfer from the EU to domestic level and meant that policy learning was a continual and reflexive process throughout each of the subsequent rounds of EU structural funds"[79].

3.4.3 Conditions for transferability

According to the literature on European spatial planning, different policy concepts take root in different ways across the European territory[80]. "The literature on policy transfer clearly highlights how the transfer of good practices cannot be merely a matter of copying or emulation. In order to consider what can be learned from individual cases that is relevant for others, successful transfer also involves processes of learning and adaptation, and the transferability of good practices is a process of exchange that does not proceed in one direction, but needs interaction between contexts and actors involved"[81]. Hence, the transfer of policy practices necessitates a certain degree of interpretation and translation of the knowledge so that it fits the specificity of the institutional context at the receiver's end. In theory, it can be conjectured that a high degree of institutional proximity between two regions is conducive of efficient policy learning practices, as the information on good practices can be more easily communicated and understood by both parties. Institutional proximity is associated with the institutional framework within which actors evolve[82] and emphasizes the context-specificity of knowledge[83]. Hence, as suggested by Stead, "good practices elsewhere don't matter that much, particularly since projects have to be very sensitive to local circumstances"[84].

The extent to which practices may be transferable from one region to another depends on two framing conditions:

- The degree of institutional proximity between territories, meaning that new innovative practices are more likely to be adopted if the institutional settings are rather similar;
- The territorial preconditions of each region are similar enough so that the specific targets and objectives set up are comparable; this is resulting from the observation that the establishment of specific governance arrangements are still very much path-dependent.

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[79] Adshead, 2013, p. 12
[80] Stead, 2012, p. 109; Böhme and Waterhout, 2007
[81] Nordregio *et al.*, 2013
[82] Boschma, 2005; Mattes, 2012
[83] Gertler, 2003; Mattes, 2012
[84] Stead, 2012, p. 111

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3.4.4 Different modes of transferability

An interesting issue raised in the recent literature relates to the main features of good practices that can actually and effectively been transferred. Stead suggests that "there are also limitations of best practice in terms of the ability to transfer sufficient detailed knowledge and information in the form of case-study reports, policy documents, policy guidance notes, or databases"[85]. Hence, the question of *what is relevant to transfer* needs to be raised quite early in the learning process.

Based on the findings of a report commissioned by the OECD, Stead puts into perspective the level of visibility, i.e. the ability of this feature to be observed by external observers, of a transferable good practice feature to their degree of transferability, i.e. the capacity of these features to be 'exported' to other context. An interesting conclusion is that features that have a rather high degree of visibility, such as Programmes, Institutions, Mode of organisation, Practitioner and Joint projects, have a seemingly low degree of transferability. This means that transferring such features may prove to be difficult in practice, and not efficient. On the other hand, features with a medium level of visibility, such as Methods, Techniques, Know-How and Operating-rules, are deemed to have a rather high degree of transferability. These findings from Stead are important because they provide an understanding on what types of information are the most efficiently through policy transfer processes.

Figure II.   Visibility and Transferability in good practices

TABLE 2. Components of local development practices and their transferability. Source: OECD, 2001

Visibility	Component for exchange	Transferability
Low	Ideas	Low[2]
	Principles for action	
	Philosophy	
Medium	Methods	High
	Techniques	
	Know-how	
	Operating-rules	
High	Programmes	Low
	Institutions	
	Mode of organisation	
	Practitioners	
	Joint projects	

Source: Stead, 2012, p. 108

Building on this understanding, the ESPON TANGO project identifies four main modes of transfer, aiming at bringing together the conceptual and empirical framework developed in that particular project, and based on the different nature of what is to be transferred. Interestingly the aspects relating to *what* feature is to be transferred seems to have an influence on the choice of *who* is brokering the process and *how* it is implemented in practical terms.

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[85] Stead, 2012, p. 107

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Figure III.   Modes of transfer according to the ESPON TANGO project

Modes of transfer	Main components	Target beneficiaries	Addressed dimension	Following paths to reach the borrowers	Influence mechanisms
Discursive	ideas, principles, philosophy (general)	Everyone	domestic discourse (d)	p1→D→d2n	discursive integration
Practical	practices, joint projects, interaction (specific)	Practitioners	domestic discourse (p)	p1→D→d2n→p2n	lesson drawing
Technical	methods, techniques, know-how (specific)	Domestic policy-makers	Domestic tools (t)	p1→D→d2n→t2n	lesson drawing
		EU policy-makers	EU Tools (T)	p1→D→T→p2n	Financial conditionality
Institutional	rules, codes, laws (specific)	Domestic decision-makers	Domestic structure (s)	p1→D→d2n→s2n	lesson drawing
		EU decision-makers	EU Structure (S)	p1→D→S→s2n	Legal conditionality

Source: Nordregio et al., 2013, p. 164

This way of integrating the what, who and how in policy transfer is in line with the framework developed by Dolowitz and Marsh[86] a decade ago.

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[86] Dolowitz and Marsh, 2000

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Figure IV.   A tentative policy transfer framework by Dolowitz & Marsh

Why Transfer? Continuum (Want To........... Have To)			Who Is Involved in Transfer?	What Is Transferred?	From Where			Degrees of Transfer	Constraints on Transfer	How To Demonstrate Policy Transfer	How Transfer leads to Policy Failure
Voluntary	Mixtures	Coercive			Past	Within-a Nation	Cross-National				
Lesson Drawing (Perfect Rationality)	Lesson Drawing (Bounded Rationality)	Direct Imposition	Elected Officials	Policies (Goals) (content) (instruments)	Internal	State Governments	International Organizations	Copying	Policy Complexity	Media (Newspaper) (Magazine) (TV) (Radio)	Uniformed Transfer
	International Pressures		Bureaucrats Civil Servants	Programs	Global	City Governments	Regional State Local Governments	Emulation	Past Policies	Reports (Commissioned) (uncommissioned)	Incomplete Transfer
	(Image) (Consensus) (Perceptions)										
	Externalities		Pressure Groups	Institutions		Local Authorities		Mixtures	Structural Institutional	Conferences	Inappropriate Transfer
	Conditionality		Political Parties	Ideologies				Inspiration	Feasibility	Meetings/ Visits	
	(Loans) (Conditions Attached to Business Activity)								(Ideology) (cultural proximity) (technology) (economic) (bureaucratic)		
	Obligations		Policy Entrepreneurs/ Experts	Attitudes/ Cultural Values					Language	Statements (written) (verbal)	
			Consultants Think Tanks Transnational Corporations Supranational Institutions	Negative Lessons			Past Relations				

In the following section, we provide a quick scan of the modes of policy transfer most commonly referred to in the literature.

- **Transfer.** A previously wide-spread understanding of transfer is that it is a "voluntary process undertaken by civil servants and politicians seeking to emulate 'best practice'."[87] But successively there has been a development towards an understanding that transfer also can imply enforcement, that a policy or mode of governance is forced into a new context.[88]
- **Diffusion.** Stone[89] claims that diffusion indicates a process that is not conscious and chosen; it is rather a "contagious" process. A policy or mode of governance is spread from one context to the other by a slow and successive adoption of the policy of mode of governance[90]. Policy diffusion can also be defined as a "process by which 'policy choices in one country affect the policy choices in other countries".[91]
- **Convergence.** Convergence is a process where policies or modes of governance in two or more countries (or regions) become mutually more alike. The EU system itself is highlighted as an example of this where the Member States as well as candidates states

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[87] Stone, 2012, p. 485

[88] Ibid.

[89] Stone, 2012

[90] Stone, 2012

[91] Obinger et al., 2013

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converge because of harmonised policies and funding, such as the aquis communautaire, the structural funds and cohesion funds.[92]

- **Translation.** Prince refers to translation as a consequence of the critical stand taken by recent studies on the rather 'rationalist underpinnings' of early transfer approaches and instead stresses the complexity of context and the need for interpretation or experimentalism in the process of policy packaging and assemblage[93]. In a more recent contribution, Prince develops further the issue of policy translation: "Based on these experiences, policies can be packaged into forms amenable to travel and translation on policy circuits, out of which they can be refixed elsewhere, often with different results, and occasionally resulting in a new, mutated policy approach for release back onto the circuit. This dynamic, between the various compulsions making policy move and its need to be situated somewhere to have a form in the first place, comprises an important relational geography connecting up various places and (re)constituting them in a globalizing world"[94].

- **Organisational/institutional learning.** Organisational/institutional learning implies that actors learn to work at new scales and in new types of networks in order to address certain issues of transnational importance better or they learn from other actors to address specific local or regional issues better[95]. Good practice and learning through cooperation are effective mechanisms for spreading know-how and enhancing competitiveness. For example, the 'added value' of much of territorial cooperation has been introduced as a result of organisational and policy learning, i.e. it emerges after a process of learning, i.e. it emerges after a process of learning and change.

3.5 Governance arrangements for energy efficiency

The strong focus in the Europe 2020 Strategy on the flagship initiative "A Resource-Efficient Europe" aims at establishing a close link between economic development, social well-being and a responsible use of natural resources[96]. Whereas the role of the Community and its Member States is still central, the role played by regions and cities is identified as pivotal in fostering resource efficiency through the implementation of policies, programmes and projects. Indeed, they invest in green buildings, sustainable water and waste management, reduce greenhouse gas emissions by promoting cleaner modes of transport, and take measures to protect ecosystems[97].

In spite of this, Monstadt argues that "most social science research has focused on regulatory issues at a national or European level that surround the liberalisation of utility markets and the privatisation of public utilities, or on efficient environmental policy instruments and institutions at the national, European or global level"[98].

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[92] Stone, 2012
[93] Stone, 2012
[94] Prince, 2012, p. 192
[95] Colomb, 2007
[96] Committee of the Regions, 2013, p. 2
[97] Committee of the Regions, 2013, p. 2
[98] Monstadt, 2007, p. 328

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This means that the literature looking at how such policies are effectively implemented at lower level is scarce. However, it is clear that achieving energy efficiency targets leads to complex governance arrangements due to the multi-sectoral and multi-level dimensions of its coordination and implementation because neither a single actor, nor a single policy sector has enough leverage to achieve this complex goal on its own. This is illustrated in a recent OECD document taking up the example of Japan:

"The 2012 Act to Promote the Low Carbon City encourages local governments to develop a place-based, cross-sectoral Low Carbon City Development Plan that is supported by three different line ministries, identifying low-carbon projects across sectors (health, transport, public housing, etc.) to be financed by the central government"[99].

Energy efficiency policies are thus constructed and contested through multiple governance levels[100] and can hardly be tackled through traditional mono-sectoral, top-down approaches. Recent studies suggest that more coordinated actions across multiple levels of government – international, national, regional and local – can effectively increase energy efficiency[101]. This is admittedly a big shift for energy policies as these have been traditionally targeting the improvement of technical standards and not the improvement of the process of applying such standards through policy instruments, programmes and projects.

3.5.1 Multisectoral approaches to Energy Efficiency

In a recent Background Paper, the Committee of the Regions stresses the importance of energy efficiency as a guiding principle of EU policies across several fields, such as energy, transport, climate change, industry, raw materials, agriculture, fisheries, biodiversity, water and waste management, land use and regional development.[102] This feature implies that initiatives aimed at tackling energy efficiency issues need to focus on a greater level of *integration and coordination between sector policies* that are traditionally conceived and implemented in parallel. In that respect, the flagship initiative provides a long-term strategic and integrated framework for actions in many policy areas, which makes it possible to foster greater policy integration, but also a better coordination of concrete initiatives and interventions at the appropriate levels, according to the subsidiarity principle, to achieve the Community and national targets set out for the horizon 2050.

The recent development in energy policies are also increasingly pointing out to the need to involve a wider set of actors than in the past. In that respect, based on the case of Germany, Monstadt argues that the on-going process of liberalisation and privatisation in the energy sector, induced by the European Commission's role to initiate the restructuring of the energy markets based on enhanced competition, "have diminished the control of the *Bundesländer* and municipalities over the prices, investments and corporate policies of the utilities"[103].

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[99] OECD, 2013, p. 70
[100] Bulkeley and Betsill, 2005, p. 48
[101] Jollands et al., 2009, p. 9
[102] Committee of the Regions, 2013, p. 2
[103] Monstadt, 2007, p. 326

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Hence, policies targeting the energy sector need to undertake a Multi-Level Governance (MLG) approach.

At the other end of the policy spectrum, the building sector appears to be central to strategies aiming at fostering energy efficiency. Indeed, the share of energy consumption in the building sector is increasing[104]. Based on the Norwegian experience of government-induced strategies to promote energy efficiency in building design, it is argued that "the issue of energy efficiency of buildings needs to be understood as related to a complex sociotechnical system where diverse actors act at the intersection of industry and market structures, institutions of governance, innovation systems, evaluation practises, supplier-user chains, designer and engineering practises, etc."[105].

In the literature, it appears that three levels of governance are central for the design, elaboration and implementation of policies targeting better resource efficiency: EU/international, national and local/regional. Clearly, the added-value brought by each level is different and (ideally) complementary. Indeed, besides the difficulty to understand how each level of government contributes to these goals, scientific studies tend to "ignore the ways in which economic, social and political processes across different levels and systems of governance interact"[106]. One important lesson from the review of literature is that energy efficiency strategies linked to urban sustainability are often based on "technocentric models"[107] leaving aside the discussion on how to implement such strategies through the existing institutional regimes and what governance arrangements may be the most appropriate to do so. The nature of energy efficiency policies at the nexus of multiple sectors of human activity make it necessary to the whole system of actors that influence energy-productivity patterns in order to make these policies effective. Key actors, in this regard, include both government and non-governmental agents[108].

3.5.2 Energy efficiency: An issue of urban governance?

The literature puts cities and agglomerations (and their local governments) at the centre of policy strategies aiming at improving energy efficiency. Puppim de Oliveira *et al.* acknowledge that "the challenges and opportunities for creating good governance towards a greener economy globally rest necessarily, or mostly, on how cities are developed and managed. Moreover, cities are centres of knowledge and innovation (both technological and institutional) that can make viable a greener economy and better governance within and beyond the cities"[109]. Hence, the urban level appears to be central upstream of policy design, as places where technical innovations improving the use of resource are created, and downstream, in the application of higher technical standards.

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[104] Ryghaug and Sørensen, 2009, p. 984
[105] Ryghaug and Sørensen, 2009, p. 984
[106] Bulkeley and Betsill, 2005, p. 47
[107] Bulkeley and Betsill, 2005, p. 45
[108] Jollands et al., 2009, p. 10
[109] Puppim de Oliveira et al., 2013, p. 138

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A key component of urban development that makes it central to the promotion of energy efficient policies relates to the superstructure, more specifically the buildings, but also the urban form and the transport networks. Energy networks are critical for the functioning of nearly all production, services and infrastructure sectors that are often located in agglomerations, structure a major part of the urban material metabolism and are the largest emitters of greenhouse gases[110]. The spatial concentration of the energy efficiency issue in urban areas implies, in governance terms, not only the involvement of (relatively powerful) local governments with strong responsibilities, but also the strategic and regulatory frameworks induced at national and European levels. From the MLG point of view, it means that "the urban and regional governance of energy systems is challenged by new institutional problems of inter-policy coordination, cooperation in a regional context and private sector involvement"[111].

Even if the issues related to energy efficiency are strongly connected to urban governance, they cannot be dissociated from other spheres of policy making. Thus, the development of multi-level governance for energy efficiency requires an understanding of how the city and its actors are connected to other levels of governance (at regional, national, global scales) and what institutional mechanisms can be created to improve the interaction between these levels to move the world towards a green economy[112]. The scientific and policy literature both seem to highlight the pivotal role of local governments in achieving these goals. For instance Puppim et al. consider that "local governments generally hold important powers, in terms of legal competency and resources, in sectors that are relevant for the development of a green economy such as transportation, waste management, urban planning, buildings, water management and welfare"[113]. Indeed, referring to the UK context, Bulkeley and Betsill confirm that "one means through which local authorities have been encouraged to consider the issue of climate protection is through land use and transport planning"[114]. Hence, the responsibilities of regional and local authorities in terms of land-use planning, public transport, environmental infrastructure, education, health, training and social services[115] put them at the centre of place-based, coordinated actions towards more energy efficiency.

An important leverage for reducing the use of energy at the local level relates to strategic urban planning. More specifically, the consolidation of the urban form, such as mixed-use developments, brownfield land redevelopment and reducing the need to travel, and the requirement of higher energy standards for housing appear to hold much leverage for achieving energy efficiency[116]. Yet, this can hardly be achieved through a top-down form of governance, and thus necessitate the involvement of local actors in identifying the specific bottlenecks and the opportunities for improvement.

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[110] Monstadt, 2007, p. 326
[111] Monstadt, 2007, p. 328
[112] Puppim de Oliveira et al., 2013, p. 139
[113] Puppim de Oliveira *et al.*, 2013, p. 140
[114] Bulkeley and Betsill, 2005, p. 45
[115] Committee of the Regions, 2013, p. 12
[116] Bulkeley and Betsill, 2005, p. 45; SUME, 2011

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Traditionally, the development of energy utilities has been a key prerogative for the local governments. In spite of that, it has been very little integrated in the strategic aspects of urban and regional planning, and was thus "left to engineers, network operators and (supra-) national utility regulators", as it was relatively considered as a given precondition[117]. Hence, the ability of local government to tackle such issues is often considered as "an indicator of their capacity to implement public policies"[118].

Both the policy and scientific literature identify the role of local and regional authorities as *leading by example*. This means that the local public bodies "should take the lead in bringing their buildings up to high energy performance levels. […] More than two thousand cities have volunteered to implement sustainable energy measures through the EU-supported Covenant of Mayors"[119]. Hence, the liberalisation of energy markets and the development of energy service markets have opened up new windows for optimising energy efficiency and purchase management in the public sector[120].

With regards to regional governance, Monstadt identifies a clear need for further *regional cooperation*, i.e. among local governments constituting the urban region, as "structural policy strategies for the promotion of innovation and business development in the energy sector are more efficient if they are based on functional economic spaces in a regional context"[121].

In a wider setting, initiatives such as the Covenant of Mayors and C40 Cities Climate Leadership Group illustrate the increasingly networked manner in which cities cooperate with one another on, among other issues, energy efficiency. These networks, which also promote learning and the exchange of good practices are not necessarily demarcated by traditional territorial boundaries and thus foster wider discussions on the role and manner in which cities can enhance their energy efficiency, in a variety of geographic and socioeconomic contexts.

Whatever the importance of the power held by local and urban authorities, the increasing integration of rules and regulations at international levels (e.g. in the EU) changes the regulatory framework within which urban governance takes place, which de facto limits the legal powers of the local actors and increases their need for support from other levels of governance[122].

3.5.3 Integration and Coordination of policies at national and European levels

According to a report commissioned by the International Energy Agency on 'Innovations in Multilevel Governance for Energy Efficiency", national governments and agencies still play a central role in developing energy efficiency policies:

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[117] Monstadt, 2007, p. 327
[118] Monstadt, 2007, p. 327; Coutard *et al.*, 2005, p. 11
[119] European Commission, 2011, p. 5
[120] Monstadt, 2007, p. 338; Ryghaug and Sørensen, 2009, p. 990
[121] Monstadt, 2007, p. 339
[122] Puppim de Oliveira *et al.*, 2013, p. 140

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"They set priorities, develop and coordinate strategies within their borders, and enter into agreements outside of them. National governments also have the ability to leverage significant resources through the taxation process. They, however, can be somewhat removed from direct interactions with communities. Consequently, national governments often delegate certain aspects of energy efficiency policy development and implementation to lower levels of government that can have direct connections to communities"[123].

A challenge arises from the shift in the regulatory responsibilities traditionally devolved to the urban and regional governments to the national or European level. For Monstadt, this is a direct consequence of the recent processes of liberalisation and privatisation in the energy utility sector: "On liberalized energy markets regional and local policies can at best make a marginal contribution to the regulation of economic efficiency and the security of supply. Nowadays regulatory bodies at the national and European policy level share the responsibility for the efficient functioning of energy markets"[124].

Indeed, whereas the international level is important in relation to developing common legislations and providing funding stimuli and the local level in relation to the operationalization of concrete initiatives 'on the ground', the national level is still needed in order to align these strategic and operational dimensions to the existing institutional context. Hence, the Committee of Regions discusses the idea that "the involvement of regional and local authorities and the alignment of expenditure on identified priorities to boost the transition to a resource-efficient and low-carbon economy should be monitored within the context of the National Reform Programmes"[125]. Hence, the use of national plans for anchoring energy efficiency initiatives in the institutional system may prove to be important for the overall success of Energy efficiency policies.

Another way by which national governments have an influence on the governance process is through the *regulatory framework* of specific sectors. Indeed, in many countries, norms and regulations of property rights, land use, infrastructure and the use of natural resources are often defined at national level[126].

With regards to the European level, an important leverage used by EU institutions to promote energy efficiency is through consistent financial support in the form of multiple funds. These funds are mainly directed to regions and cities, in particular, in link to the provision of environmental infrastructure for water and waste management[127].

The literature emphasizes the importance of the international level for providing the necessary regulatory and institutional framework to initiate multi-level governance arrangements leading to greater energy efficiency. The international level thus provides an institutional framework for policymakers at European, national and regional/local levels to

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[123] Jollands et al., 2009, p. 10
[124] Monstadt, 2007, p. 335
[125] Committee of the Regions, 2013, p. 13
[126] Puppim de Oliveira et al., 2013, p. 148
[127] Committee of the Regions, 2013, p. 13

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develop policy interventions that are both efficient in technical (what standards to implement) and governance (how to do it) terms. The UNECE has conceptualised the key elements for improved energy efficiency as five ''in''- keywords: incentives, information, initiatives, innovations, and investment[128]. Admittedly, regulatory measures initiated at international level are considered among the most effective means of policy intervention, with mandatory building codes (or minimal energy performance standards) for new buildings and for major renovations representing a cornerstone in such measures[129].

According to Jollands *et al.*, the added-value provided by the engagement of European authorities with regards to Energy Efficiency relates to its broad view of energy efficiency as a cross-sectoral policy field, as well as its capacity to initiate programmes across administrative boundaries. Hence, the EU's financial resources and coordination abilities provide a solid basis for horizontal (i.e. among countries and among regions) coordination of such policies[130]. However, an expressed concern with regards to the use of quantified targets in the Europe 2020 strategy is that, according to Golubchikov and Deda, such target-oriented instruments require new levels of technological performance that are not always reconciled with affordability, accessibility and distributive justice[131]. They further identify that there is a risk of targets (such as' 'zero- energy homes'') being transferred, mechanistically and in isolation from other instruments and objectives, to countries, regions or cities with a limited welfare state or undeveloped housing policy—where they may introduce more harm than good[132]. What they further advocate is the need to design pathways to low-energy housing by nourishing certain ''policy thickness'' and cross-policies links which will seek socially progressive and sustainable energy policies[133].

Example of regulatory measures towards energy efficiency

[…] a major contribution here has been by the European Union (EU)'s recast of the Directive on Energy Performance of Buildings (EPBD) in 2010 (EU, 2010). Although the EPBD leaves the detailed outlines and benchmarking of different measures to the national level, it requires all EU Member States to draw up national plans for increasing the number of nearly zero energy buildings, to deploy a system of energy performance certificates, and to introduce other financial, informational and organisational measures that encourage investments and other activities to increase energy efficiency, renewable generation (including distributed generation), as well as district heating and cooling. Yet, the single major requirement of the EPBD is that the Member States should set up minimal energy performance standards for new buildings, for major renovations, and for technical systems used in buildings (such as heating, hot water, air-conditioning, large ventilation systems) with expectations that all new buildings will have been required to become ''nearly zero-energy'' by December 2020. (Golubchikov and Deda, 2012, p. 736)

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[128] Golubchikov and Deda, 2012, p735
[129] Golubchikov and Deda, 2012, p736
[130] Jollands *et al.*, 2009, p10
[131] Golubchikov and Deda, 2012, p. 736
[132] Golubchikov and Deda, 2012, p. 736
[133] Golubchikov and Deda, 2012, p. 736

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3.5.4 Modes of stakeholder engagement for Energy Efficiency

The fact that stakeholder mobilisation has gained much attention in the recent policy and scientific literature is an illustration of the pivotal role of the local institutional capacity in delivering concrete targets linked to energy efficiency. In that respect, Bulkeley and Betsill notice "the changing role of local authorities, away from a regulatory role towards one of enabling others to act"[134]. Hence, local governments need as much to integrate and align their actions with higher level of governments as they have to coordinate their initiatives with local stakeholders.

Working with a wide range of actors is already built in the way urban governments function, as they usually interact with key economic, political and social stakeholders such as administrations at the regional or national level, including international agencies and investors, private companies and businesses, non-governmental organisations (NGOs), and citizens[135]. Hence the mobilisation of stakeholders is already occurring to a large extent in urban governance. However, the mobilisation of stakeholders on issues related to energy efficiency specifically can prove challenging as most of these actors are entrenched in rather closed policy communities, with often conflicting agendas and motivations, which continue to advocate business-as-usual practices. These actors often use national and international discourses of economic neo-liberalism and inter-urban competition to justify their approach focusing more on the *cost-efficiency of environmental services* than on the level of *resource-efficiency*[136] *of human activities*. For instance, in the case of Norwegian policies for promoting green buildings, there was a strong belief that "relevant actors, for example in the building industry, will react according to conventional economic theory to price signals and other financial instruments, thus deciding to increase energy standards when prices increase"[137]. Yet, such an approach based on economic incentives gave only modest results in the Norwegian case.

Based on German case studies, Monstadt highlights the necessity to organise, at the urban level, policy dialogues and negotiations with the utility companies in order to "shape and reinforce particular network management strategies which are likely to capture benefits for the region", and in order to facilitate the "delegation of public tasks to the private sector, be it through voluntary and contractual agreements, by means of tendering procedures or via different forms of public-private partnerships"[138].

In practice, the mobilisation of stakeholders may turn out to be a critical point for the success of multi-level governance for energy efficiency, i.e. finding the right balance in the number and range of stakeholders actually involved. Indeed, whereas mobilising a wide range of stakeholders can be beneficial, for instance for facilitating the commitment of additional funding resources and lead to greater societal ownership, limiting the involvement to a core

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[134] Bulkeley and Betsill, 2005, p. 56
[135] Bulkeley and Betsill, 2005; Puppim de Oliveira *et al.*, 2013, p. 140
[136] Bulkeley and Betsill, 2005, p57-58; Ryghaug and Sørensen, 2009, p. 989
[137] Ryghaug and Sørensen, 2009, p. 986
[138] Monstadt, 2007, p. 336

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of selected stakeholders can speed up decision-making processes and reduce bureaucracy[139]. Another aspect relates to the timing of the involvement of stakeholders, where some stakeholders have been involved at an early stage of multi-level governance for energy efficiency, while other stakeholders may be mobilised at later stages, for instance during the implementation or monitoring of the initiatives[140].

To some extent, the degree of mobilisation of stakeholders has a positive effect on the financial structuring of the governance arrangements. Indeed, Jollands et al. found out that there is a correlation between mobilisation and funding symmetry (the higher the number of participants, the greater the funding symmetry)[141]. Finally, it seems that the economic crisis has had an impact on the type of measures that are targeted by multi-level governance for energy efficiency. Indeed, in many cases multi-level governance for energy efficiency are redirecting their efforts towards direct energy efficiency measures, since these have been made possible by the large stimulus packages made available[142]. Typically such measures make multi-level governance for energy efficiency become more dependent on external funds, thus increasing the symmetry between the share of local and national/European investments.

3.5.5 Towards Good (or better) Governance for energy efficiency

There is no "one-size-fits-all" model of governance for tackling energy efficiency issues. First of all, old governance structures may not be effective enough in tackling these goals. Second, the necessity to take into account both the new regulatory and policy framework on the issue as well as the local and regional specificities in terms of geographical and institutional contexts lead to governance arrangements that vary from one urban context to another and is largely path-dependent[143]. Hence, Puppim de Oliveira et al. acknowledge that "an efficient governance structure would therefore be flexible enough to allow for new interests and solutions to emerge, and to adapt to the different political situation faced by cities"[144]. The wide range of actors and sectors involved on the issue of energy efficiency and the evolving regulatory and technical frameworks necessitate a governance process that is relatively open. This is aligned with the conclusions of the SUME project that identifies two main lessons that can be drawn from cities that have successfully implemented sustainable development strategies with a specific focus on resource efficiency: first, an *open planning* processes with broad participation of urban actors and stakeholders; and second, *cross-sectoral policy coherence* by integrating land-use planning with transport, legal structures and incentive patterns, energy planning[145].

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[139] Jollands *et al.*, 2009, p. 25
[140] Jollands *et al.*, 2009, p. 25
[141] Jollands et al., 2009, p. 37
[142] Jollands et al., 2009, p. 35
[143] Puppim de Oliveira et al., 2013, p. 140
[144] Puppim de Oliveira et al., 2013, p. 141
[145] SUME, 2011, p. 16

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First, the literature stresses that the local level is often considered by higher tiers of governments as "a 'black box', disconnected from the global, international and national"[146], due to the large diversity of the geographical and institutional contexts found at this level. Hence, striving for 'local solutions'[147] to tackle energy efficiency issues has often led the local actors to ignore the potential role and influence of policy and politics from other levels of governments in optimising the process. Reversely, the diversity of local institutional settings necessitates from national and European programmes and initiatives a high level of flexibility in the support they grant, both organizationally and financially, to local actors. However, the difficulty to adopt local solutions while at the same time following more mainstream approaches to urban development may lead to potential conflicts. As conjectured by Bulkeley and Betsill in the case-studies of Newcastle upon Tyne and Cambridgeshire, the roll out of complex multi-level and multi-actor governance "including multi-scalar coalitions of state and non-state actors advocating particular discourses of urban development, national planning guidance and its interpretation within the local planning system, transnational networks of municipalities and the funding opportunities and policy priorities of the European Commission" has not been able to effectively incorporate goals of climate protection into policy implementation as it was "undermined by mainstream visions of development and transport planning"[148].

Devising a 'generic' model for Multi-Level Governance for Energy Efficiency that can be applied to a wide-range of territories is not only difficult to conceive and implement from an institutional perspective, but it is also less effective than when policy interventions are built upon local strengths and appropriate local policies[149]. Hence, the *monitoring* of such governance arrangements becomes critical in the policymaking process. This means that, notwithstanding the relational and institutional form it takes, multi-level governance arrangements for energy efficiency need to be confronted to a set of good governance dimensions with associated indicators. In that respect, Puppim de Oliveira et al. have identified four main 'good governance dimensions' that MLG systems should be measured to: Decision-making process; Implementation capacity; City economy and Socio-ecological systems (see table below for more precise information on associated indicators and examples)[150].

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[146] Bulkeley and Betsill, 2005, p. 47
[147] Bulkeley and Betsill, 2005, p. 48
[148] Bulkeley and Betsill, 2005, p. 59
[149] Puppim de Oliveira et al., 2013, p. 147
[150] Puppim de Oliveira et al., 2013, p. 146

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Figure V.   Good governance dimensions and indicators for multi-level governance for energy efficiency

Table 2
Dimensions to assess governance to a green economy in four key aspects of urban economic processes with exemplar indicators.

Dimensions of a good governance system	Good governance indicators	Examples of specific indicators in key aspects of urban economic processes			
		Transformation of space: urban development	Consumption and production in cities	Circulation: trade and transportation	Ecosystem, social and knowledge services
1. Decision-making process (process dimension)	Participation and inclusiveness	Inclusion of disempowered and marginal societal groups to decision-making on urban development	Inclusion of consumer groups in consumption and production in decision-making processes	Existence of mechanisms to consider the urban poor as well as environmental and affordability issues in transportation planning	Existence of a participatory process to promote improvements in ecosystem services and ecological organizations involved in the decision-making processes
	Responsibility and accountability	Appropriate division of responsibilities for managing urban development between local and national governments	Explicit responsibility and competence to pursue sustainable consumption and production in the city	Existence of organizations to ensure institutional coordination and multimodal integration in transport sector	Clear responsibility about who will be accountable for implementing the decisions on improving ecosystem health
	Decision-making effectiveness	Level of actual implementation of urban regional and master plans	Existence of an organization that can influence the quality of the consumption and production patterns	Availability of a well-integrated transport infrastructure in which public and non-motorized options are prevailing	Level of power of the participatory decisions to improve ecosystems' health
2. Implementation capacity (capacity dimension)	Organizational capacity	Existence of sufficient human and financial resources at the local level to develop and implement urban plans	Existence of sufficient institutional capacity to reduce wasteful consumption and promote local production	Existence of local autonomy to provide green alternatives and regulate passenger and freight transportation in the city	Existing capacity in government and non-governmental sectors to monitor ecosystem health
	Formal/informal rule building	Changes in urban planning and land use frameworks to restrict urban sprawl	Changes in urban land use rules to ensure the development of productive landscapes	Existence of management authority on the use of cars in certain parts of the city or at certain times	Changes in land use rules to make ecosystem preservation more attractive
	Behaviour change	Number of buildings registered by green building certification systems	Existence of sustainable local consumption and production networks	Modal share of public and non-motorized transport in the city	Number of organizations developing green practices with impacts beyond the city
3. City economy (green economy dimension)	Resource efficiency	Urban density levels and total land area under development	Level of locally produced goods in city's total consumption	Average travel time and distance in the city	Efficiency in the use of certain scarce ecosystem services
	Responsible consumption	Lower land use change for urban development	Lower amount of natural resources brought in from places outside city boundaries	Reduced use of road-based and private modes for passenger and freight transport	Responsible use of certain ecosystem services
	Internalization of externalities	Incentives to promote compact cities and green buildings	Amount paid for biodiversity conservation by each citizen in average	Incentives to improve public transport infrastructure and ridership	Amount paid for ecosystem services
4. Socio-ecological system (socio-ecological dimension)	Resource conservation	Total and per capita amounts of green spaces, trees in the city	Total land area covered by natural and productive urban landscapes in the city	Decrease in land area covered by roads and car parks and in distance travelled in cars	Decrease in the amount of raw resources coming to the city
	System resilience	Reduction in slums, low-quality buildings and infrastructure, and increase in resource savings	Prevention of over-consumption of agricultural lands and productive landscapes in and around the city	Reduction in the vulnerability of urban transport infrastructure to extreme events and disasters	Reduction in the size of the ecosystems
	Human well-being	Number of people living in good-quality residential areas with access to all necessary utilities	Number of people who consume food produced in ecological agriculture at the local level	Number of people who can access public transport by walking less than a certain distance	Number of people with access to social networks of green product distribution

Source: Puppim de Oliveira et al., 2013, p. 146

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New Opportunities for developing multi-level governance for energy efficiency

Consolidating the decision-making process:

1. The role of public funding is to empower local stakeholders, including investors, citizens and taxpayers, in developing a greener city, since it can act as a stimulus to accelerate the process of institutional reform towards participatory urban planning and development. (p148)
2. Networks of cities and local governments could play a crucial role in this respect. (p149)
3. Decentralization could help to overcome the "implementation deficit" at the local level arising from the lack of resources and capacity of local governments. (p149)
4. Overcoming administrative boundaries through local-local cooperation agreements: create economies of scale that are more attractive for non-governmental partners, including private initiatives. (p149)

Improve implementation capacity:

1. Improving organizational capacity by community-based initiatives. (p149)
2. Fiscal instruments such as feed-in tariffs to offset the higher cost of green technology installation and clean energy usage have been shown to be effective, whilst incentives or disincentives (e.g. preferential tax treatment/exemption) to prevent urban conversion of agricultural land or to encourage land developers to build green open spaces may also be considered. (p149)
3. Green public procurement (p149)
4. Defining regulations or caps for emissions in buildings and industrial processes by local governments. However in order to be more efficient, such mechanisms must be inspected and followed by sanctions in the event of noncompliance. (p150)
5. Economic mechanisms: payment for ecosystem services in urban areas. Economic compensation for stakeholders providing environmental goods and services otherwise not captured by the market has been proposed as a means of improving sustainability and economic development (TEEB, 2010). (p150)

Source: Puppim de Oliveira et al., 2013, pp148-150

In a reverse line of thought, Golubchikov and Deda have identified the main *bottlenecks* to the establishment of multi-level governance for energy efficiency, linked to the key 'in' conditions developed by the UNECE. Such a way of thinking provides rather concrete support to the policymakers at different levels to 'flag' some potentials problems in the different MLG arrangements that are being developed and thus to improve the overall decision-making and implementation process in a more incremental way.

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Figure VI. Conditions for multi-level governance for energy efficiency and potential barriers

Table 1
Key conditions and barriers to improved energy efficiency in housing.

Conditions	Barriers
Incentives	Low priority for energy efficiency Energy price subsidies Split incentives or principal-agent problem (e.g. owners vs. tenants) Poor enforcement of standards, corruption
Information	Information asymmetries Lack of awareness Lack of knowledge and expertise
Initiative	Lack of management or leadership Fragmentation of the buildings sector Poor coordination and communications Political, organisational and structural barriers
Innovation	Path dependence in decision making Technological lock-ins Market barriers for efficient technology Technological backwardness, territorial inequalities Lack of affordable technologies, loss of traditions
Investment	Short-term investment horizons Uncertainties, risk Lack of financial capacities, limited affordability High 'transaction costs', high upfront costs Opportunity costs barrier

Source: Golubchikov and Deda, 2012, p. 735

To some extent, a great share of the literature treats the issue of MLG arrangements in a rather conceptual, and thus often abstract, manner. This is due to the fact that such arrangements are highly sensitive to the existing institutional context, both at national and regional/local levels. In that respect, the study commissioned by the IEA on "Innovations in Multi-Level Governance for Energy Efficiency" provides more empirical views on these MLG arrangements. There are as many possible arrangements as practice cases, and each arrangement is a specific combination of different governance aspects (as already pointed out in the chapter on "Framework for MLG analysis").

Nonetheless, the study provides some interesting insights on the *motivations* behind the establishment of MLG arrangements. Indeed, the most usual motivations for engaging into multi-level governance for energy efficiency are the compliance with national/international legal provisions, the prospect of economic development and national government outreach to local communities (which are much better connected to citizens' needs)[151]. Moreover, the use of concrete objectives appears to be central in the operationalization of such arrangements. Using such objectives may galvanise (a) efforts to work towards a common aim, (b) the allocation responsibilities for action, and (c) the definition of parameters to guide

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[151] Jollands et al., 2009, p. 22

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the evaluation process[152]. At the same time, actors admit that targeting multiple objectives may be detrimental to the outcome of MLG arrangements. Indeed, setting too many goals at once may lead to an ineffective spreading of resources and/or a loose focus[153]. Hence, the establishment of multi-level governance for energy efficiency requires a high level of *prioritisation* in case multiple objectives are targeted.

With regards to the scope and structure of multi-level governance arrangements for energy efficiency, it seems that the most common way of designing such arrangements is through bilateral coalitions[154], which engages only two levels of government within the same arrangement. Furthermore, the point is made in the previously mentioned study that most of the MLG arrangements studied have *strong top-down characteristics*. Two important findings from the study is that (1) multi-level governance for energy efficiency initiatives tend to be heavily asymmetric in their funding, i.e. funded in majority with funds coming from higher levels of governments (national and European) and (2) all top-down case studies used modes that are either based on a governance by provision or governance by enabling approach[155]. While this shows that local governments are willing to engage in multi-level governance arrangements to promote energy efficiency if given the institutional and financial conditions to do, the over-reliance on external funding may jeopardize the long-term commitment when or if the funding stops. This view is not negligible in the current budgetary problems found in many European countries. Hence, the study conjectures that "overarching European objectives need to be sensitive to the local needs and priorities otherwise there runs the risk of local 'decommitment' in achieving these objectives"[156].

An important element of MLG is their *accountability*. This is necessary as multi-level governance for energy efficiency is usually financed by public funds[157]. Accountability is very much connected to the monitoring of the process and outcome of specific initiatives. Most common in the case studies are regular external and/or internal monitoring.

Whereas the design and implementation of MLG arrangements are rather recent in the field of Energy Efficiency of the Built Environment, it could be enlightened by the experiences and lessons drawn from a more established policy field of multilevel, multisectoral and multiactor cooperation arrangements: Integrated Water Management. Changes in the governance and management of water issues have been long identified as a key success factor for making Water Management more efficient. Especially, the importance of sharing experiences and good practices, participation and information systems has been brought to the fore in international fora[158]. In a recent report commissioned by the OECD[159], four main challenges to the governance of Water Management have been identified, and those are very similar to

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[152] Jollands et al., 2009, p. 23
[153] Jollands et al., 2009, p. 23
[154] Jollands et al., 2009, p. 24
[155] Jollands et al., 2009, p. 28
[156] Jollands et al., 2009, p. 28
[157] Jollands et al., 2009, p. 33
[158] Akhmouch (2012) Condition for Success 1 ''Good Governance'', OECD. http://www.oecd.org/gov/regional-policy/Report_CG_CS1_Good_Governance_EN.pdf
[159] OECD (2011) Water Governance in OECD Countries: A Multi-level Approach, OECD. http://www.oecd.org/gov/regional-policy/watergovernanceinoecdcountriesamulti-levelapproach.htm

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the ones found for Energy Efficiency issues: the *funding gap* (i.e. the mismatch between funding capacities and responsibilities between the local and national levels), the *capacity gap* (i.e. the shortage of organizational capacity at the sub-national level to tackle those issues efficiently), the *policy gap* (due to the fragmentation of responsibilities across tiers of governments) and the *administrative gap* due to the geographical extent of water issues across administrative boundaries requiring inter-municipal or -regional cooperation arrangements. The recognition of the interplay between these four governance challenges calls for a *holistic approach* for tackling water management issues. Finally, the literature on Integrated Water Management emphasises the need to work on both a more efficient use of resources (i.e. water) and a better management of the demand for that resource[160]. The acknowledgment of the necessary interplay in the policy design and implementation between the two concepts of *Resource Use Efficiency* and *Resource Management Demand* ought to be brought in the debate on policies for a more energy efficient built environment.

Some identified pitfalls of Urban Governance on Energy Efficiency

- Lack of effective regional governance structure within functional metropolitan territories;
- Insufficient cooperation between sectors of public policy targeting the urban fabric (transport, zoning, land-use and building standards);
- Lack of targeted approaches and monitoring mechanisms;
- Political short-termism and the shifting orientation of policy makers over time;
- Current economic recession and budget cuts that affected not only local public actors but also key sectors such as banks, building…;
- Over-reliance on private sector-led development, and over-delegation of public duties to private actors.

Source: SUME, 2011

3.5.6 Main conclusions for conducting the case studies

In addition to the general conclusions deriving from the literature review (see section 3.1) there are also some specific lessons to be learned for the case studies on energy efficiency. The following paragraphs summarise main points from the literature which informed the development of the case study methodology. References are made to specific features that have been considered in the case study template and will be considered in the comparison and analysis of the case studies. The references in the text refer to the sections of the case study template presented in chapter 5. Overall, the types of coordination, organisational capacity, stakeholder mobilisation, governance modes and the relationship between political and administrative stakeholders have been stressed by the literature review. The latter will be taken into account especially in the interviews conducted for each cause study. Different formulations of the questions might be needed between interviewees of the political level and administrative level.

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[160] IWRM Toolboxes http://www.pacificwater.org/pages.cfm/resource-center/water-tools/iwrm-toolboxes-1/

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- Energy efficiency interventions tend to be focused in urban areas, because there is largest potential leverage for 'delivering' results. These interventions are enabled through the evolution of institutional and regulatory frameworks set at national and European levels. Vertical types of coordination are considered in the case studies and are included in the strategic context of the case studies (section 3.3 of the case study template), where regulatory frameworks at various levels are to be examined as well as partnerships with other governmental layers. Involvement of local stakeholders representing specific sectors or corporations (i.e. energy companies, housing sector, building sector), issues of green public procurement and the payment of ecosystem services compensations represent key leverages with regards to the local implementation of energy efficiency measures (section 3.3).

- Challenges, as asymmetrical funding, will be analysed under the implementation heading in the case studies (co-financing is introduced under 3.4.1 vertical coordination and further elaborated under 4.1 and 4.5). The literature points at challenges related to the implementation of energy efficiency measures at the local level (challenges are mentioned under 4.7 and further discussed in part 5).

- Vertical and horizontal types of coordination are also part of the strategic context of the case studies in energy efficiency, as energy efficiency seeks cross-sector coherence (see table under 3.3 and section 3.4). These regulatory frameworks will be examined per case study area, as well as the sector covered by the single case studies.

- The other aspect of horizontal coordination is a partnership approach which is often present in energy efficiency policies, programmes and projects. This is introduced under the strategic context (section 3.4.2) in the case studies and further examined under the implementation heading (in section 4.1 under the volume of the case study or, how are various actors involved and stakeholders mobilised in 4.2 and .3). Partnerships in energy efficiency often included many private actors. Role and extent of their involvement will be taken into account when the cases are examined.

- New forms of organisations, structures and changes in the multi-level governance that were introduced and adjusted for energy efficiency are at the core of the implementation part of the case studies (sections 4.5 – 4.8). Here it will be examined how the case study areas address the main identified pitfalls on energy efficiency as listed above. Four main challenges from the literature are; a funding gap (measures 4.1), capacity gap (4.5), policy gap and an administrative gap. These challenges are also part of the successes and failures part in the template (part 5).

- Accountability and monitoring are relevant to develop better practices of multi-level governance in promoting energy efficiency. The transferability of the case studies for next steps in this research will be addressed by each case study under the success and failures and the transferability and lessons learnt part of the template (part 5 and 6). Of particular interest are the implementation and successes and failures part where the

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changes in structure and arrangement are examined along the policy cycle (sections 5.1 – 5.4).

3.6 Social Inclusion in an urban context

Social inclusion is highlighted as one of the key goals in EU's growth strategy for the coming decade, the Europe 2020 Strategy. Under the framework "inclusive growth", the initiative "European Platform against poverty and social exclusion" has been undertaken. The platform is one of seven flagship initiatives of the Europe 2020 Strategy. The overall target of the platform is to lift at least 20 million people out of poverty and social exclusion by 2020. The Platform was launched in 2010 and will stay valid until 2020.

The Platform has the following components for action:

- Actions taken on different policy fields such as the labour market, minimum income support, healthcare, education, housing and access to basic banking accounts.
- Better use of EU funds to support social inclusion.
- Promoting evidence of what does and does not work in social policy innovation.
- Working in partnership with civil society to support more effectively the implementation of social policy reforms.
- Enhanced policy coordination among countries has been established through the use of the Social OMC (open method for coordination for social protection and social inclusion) and the Social Protection Committee in particular.[161]

In the light of the economic and financial crisis throughout Europe, issues of social exclusion and poverty have been even more urgent to address within the EU. It is stated by Daly that "the fact that in Europe 2020 poverty is included in the same framework with employment and industrial policy seems like a significant step forward."[162] Traditionally, the issue of poverty has been essentially tackled at the member-state level through a process of income redistribution. Such redistribution process include pensions, unemployment benefits or social security transfers. This traditional national focus means that there is a strong level of national inertia in the extent to which and how these issues are dealt with within the EU. Hence, the inclusion of the issues of Poverty and Social Inclusion as flagship initiatives in the EU2020 Strategy is considered a way to reduce the inter-state disparities in these issues and develop synergies and leverages in the initiatives aiming at tackling joint or shared issues across national boundaries, as for the case of the exclusion of Roma people.[163]

Thus, it is considered positive that the social dimension of growth is highlighted in the Europe 2020 Strategy through the "inclusive growth"-target. There is however no distinct Community policy to address the issues of social exclusion and poverty but the structural funds and cohesion funds have an important role to play when it comes to reducing social exclusion. The national level has a key role in setting up policies to enhance social inclusion but regions

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[161] http://ec.europa.eu/social/main.jsp?catId=961&langId=en

[162] Daly, 2012, p.275

[163] European Commission (2011) An EU Framework for National Roma Integration Strategies up to 2020, COM(2011) 173/4

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and cities are important since they implement policies, programmes and projects. Especially local authorities and even neighbourhood authorities in cities have a key role to play when it comes to for example income support, implementing family policies, prevention and treatment of drug abuse and taking measures to improve the situation for homeless persons.

Especially 'social exclusion', and but also the related concept of 'poverty', can be defined in many various ways although poverty often is defined as either 'absolute poverty' or 'relative poverty'. In the TIPSE Interim report, social exclusion is distinguished from poverty by claiming that it:

- tends to characterise groups, rather than individuals;
- tends to relate not only to physical wellbeing and income level but also to inclusion/exclusion on the labour-market, citizen participation (democracy) and access to associations and civil society in general.
- tends to be more used in continental Europe in opposition to 'poverty' which tends to be more used in the UK and Ireland.[164]

From a territorial perspective, social exclusion and poverty is mostly associated with urban areas in the old EU Member States, as well as in the Nordic countries whereas in the new EU Member States poverty is mostly associated with rural areas.[165] This means that the national policies dealing with poverty in different countries may target different types of territories, which makes a pan-European approach more difficult to undertake. However, in both the new Member States and the old ones, there is a strong regional dimension to social exclusion. European cities experience increasing social exclusion, and this development has been reinforced as a consequence of the economic and financial crisis. The urban context is where social exclusion and socio-economic differences are most obviously perceived. At the same time, cities play a crucial role in governance arrangements to fight social exclusion[166] and the urban setting thus is an important arena for new and innovative governance arrangements, especially arrangements involving civil society actors.[167]

3.6.1 Multisectoral approaches to Social Inclusion policies

The interplay between several policy sectors and ministries are often required at the national level in order to design policies tackling social exclusion. Social exclusion and poverty is addressed by combining social protection policies and labour-market policies.[168] Closely related to labour-market policies are also education policies which are of crucial importance to reduce social exclusion. Prevention of social exclusion and poverty is also addressed very differently in different EU Member States. Whereas the literature usually refers more to social *exclusion* than to social *inclusion*, the latter can be approached through the concept of welfare policy systems or regimes.

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[164] ESPON TIPSE Interim report, p. 2
[165] ESPON TIPSE Interim report, p. 4
[166] Committee of the Regions, 2013
[167] Gerometta et al., 2012
[168] OECD, 2013

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A commonly used classification of European welfare policy regimes is the one developed by Esping-Andersen. The *social democratic welfare state* is based on the idea of the egalitarian universal welfare state. The Nordic countries are typically characterised as social democratic welfare states. The *neo-liberal welfare state* is based on the idea of personal engagement, private welfare solutions and limited state intervention. Esping-Andersen characterises the UK and Ireland as neo-liberal welfare states. The third model is the *conservative-corporatist model* based on the idea of the predominantly male breadwinner and the family or the voluntary sector typically providing care. Esping-Andersen links the conservative-corporatist model to Germany, France and Italy.[169] The three models are of course to be considered as ideal types and to characterise the current welfare systems in Europe there might be need to extend the spectrum of models. In the TIPSE Interim report it is stated that the "policy outcome in each of the Member States reflects a unique balance between social and political "culture", differing availability of resources, specific geographic characteristics, and governance structures"[170].

Despite differences, traditionally throughout Europe there has been a focus on poverty reduction by income redistribution. The focus shifted in the 1990s towards more active inclusion measures by a stronger emphasis on labour-market initiatives. Inclusion through better integration in the labour-market was also the main focus of the Lisbon strategy and currently also in the Europe 2020 Strategy.[171] There is also a tendency towards a stronger focus on minorities and vulnerable groups throughout Europe. The development also goes towards a stronger focus on neoliberal measures and deregulation of the welfare sector.

In the ongoing ESPON TIPSE project, it is conjectured that the regional level provides a pertinent level for conceptualizing and analysing the integration of policies in a place-based perspective. Hence, it is acknowledged that "poverty and social exclusion are multidimensional, and it is important that the relevant policies should be multidimensional, rather than remaining within sectoral boundaries. Horizontal and vertical policy integration with a focus at the regional level would enable policy development to go beyond sectoral boundaries and have access to a more detailed level of data and sensitivity, while responding in an integrated manner. Regional focus would offer the possibility of integrative governance.[172]

3.6.2 Coordination and Integration of policies at national and EU level

Cohesion Policy plays a role when it comes to reducing social exclusion, but policies to tackle poverty and social exclusion are still mainly organised at national level.[173] The subnational level also has an important to play when it comes to the implementation of policies aiming at reduction of social exclusion. 16% of subnational expenditure is spent on

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[169] ESPON TIPSE Interim Report - Appendix, p. 24
[170] ESPON TIPSE Interim report, p. 5
[171] ESPON TIPSE Interim report, p. i
[172] ESPON TIPSE Interim report, p. 47
[173] ESPON TIPSE Interim report, p. 4

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social services and therefore it is claimed that regional and local authorities should play a key role in reaching the targets of "inclusive growth' of the Europe 2020 Strategy.[174]

There is no formal common EU policy to address social exclusion, but the "inclusive growth" target of Europe 2020 and the flagship initiatives focusing on these issues points towards a more direct involvement of the EU Commission.[175] Other examples include the 2013 EU Social investment Programme and the 2011 EU framework for Roma inclusion.

The Social Open Method for Coordination (OMC) is a governance tool based on objectives common for all the EU Member States. The method serves as a supplement to legislative and financial instrument of social policies in the Member States.[176] The Social OMC aims at supporting Member States in the development and implementation of their social policies and it also encourages cooperation between the Member States.

This method is claimed to be an "innovative but loose open method of coordination (OMC), which [do not aim] higher than 'coordination' of Member State social policy in particular spheres."[177] Scholars in political science have defined OMC as a fifth mode of policy-making within the EU focusing on policy coordination, adding to the other four modes; trans-governmentalism, distributional policy, regulatory policy-making and the traditional Community method.[178]

As acknowledged by Armstrong, "The use of EU funds to achieve social aims is a powerful expression of solidarity in the EU as well as a lever to support economic reform."[179] As for the 2014-2020 period the EU Commission proposed that minimum 20% of the European Social Fund (ESF) should be allocated to social inclusion. Armstrong claims that the critical point is the integration of such policies and initiatives within the wider framework of Cohesion Policy and Europe 2020, and often leading to social inclusion initiatives focusing on employment measures. A concern from Armstrong is that the convergence between Cohesion Policy and Europe 2020 may lead to an increased hand of national governments in the design and implementation of social inclusion policies.

Within the flagship initiative "European Platform against poverty and social exclusion" the EU Commission has held two stakeholder meetings per year during 2011-2012. In addition, the EU Commission has arranged annual conventions at the end of 2011 and 2012. The events have gathered representatives of public authorities and NGOs as well as high-level representatives. However, there is still an ongoing discussion about the purpose and focus of "European Platform against poverty and social exclusion", as well as the role of the Open Method of Coordination in addressing poverty and social exclusion.

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[174] Committee of the Regions, 2013
[175] TIPSE Interim report, p. i.
[176] European Commission, 2013 (web)
[177] Daly, 2012, p. 275
[178] de la Porte and Pochet, p. 339
[179] Armstrong, 2012, p293

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Thus, the development has moved from the use of Open Method of Coordination to the use of a platform as a new mode of governance. One of the advantages of the platform is that it brings up real-life examples from different parts of the EU aiming at increasing social inclusion. [180] It is stated that: "Policy coordination could now be analysed in conjunction with other instruments, such as 'platforms' or 'flagship initiatives' that have been introduced via the Europe 2020 Strategy."[181]

The innovative aspect of the Platform method is highlighted by Daly (2012): "The term 'platform' is meant to refer to a hub or host of initiatives oriented to bringing about social and territorial cohesion. The rhetoric around the Platform emphasises especially innovation and experimentation in social policy – 'innovative social protection intervention' "[182]

The question whether the Europe 2020 guidelines and the National Reform Programmes can be a replacement of the social OMC is raised by Armstrong (2012):

"It will be argued that while policy coordination as a technique of EU governance appears to be resilient, the discrete social OMC process has apparently been held in abeyance. What remains at issue is whether policy coordination through the Europe 2020 guidelines and the National Reform Programmes can act as a vehicle through which to mainstream policy responses to the sorts of challenges previously addressed by the social OMC." [183]

According to Bieling, the recent financial and budget crisis that has hit the EU has changed the landscape for the funding of social inclusion policies in member-states. Indeed, he acknowledges that "as always in times of economic crisis and rising unemployment – particularly in countries with comprehensive welfare regimes – social expenditures increased while revenues in the form of taxes or social insurance contributions diminished."[184] This picture has been confirmed in the 8th Progress Report June 2013.[185] It can be conjectured that the reduction of the funding capability at national level may be partially compensated by more targeted funding from both European and subnational levels (especially large cities). Furthermore, the reduction of funding may lead to more innovative forms of financial arrangements bringing higher leverage effect for achieving the objectives set out in the flagship initiatives.

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[180] Committee of the Regions, 2013, p. 17; Copeland and Daly, p. 277
[181] Copeland and Daly, p. 339
[182] Daly, 2012, p. 276
[183] Armstrong, 2012, p. 293
[184] Bieling, 2012, p260
[185] European Commission (2013) Eight progress report on economic, social and territorial cohesion. The regional and urban dimension of the crisis.

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3.6.3 Modes of Stakeholder engagement for Social Inclusion

As mentioned before policies to prevent social exclusion are primarily developed at national level. Social protection systems (family allowances, pension systems etc.) are in most Member States decided and financed at national level, although there are deviances from this especially in the federal states. Labour-market policies are often also developed and labour-market measures are financed at national level. Different stakeholders, such as labour unions, business representatives and NGOs are often – in some way – involved in the formulation of both social policies and labour-market policies at national level. Furthermore, the 2013 EU Social investment Programme encourages Member States to reorient "towards social investment where needed, with a view to ensuring the adequacy and sustainability of social systems while linking these efforts to the best use made of the EU funds, notably the ESF"[186]. On the one hand Member States are urged to take advantage of ESF (which in many Member States are usually managed at national level), and on the other hand "member States are urged to strengthen the involvement of relevant stakeholders at all levels, most notably social partners and civil society organisations, in the modernisation of social policy as part of the Europe 2020 Strategy"[187]. Another example of EU encouragement for adopting multi-level governance arrangements where national, regional and local level together with civil society contribute to social inclusion, is the 2011 EU framework for Roma inclusion. EU encourages Member States to develop national roma strategies, but emphasises that the strategies should "be designed, implemented and monitored in close cooperation and continuous dialogue with Roma civil society, regional and local authorities".[188]

In most Member states the urban and regional levels play an important role when it comes to the implementation of policies formulated to tackle poverty and social exclusion. NGOs are also involved at regional and local level. In addition, citizen participation becomes most concrete at local and even neighbourhood level.

In that framework, the Committee of the Regions (CoR) acknowledges that subnational authorities tend to see the Europe 2020 Strategy as positive as it provides a "common language" for different levels in the political and administrative system as well as other stakeholders. At the same time, the CoR underlines that there is generally a lack of partnership and coordination between different government levels in National Reform Programmes (NRPs). It is claimed that the NRPs do not respond to the regional needs.[189]

As already mentioned the importance of involving regional and local stakeholders is often emphasised since they have an important role to play in the implementation of social policies. The involvement of civil society actors as well as citizen participation is also

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[186] European Commission (2013) Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020, COM(2013) 83 final, 21
[187] Ibid, p22
[188] European Commission (2011) An EU Framework for National Roma Integration Strategies up to 2020, COM(2011) 173/4, p9
[189] Committee of the Regions, 2013, p. 16-17

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highlighted. The added-value of involving local actors concerns also their good knowledge and understanding of the social exclusion patterns within their territory which may allow for a better design and implementation of social innovative measures.

In an urban context, citizen participation can typically be neighbourhood initiatives where citizens can see direct effects of their engagement.[190] More "loose" and innovative governance arrangements such as neighbourhood initiatives also tend to replace traditional participation and engagement through for example trade unions and church organisations.[191] Thus, the urban setting can serve as *"a scene for experimenting with new social innovative modes of governance".[192]*

Eizaguirre et al. (2012) however emphasise that there are challenges when it comes to citizen participation in urban governance:

"Two paradoxes characterise citizen participation as a key feature of urban governance. The first is that the power of the state is not necessarily diminished, despite the emerging plurality of actors engaged in governance. For example, in new public management the impact of accountability as a bureaucratic practice hinders the creative democratic initiatives of citizens. The second paradox is that the spread of participatory practices as an integral element of new modes of governance does not necessarily empower citizens".[193]

Recent empirical studies have pointed out to the complex relationship at the subnational level between modes of stakeholder participation and welfare policy regimes. This can be illustrated by looking at two very different city regions, Stockholm and Athens, both struggling with urban segregation. Following the model by Esping-Andersen (see section 3.4.1 above) Stockholm (i.e. Sweden) belongs to the social democratic welfare state, whereas Athens (i.e. Greece) belongs to the conservative-corporatist model.

Case study research shows that even in Greece, where the welfare state is weaker than in the Nordic countries, and where family and civil society has had a relatively strong importance for welfare, the debate of welfare provision today, in the wake of the debt crisis, is confronted with stronger involvement from NGOs and private companies. There is a wide discussion in Greece about the benefits of the social economy and the involvement of the third sector in social protection systems[194]. Challenges relate to a fragmentation of the welfare system and corruption. Nevertheless research shows that the family unit still is an important safety net in the conservative-corporatist countries, and that informal networks of support have developed based on kinship and neighbouring relationships[195].

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[190] Gerometta et al., 2005
[191] Gerometta et al., 2005
[192] Gerometta et al., 2005
[193] Eizaguirre et al.,2012, p. 12
[194] TIPSE project, case study report Athens
[195] See for instance Wall, K., Aboim, S., Cunha, V. & Vasceoncelos, P. 2001

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At another end of the spectrum, in the city region of Stockholm, where welfare traditionally has been centralised by national government, challenges relate to the vertical integration of policy initiatives. Local authorities, in neighbourhoods with relatively high levels of social exclusion, may well have developed policy measures across sectors, but if the regional level does not contribute to such policies the risk is high that local policies fail, even though such policies are often supported by national government. Urban segregation patterns have to be understood on micro level, but policies have to incorporate the whole region[196].

Nevertheless, even in the social democratic welfare states, the changing role of civil society, companies and NGOs in relation to the national actors is discussed. From a Nordic perspective, there is evidence for decentralisation, allowing for considerable local manoeuvre for developing policy instruments. This trend together with the introduction of self and market governance can challenge the universalistic welfare model[197]. Another challenge to this universalistic approach is the increased amount of informal cares, sharing resources of municipalities[198].

Without going into detail and distinguishing the relation between welfare states and the role of different stakeholders, it is at this stage important to emphasise the main differences between the emerging welfare regimes of the post socialist states and the more established ones of Western Europe. The former, which are seen as transitioning into the different welfare models of Western Europe, are confronted with "low levels of trust" and lower levels of social programmes[199]. In the Baltic States for example, some elements of the Nordic welfare model have been adopted[200]. Hence, the evolution of the national institutional system in certain countries, especially in Eastern Europe, has a direct impact on the capacity of sub-national governments to address social inclusion and welfare issues locally.

3.6.4 Towards Good (or better) Governance for Social inclusion

As stated above, poverty and social inclusion issues are multidimensional, and it is important that the relevant policies become multidimensional (vertical and horizontal integration), rather than remaining within sectorial boundaries. Empirical evidence from case study work within TIPSE provides further insights towards achieving good governance of social inclusion. In short, two case studies within the TIPSE project have carefully investigated micro level urban dimensions of social exclusion and find similar conclusions. More specifically the case studies in Stockholm and Athens demonstrate that sector based policies have to be transformed into area-based policies. At the same time, indicators to monitor especially urban segregation patterns should be available at NUTS 3, LAU 1 and LAU 2 levels where the dynamics of segregation are most visible (cf. TIPSE, case study reports). Hence, access

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[196] TIPSE project, case study report Stockholm

[197] Burau, V., & Vabo, S.I. (2011) Shifts in Nordic welfare governance: introduction and outlook. International. Journal of Sociology and Social Policy, 31(3), 140-147

[198] Häikiö, L., & anttonen, A. (2011). Local welfare governance structuring informal carers' dual position. Journal of European Social Policy, 11 (3), 213-233

[199] Fenger, H. (2007) Welfare Regimes in Central and Eastern Europe: Incorporating Post Communist Countries in a Welfare Regime Typology (www.journal.ciiss.net/index.php/ciiss/article/download/45/37), as reviewed in TIPSE project

[200] Trumm, A. (2003) Recent developments of Estonia's social protection system, Department of Sociology and Social Policy University of Tartu. Available at: http://siteresources.worldbank.org/INTECONEVAL/Resources/EstoniaSocialPolicyReview.pdf

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to information appears to be a precondition for the development of effective MLG initiatives for promoting social inclusion.

Consequently, availability of data and indicators appear to be relevant in informing adapted policy responses to social exclusion patterns. The "European Platform against poverty and social exclusion" proposes that especially certain fields should be monitored including, labour market, minimum income support, healthcare, education, housing and access to basic banking accounts. Moreover, the platform promotes exchange of experiences and information based on evidence of what does and does not work with regards to social policy innovation in Europe.

A fundamental challenge related to this, lies in analysing a common set of indicators across sectors and between administrative levels. Conclusions from ESPON TIPSE emphasise that "poverty/social exclusion is a very elusive and contested concept, and is therefore difficult to operationalise into a set of agreed indicators. Even EU level policy appears to shift, for example, between a focus on social exclusion and a focus on poverty, and between emphasising its institutional and power related nature and the personal responsibility apparent in 'active inclusion"[201].

The 2009 update[202] (EC, 2009) of the portfolio of indicators for the monitoring of the Europe Strategy for Social Protection and Social Inclusion provides a range of indicators, predominantly income and labour market oriented, but also including health, education, material deprivation and housing. However, these indicators do not focus on the broader spheres of social life, including political and cultural arenas[203]. Hence, it is argued that there are four main types of information that need to be gathered for understanding social inclusion potential in a territorial perspective:

- earning a living (for example income and employment);
- access to basic services (for example health, education, housing and transport);
- social environment (for example age, safety, immigration);
- political participation (voters, civic engagement).

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[201] TIPSE, interim report, annex 1, p 32
[202] European Commission (2009) PORTFOLIO OF INDICATORS FOR THE MONITORING OF THE EUROPEAN STRATEGY FOR SOCIAL PROTECTION AND SOCIAL INCLUSION – 2009 UPDATE
[203] Madanipour, A., Cars, G. and Allen, J. (2003) Social Exclusion in European Cities, London: Routledge, as reviewed in TIPSE Interim report, Annex 1, p32

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Possible topics for a mid-term evaluation of the flagship initiative

1) Take stock of the results of the Europe 2020 strategy and assess – from the point of view of regional and local authorities - the European Semester and Europe's economic and financial governance, with a particular focus on the further development of a social dimension of the EMU.

2) Ascertain whether priorities and approaches of the Europe 2020 strategy, in particular the headline target on poverty reduction and social inclusion, are still appropriate in view of the economic situation and public finances.

3) Respond to the need for a more systematic insight and enhanced EU policy coordination, which takes account of regional and local responsibility for social services.

4) Identify financial bottlenecks hindering the implementation and impact of the Europe 2020 strategy and the achievement of the headline target at regional and local level.

5) Address the governance gap in the Europe 2020 strategy and the need to systematically involve European, national and regional parliaments in the European Semester and the mid-term review of the strategy.

6) Increase involvement of regional and local authorities and other stakeholders in drafting National Reform Programmes and national strategies with regard to poverty reduction and social inclusion.

7) Develop the regionalisation of 2020 headline targets and the timely collection of data at regional and sub-regional level in the field of poverty and social inclusion as well as on public expenditure and investment in this respect in order to improve the knowledge base and to inform policy-makers.

8) Acknowledge the role of regional and local authorities in the implementation of EU programmes, particularly with regard to EU programmes 2014-2020, and organise regular transnational and inter-regional exchange on regional strategies and local approaches as regards Europe 2020 and the fight against poverty and social exclusion.

Source: Committee of the Regions, (2013) Fighting Poverty and Social Exclusion. What role for regions and cities? Brussels 29th May 2013, Background Note

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3.6.5 Main conclusions for conducting the case studies

In addition to the general conclusions deriving from the literature review (see section 3.1) there are also some specific lessons to be learned for the case studies on social inclusion. The following paragraphs summarise main points from the literature which informed the development of the case study methodology. References are made to specific features that have been considered in the case study template and will be considered in the comparison and analysis of the case studies. The references in the text refer to the sections of the case study template presented in chapter 5. Overall, the types of coordination, organisational capacity, stakeholder mobilisation, governance modes and the relationship between political and administrative stakeholders have been stressed by the literature review. The latter will be taken into account especially in the interviews conducted for each cause study. Different formulations of the questions might be needed between interviewees of the political level and administrative level.

- Coherence of the policy interventions between policy sectors (e.g. education, provision of services of general interest, labour-market and employment) is a critical factor for the success of social inclusion projects, programmes, and policies. This horizontal coordination is part of the strategic context of the case studies, which includes a presentation of the relevant policies and bodies at the various levels (table in section 3.3). Which policies and bodies are relevant depends on the dimension of social inclusion at stake. The four case studies on social inclusion address for example, integration and segregation policies in Stockholm (Sweden), segregation and spatial planning policies Pomorskie Region (Poland), migration and integration polices in Timisoara (Romania) and unemployment and entrepreneurial policies in Liverpool (UK).

- All vertical levels of coordination are relevant and included in the strategic context. Social inclusion issues can be related to the welfare model of a country (national level), and they can also play a major role at the local and even neighbourhood levels (this is included in section 3.4.1). The involvement of regional and local authorities is challenging and forms a central element in the case studies. The main levels in this process of vertical coordination are mentioned in strategic context. How to mobilise local actors is examined under the implementation part of the case studies (sections 4.2 and 4.3).

- Another challenge that will be addressed in the case studies is the issue of asymmetric funding in social inclusion. Measures for the policy, project or programme are to be discussed in the implementation part, as well as under the organisational capacities in the same part (co-financing is introduced under 3.4.1 vertical coordination and further elaborated under 4.1 and organisation capacities 4.5).

- Although the objective for social inclusion initiatives is the partnership approach, private actor involvement seems to be under developed. Also the participation of citizens and civil society is relevant for social inclusion. The case studies examine this horizontal

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coordination (section 3.4.2). This will be described in the strategic context and further examined in the implementation (4.2 and 4.3), for example by looking at the actors involved and how they are mobilised to be involved in the multi-level governance. For social inclusion this can also mean citizen participation in the projects, especially at the neighbourhood level. Differences in terms of national welfare systems as well as different regional cultures will be taken into account in the case studies.

• Accountability and monitoring are relevant to develop better practices of multi-level governance in promoting social inclusion. The transferability of the case studies for next steps in this research need to be made clear per case study under the success and failures and the transferability and lessons learnt part of the template (part 5 and 6). Of particular interest are the implementation and successes and failures part where the changes in structure and arrangement are examined along the policy cycle (sections 5.1 – 5.4).

4 Task 2: Call for partnership

Two twinning partners for each case study are to be selected rather early during the project. This involves raising interest among potential twinning partners and also organising the declaration of interest and selection process. The selection approach will not only have to take care of a formally appropriate selection process but will also have to maximise added value for both partners involved – case study and twinning partners.

4.1 Informing about the call

The project team presents the possibility to apply as twinning partner via the internet. At http://www.spatialforesight.eu/2020.html the information about the case studies and the twinning process is presented. This includes (a) a short text on the aim of the project and twinning exercise, (b) a short presentation of the eight case studies and what could be learned from them, (c) information about the possibility to apply as twinning partner and (d) an online application form.

The site has been gradually developed during October and November 2013 and presented to DG Regio for double-checking, before the dissemination of the link.

The dissemination of the link is done via various networks and websites. In order to have a broad coverage, information about the call for twinning partners has been spread via links from various different websites and new channels (e.g. DG Regio, CoR, Interact, METREX, Urbact as well as partners in the study team).

4.2 Application process

The application form needs to be easy to fill in and at the same cover sufficient information for the selection process. It will gather strategic information concerning the interest in the twinning exercise, the commitment from relevant political and administrative stakeholders, expectations with regard to the twinning meeting and envisaged use of the twinning results.

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Main points for the application form are:

- Case study that is of interest for the twinning (Indicate first and possibly second choice).
- Name and contact details of the applicant.
- Policy context concerning current work on implementing aspects of the Europe 2020 Strategy in the area.
- Governance context for the theme of the case study (i.e. which levels and key stakeholders need to be taken into account).
- Possible events that may change the context of implementing action plans concerning the implementation of Europe 2020 (e.g. forthcoming elections, changes in government structures, new policies coming into force).
- Expectations as regards the outcome of the twinning exercise (i.e. rational for the application).
- Possibilities and commitment to transfer results from the twinning exercise into concrete action (plans).
- Commitment from relevant administrative and political stakeholders (in parallel to the online form a written letter of commitment from at least one political and one administrative stakeholder is requested).
- Language abilities (possibilities of key stakeholders to communicate and interact in English).
- Financial support (i.e. funding needs for participation in the twinning process).

4.3 Selection process

The selection will be done on basis of an evaluation grid, pointing out what an applicant needs to qualify as twinning partner from the point of view of the study and the case study partners. The selection will have to be made step-wise.

A first pre-selection of the applicants will be made by the Spatial Foresight team. Thereafter this selection will also be discussed with representatives from the case study area to draw on their insights and ensure their interest. The final selection will be done by the study team in coordination with DG Regio.

4.4 Timing

It is envisaged that the call for twinning partners will be published in late November 2013, aiming at a selection of the relevant partners in late January 2014. This would then allow the twinning organisations to participate in the multilateral meetings and schedule the twinning meetings before or shortly after the summer break 2014.

The timing of the launch of the call would be about two weeks later than original envisaged. This short delay would allow for some more time to prepare suitable texts on the single cases studies. These short texts should very briefly present the main context, governance actions and achievements of the case studies and allow the interested twinning partners to have a first idea of what they might learn from a twinning exercise. To allow this, the texts need to be drafted carefully and discussed with the key stakeholder in the case study region.

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5 Task 3: Case studies

The case study work is crucial for the overall study and the different mutual learning process that shall be stimulated by the study.

In total there will be eight different case studies. Four of which addressing multi-level governance approaches related to the implementation of the Europe 2020 objective 'promoting energy efficiency policies'. The other four will focus on governance approaches related to the implementation of the Europe 2020 objective 'social inclusion in an urban context'. A short description of the proposed case studies can be found in the next section.

For each of the eight case studies, a case study report will be elaborated by the case study expert with input and support from the case study partnership. These reports will be approximately 20 pages in length and follow a common structure which takes into account the guidelines for case studies discussed later on in this chapter. Each case study report will be drafted along a particular red-thread, following the idea of story-telling rather than scientific or administrative reporting. The following box may provide an indicative structure for the case studies:

Each case study report will be quality checked by a person from the case study partnership and by a person of the study team. The person from the case study partnership will focus on the correctness and validity of the case study report. The person from the study team will focus on scientific and linguistic quality of the case study, as well as on the comparability of the case study report with the other case study reports developed within this study.

Once the single case studies have been finalised, a first cross-analysis of the case studies will be carried out. On the one hand this analysis will compare all eight case studies with each other, and on the other hand it will compare the case studies addressing the same policy field with each other. The analysis will focus on similarities and differences with regard to (a) stakeholders involved, (b) multi-level governance processes, (c) achievements, and (d) hindering and facilitating factors. Within the comparison of multi-level governance processes, the analysis will differentiate between partners involvement according to different steps of policy making: (i) the analysis of the challenges and needs; (ii) the selection of objectives and priorities to address them, and (iii) the coordination mechanisms set up to harness the synergies between the different instruments available to foster sustainable and inclusive growth. Political and administrative factors hindering or facilitating policy development and implementation may be linked to the respective political and administrative framework but may also be due to other influences. These different types of factors will have to be differentiated. This way, it will be ensured that lesson learned can touch both the will and the skill to improved governance. Other aspects of comparability may be identified when developing the final structure for the case study reports and identifying the main results.

The aim of the cross analysis is to identify

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- lessons learned from the case studies regarding the change achieved in the implementation of Europe 2020 objectives (incl. critical success factors and problem solving practices adopted),

- contextual or structural factors which might hamper the transfer of lessons between countries, and

- possibilities for utilising the lessons learned for developing action plans in other areas (incl. ideas on other contexts in which these experiences would be relevant, in particular in relation to the delivery of Europe 2020 and Cohesion Policy priorities).

Lessons will be drawn from good or innovative governance practices, as well as from successful ways of achieving results. They will refer to a wide variety of tools to overcome barriers to more effective governance, from binding legal mechanisms to soft instruments like ad hoc meetings.

Lesson learned will be explicitly linked to the various difficulties that limit a more effective governance[204], as key success factors can be expected to depend on the specific obstacles, e.g. improved participation procedures will not help with the limited capacity of the partners. In this perspective, challenges to multi-level governance could be preliminarily distinguished on the basis of the OECD classification that differentiates between information, capacity, fiscal, administrative, and policy gaps[205].

The draft reports of the single case studies reports as well as the cross-analysis report will be presented in the First Interim Report, May 2014. Prior to that the draft case study reports will be presented in early February 2014.

5.1 Case study selection

For this eight case studies have been selected. For the selection the principle of the maximal structural variations has been applied. So, that the case studies provide a good mix with regard to (a) different levels of governance being in the driver seat, (b) different national governance models, (c) different sizes of the countries involved, (d) different socio-economic development paths in the countries involved, and (e) different types of regions with regard to their ERDF-status. Additionally, the case studies provide good coverage of the EU in terms of different political and administrative cultures, forms of state organisation, kinds of state-society relationships and welfare regimes of the countries considered. This variation prevents the study to be too much centred on governance mechanisms for implementing Europe 2020 fitting only a particular context. Furthermore, it will allow more easily to find suitable

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[204] As an example, according to a survey conducted by the DG Regional Policy, *centralisation of the decision-making process* and *lack of capacity* was the main obstacles faced during the 2007-2013 programming process relating to the involvement of partners. See DG Regional Policy Staff Draft Report, *Partnership in the 2007-2013 programming period – Analysis of the implementation of the partnership principle,* June 2007.

[205] See OECD, Bridging the Gaps between Levels of Government (2009). In the definition of the OECD: (a) an *information gap* can open when different levels of government do not have the same quantity or quality of information when designing, implementing and delivering public policy; (b) a *capacity gap* arises when there is a lack of human, knowledge (skill-based and "know-how") or infrastructural resources available to carry out tasks; (c) a *fiscal gap* opens when sub-national revenues are not sufficient to finance the required expenditures, indicating a direct dependence on higher levels of government for funding in order to meet obligations. (d) an *administrative gap* arises when administrative borders do not correspond to functional economic and social areas at the sub-national level, leading to a fragmentation of public policies; (e) a *policy gap* results when line ministries take purely vertical approaches to cross-sectoral policies that can require co-design or implementation at the local level.

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candidates for the twinning, which actually allow for a transfer of knowledge and approaches. The below table provides a first overview on the eight proposed case studies.

	Prignitz-Oberhavel	Vrhnika	Lombardy	Alsace	Stockholm	Pomorskie Region	Timisoara	Liverpool
EU								➤
National	➤	➤		➤	➤		➤	➤
Regional	➤	➤	➤	➤	➤	➤		
Local	➤	➤	➤	➤	➤	➤	➤	➤
Other	➤	➤		➤		➤	➤	➤
Convergence region	➤	➤				➤	➤	
Regional competitiveness and employment region(s)			➤	➤	➤			➤

In the following each of the case study is shortly characterised.

5.1.1 ENERGY – DE – Regional Energy Strategy Prignitz-Oberhavel

The German planning region Prignitz-Oberhavel developed a Regional Energy Strategy, combining Federal and State strategies on climate and energy issues and actions contributing to these strategies and implementations at the local (municipal) level. The Brandenburg Energy Strategy 2030 served as initiative for the Prignitz-Oberhavel region to develop a Regional Energy Strategy and is used as guidance for the region's strategy. The Regional Energy Strategy links all three climate and energy objectives of the Europe 2020 strategy. It aims especially at analysing and promoting energy saving potentials and potentials for renewable energy production at municipal level.

A successful element of the strategy was the cooperation with all relevant actors of the region. The outcome is an informal policy instrument, which is based on the acceptance and willingness of its addressees. Transparency and participation are therefore crucial.

The development of the Regional Strategy consisted of six different work packages, from more problem defining tasks, to analysis and actions on energy saving and renewable energy. Based on the analytical steps, the concept concluded with specific recommendations on how energy related potentials can be exploited. The guiding principles have been complemented with specific objectives and specific actions for municipalities and the region. Inter-municipal cooperation has been of particular importance when developing these objectives and actions.

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In many regards the case of Prignitz-Oberhavel provides interesting possibilities for learning and mutual exchange concerning concrete approaches to e.g.

- a systematic translation of the policy approach from state to municipal level, incl. transferring results from one level to the specific needs and conditions to the lower level while continuously including perspectives from different administrative levels;
- including all relevant administrative levels, with both civil servants and political representatives, from the beginning of the policy process;
- developing actions which help the local stakeholders in proceeding in line with their needs.
- currently and recently conducted approaches to energy efficiency measures linked to e.g. energy efficient renovation and/or extensions of schools or gyms, energy efficient reconstruction of the existing public building stock, energy efficient reconstruction of housing buildings for elderly, handicapped people and multigenerational housing, energy efficiency approaches for enterprises.

5.1.2 ENERGY – SI – Vrhnika: Local energy concept

In 2010 Vrhnika was awarded as the most energy efficient medium sized municipality in Slovenia. The Slovenian municipality of Vrhnika developed a Local Energy Concept, which is currently in its implementation phase (2009-2014). The concept and its implementation are characterised by a smooth coordination between the national and local level, in terms of governance and related funds. The concept successfully increased awareness on energy and resource efficiency among key stakeholders. Furthermore coordinating different Local Energy Policies at a regional level is seen as a potential, although the Ljubljana Urban Region is not an administrative level, with its own financial resources.

Vrhnika participates also in "Green Twinning - Capacity building and lessons to be learned for the institutionalisation of sustainable energy policies in the municipalities' operations", supported by the Intelligent Energy – Europe (IEE).

More generally, Local Energy Concepts are important strategic planning instruments and part of the Slovenian National Energy Programme. Wherein the Local Energy Concept's measures are adapted to local communities, through which solutions for effectiveness, economic and environmental friendly energy services in households, companies and public institutions can be implemented. Besides it considers the potential impact of the implementation. It comprehensively assesses the possibilities and proposes solutions in relation to local energy supply. It considers existing energy capacities as well as long-term development of the municipality in different fields. Local Energy Concepts are intended to increase awareness and inform energy users, to prepare energy efficient measures and to introduce new energy solutions. It is therewith directly related to the resource efficient target from the Europe 2020 strategy.

In many regards the case of Vrhnika provides interesting possibilities for learning and mutual exchange concerning concrete approaches to e.g.

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- ○ successful policy implementation as a result of continuous activities of a municipality over several years, gradually increasing capacities and raising awareness among key stakeholders;
- ○ good coordination between the national and the local level from the phase of policy development onwards to ensure a successful implementation;
- ○ processes of elaboration of Local Action Plan which enabled wide agreement about the necessary measures among the stakeholders at the regional level.

5.1.3 ENERGY – IT – Lombardy: Regional Territorial Plan for the Alpine Valleys Area

The Lombardy Region established has started and is developing a specific and innovative tool for the local governance under the regional regulatory framework. Local administrators are directly responsible involved for determining the content of the plan through a process of constant interaction between regional and local authorities.

The case study focuses on the Territorial Regional Plan of Area (PTRA) of the Alpine Valleys. The development of a shared policy platform, culminating in a common plan, is allowing a radical change in the governance culture in areas traditionally characterised by mistrust between neighbouring territories and a lack of cooperation between local and regional actors.

The main aim is to find a solution for " second homes" problem in the mountain areas and one of the major objectives of the PTRA is the promotion of new settlement patterns which can improve energy efficiency of the existing building stock. The plan will be implemented during the next programming period. Including changes produced on the environment in terms of improved energy efficiency.

In many regards the case of Lombardy provides interesting possibilities for learning and mutual exchange concerning concrete approaches to e.g.
- ○ developing place base – tailored policy tools development;
- ○ increase administrative – institutional capacity;
- ○ local ownership and institutional trust;
- ○ integrating different programming and planning tools;
- ○ simultaneous involvement of institutional actors, stakeholder and citizen.

5.1.4 ENERGY – FR – Energivie project Alsace: Eco-technology competitiveness cluster

Energy is increasingly scarce, increasingly expensive, and energy efficiency is a major issue that our society must address on an urgent basis and at all levels.

Recognizing this need and its responsibilities from the 90s, the Alsace region has been a pioneer in reflection and in action. It started with ADEME an innovative program focused on the development of renewable energy: Alsace Energivie. The ENERGIVIE INFO programme was adopted in 2003 and it was awarded at the RegioStar 2008 by the European Commission for being the best regional programme on "Energy Efficiency and Renewable Energy".

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Today, the programme focuses primarily on the construction and renovation of low-energy buildings. In this perspective the Alsace "Energivie Cluster" was set up. This is in line with the EC communication "Towards world-class clusters in the European Union: Implementing the broad-based innovation strategy", October 2008[206]. Since May 2010, ENERGIVIE is a nationally recognised and certified eco-technology competitiveness cluster. The label "cluster» is assigned by a decision of an Interministerial Committee land planning and development (CIADT). To be certified, a cluster project must meet the specifications set in November 2004 by the government. Four criteria are relevant:

- a coherent development strategy with the economic development plan of the territory of the pole;
- sufficient international visibility on industrial and / or technological plans;
- a partnership between players and a structured way of operational and governance;
- ability to create synergies in research and development, and thus bring new wealth with high added value.

On the contrary to 5 other French eco-clusters, the Alsace Energivie Cluster is the only competitiveness cluster completely dedicated to energy efficiency in buildings, naturally geared towards the objective of positive energy buildings. The challenge is to use the synergies and trust, created between players through concrete cooperation, in collaborative, innovative projects. A wide range of partners, including public authorities at both national and local level, as well as private enterprises and research bodies are associated with this dynamic.

In many regards the case of Alsace Energivie provides interesting possibilities for learning and mutual exchange concerning concrete approaches to e.g.

- How the dynamism of a pioneering region for sustainable development and political support, can lead to an competitive cluster of public authorities, private actors and research institutes on renewable energy and energy efficiency.
- How national and regional policies, strategies and financing schemes on renewable energy and energy efficiency can be effectively translated in an instrument that provides true environmental benefits and stimulation of the local economy.

5.1.5 SOCIAL – SE – Stockholm: Sustainable Social Urban Development

The challenge for most metropolitan and urban regions in Europe is to create a sustainable social urban development. Socio-economical segregation on the regional level is a threat for economic growth. The Stockholm County Council has therefore developed 'The urban Game', a tool for improving the awareness and understanding the effect that multi-level governance and cross sectorial processes has on measures taken to strengthening social cohesion.

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[206] COM(2008) 652 final/2

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Stockholm County Council took the initiative to study why the socio-economic segregation in the region not has changed for the better on the city district level in spite of 15 years of different kind of intervention policies on different governance levels. In the main, municipalities are in charge of social inclusion in Sweden, in some cases with national intervention policies. However, many important influence factors are beyond the responsibility of a single municipality. This is why the county council has engaged itself in the work to strengthen social cohesion in the region is focusing on strengthening the cooperation between stakeholders and experts from different levels (individual to EU) and different sectors. In doing so, they identified measures and activities needed to successfully reducing the negative impact of the socio-economic segregation in the Stockholm region. These measures and activities have been identified from national inquiries and evaluation reports from 15 years of metropolitan and urban policies. In spite of these measures there has not been a significant change in de socio-economic segregation in the region; the conclusion was drawn that the lack of success was due to a 'system failure'. The result of the study is a practical tool 'The Urban Game' that displays synergies and conflicts between measures undertaken in different sectors and by different actors at various governance levels. Moreover it is possible to display how measures performed in one sector and on one level can be positively or negatively influenced by measures in other sectors and on other levels. Using the tool The Urban Game in the regional work to strengthen cohesion is the success of this case.

Since early 2013 the focus of the work shifted to disseminating the knowledge and importance of cross-sectoral and multi-level cooperation for a sustainable urban development, as well as implementing the finding deriving from the application of the tool. The Urban Game has been used with several occasions. Every occasion The Urban Game is used it generates new knowledge and experiences needed to develop successful strategies to strengthen cohesion on all levels.

In many regards the case of Stockholm provides interesting possibilities for learning and mutual exchange concerning concrete approaches to e.g.

- understanding synergies and conflicts between measures taken in different sectors and by different actors at various governance levels;
- facilitating cross-sector and cross-level dialogue by stimulating multi-level and/or inter-sectoral team-building among local and regional actors, as well as other levels;
- increasing visibility of regional actors for local actions to achieve social inclusion & cohesion;
- the mediating role for the regional level as between local and national/EU.

5.1.6 SOCIAL – PL – Revitalisation Projects in Pomorskie Region

The case of the Pomorskie Region shows different ways on how the establishment of various kinds of partnerships can support revitalisation processes and strengthen the interest of local communities in social inclusion.

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The management authority (MA) of the regional ERDF programme for the Pomorskie Region developed a cooperation approach for revitalisation projects focusing on urban areas, fighting poverty and social exclusion. The MA decided that beneficiaries in this area could only be the city authority in partnership with social and economic partners at local level. To start with the city was obliged to run a public consultation process to define local community needs and expectations towards revitalisation processes. At the same time MA led consultation process with the city authority, which wasn't just a simply consultation. The MA was involved in the process of definition local community actions in the revitalisation as a whole. This was followed by creating community-friendly public space as a basis for social and economic activation and preservation of the historical and cultural heritage. The actions carried out concerned increasing public safety, counteracting social pathologies (i.e. alcoholism and drugs use problem, domestic violence, theft etc.), improved economic and social attractiveness of the revitalised public space. Finally, promotional, educational, cultural and integrating actions for local community counteracting social exclusion, segregation and poverty were crucial in social activation and integration and were focused on local community (especially disfavoured/excluded groups).

The success of this case is the broad partnership approach, going beyond partnerships between the programme authorities and the concerned cities. The approach includes also local partnerships that were created and which resulted in actual local commitment, encouraged mutual confidence, ensured local economic and social cohesion and stability of integration. The applied approach strengthened community participation, created dialogue and cooperation between local community, local authorities, social and economic partners. Furthermore it strengthened the interest of local community in social inclusion of the revitalised area and civil activity of deprived groups, in order to fight poverty and social exclusion in the cities and their neighbourhoods in the region.

In many regards the case of the Pomorskie Region provides interesting possibilities for learning and mutual exchange concerning concrete approaches to e.g.

- multi-thematic and complex approaches to preparation and implementation of projects (balancing infrastructural and social issues);
- effective negotiation procedures at different levels - coherent combination of horizontal partnerships (involving actors representing selected urban area), and vertical partnerships (stipulating dialogue between MA, based at regional level, with local urban area representation);
- practical solutions on how to balance bottom-up and top-down approach to social dialogue in order to shape-out the final structure of projected actions;
- practical solutions on how to involve different partners in creating local policy, how to encourage local administration to build up a due and effective partnerships involving civil society structures.

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5.1.7 SOCIAL – RO – Timisoara: Migrant in intercultural Romania

Timisoara shows that the integration of migrants in our society can be improved through informal and formal multilevel governance arrangements. Timisoara faces considerable challenges concerning the integration of non-EU legal migrants and the social distance between the three main stakeholder groups in this policy field, i.e. migrant communities, public administration and civil society. The case study focuses on the creation of an intercultural environment that facilitates the integration of non-EU migrants in Romania and social cohesion strengthening, by improving and running a mechanism of consultation between migrants, authorities and the civil society in Romania. The success of the work builds on four key factors:

- the seriousness of the intercultural mediators in their activities
- the constant involvement of public authorities in the dialogue
- the dynamic network of local facilitators responsible for organising and running activities
- the establishment of effective communication channels

The project was first of its kind initiated in a Romanian city and than transferred to four other Romanian cities. This first exercise of the transfer of experience showed that three conceptual elements are essential:

- the design of the network – the structure and roles of the actors – adapted to each particular context;
- the negotiation and mediation principles – how the roles and responsibilities were assigned to the stakeholders, as well as how the issues are resolved during events;
- communication channels – the information dissemination through the network and outside of it – including media.

In many regards the case of Timisoara provides interesting possibilities for learning and mutual exchange concerning concrete approaches to e.g.

- the mobilisation of the local migrant associations/groups, local civic society and public administration in the problem solving process;
- good practices regarding the problem solving algorithm of local groups;
- trust building techniques and the tri-lateral education programmes practiced through the project;
- transparency of the policy-making and implementation processes.

5.1.8 SOCIAL – UK – Liverpool City Region: Business start-up support in disadvantaged communities

The Liverpool city-region is an excellent example of the way in which social enterprise and entrepreneurship is gaining increased importance as a way of trying to tackle social inclusion, especially in the most deprived neighbourhoods. In particular, the current ERDF

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programme has a particular priority dedicated to this issue in order to stimulate enterprise in disadvantaged communities and under-represented groups.

The Local Enterprise Partnership (LEP) for the Liverpool city-region is responsible for managing the ERDF programme in partnership with a network of intermediary organisations and agencies (including social enterprises and charities) that are involved in the delivery of enterprise and business start-up support, across eligible wards in the Liverpool city-region. This involves various elements including:

- Pre-Start Up Awareness Raising Workshops (Community Engagement);
- Pre-Start Up Group-based Workshop Support & Action Planning;
- Business Creation Start Up Assistance, including Business Planning;
- Social Enterprise Intermediate Business Development Support;
- Social Enterprise Intensive Support – Growth, Income & Diversification.

The Liverpool city-region case provides interesting possibilities for learning and mutual exchange concerning concrete approaches to a range of issues, including:

- a multi-level governance approach to developing social enterprise and entrepreneurship in the poorest and most socially-deprived areas of the Liverpool city-region;
- a multi-level engagement with government and other stakeholders, especially providing links between social enterprise, community groups and the private sector in the most deprived areas of the city-region;
- developing a strategic governance framework to develop social enterprise and entrepreneurship in deprived communities, especially in the context of public sector austerity;
- creating employment and entrepreneurial opportunities for the most hard to reach communities through public support, especially ERDF.

5.2 Case study methodology

Empirical fieldwork has become an increasingly important tool in the analysis of policy interventions across the regions of the EU. This involves a number of different elements, including intensive interviews with key stakeholders, often based on a script of key questions and issues. The key point is that such fieldwork allows the researcher to get a decent understanding of the main issues that are pertinent in a particular place. Put simply, 'geography matters' and empirical fieldwork allows a combination of techniques to be used to try to 'unpack' the various social, political, economic, cultural and historical factors that come together to create particular governance structures, in certain regions.

The case studies provide the principal foundation for this study, since all following working steps will have to rely on the thoroughness of the undertaken case studies. In order to comply with this expectation and to serve the overall purpose of this study, the case studies shall provide a thorough analysis of the governance processes, their achievements, success factors (including possibly limiting factors) and necessary framework conditions. Evalsed, DG

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Regio's online resource for the evaluation of socio-economic development, gives the following definition of a case study: In-depth study of data[207] on a specific case (e.g. a project, beneficiary, town). The case study is a detailed description of a case in its context. It is an appropriate tool for the inductive analysis of impacts and particularly of innovative interventions for which there is no prior explanatory theory. Case study results are usually presented in a narrative form. A series of case studies can be carried out concurrently, in a comparative and potentially cumulative way. A series of case studies may contribute to causal and explanatory analysis.

For developing a common understanding on the case study methodology, the next section provides a short literature review of the most relevant approaches, thereby indicating why they may be useful and how they need to be adapted to our study. Afterwards this is 'translated' into the guidance for the case study experts, which ranges from the awareness of compiling comparative case studies, practical information on case study development to a preliminary case study template and reporting outline.

5.2.1 Content and quality of case studies

The case studies aim at assessing the outcome of governance arrangements and policy implementation. Thus, they can be considered as case studies evaluating not only socio-economic development but also policies. Many of the case studies, in fact, deal even with policies either driven or at least supported by Structural Funds. In order to specify above definition of case studies for the purpose and content of this study, it is useful to have a short review of case study methodologies and contents proposed by different authors which may be particularly inspiring for the case studies to be conducted in this project. Some of these focus more strongly on what to present and how to do so, while other approaches centre more on the methods to be applied for gaining the information. In general, there are considerable overlaps between the different approaches, which shall be synthesised for the tasks of this study's purpose. Thus, this review provides the basis for developing the guidance for the case study experts presented in the next section.

DG Regio[208] produced guidance for carrying out case studies focusing on the evaluation of Structural Fund policies and indicates what is expected of the case studies. Accordingly, they should

- focus on **particular issues or areas of policy intervention** in a region rather than on overall developments as such (though it may be necessary to consider overall developments in order to locate the effect of particular types of intervention within these);
- be able to **test theories and hypotheses**, which have been generated from within the existing literature and other information;
- be able to identify the appropriate level of detail and be presented in a way which preserves the "narrative form". In other words, the case study should **"tell the story"** of the region in relation to the policy theme of the evaluation, though it should do so in an

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207 Data should be understood to include qualitative information as well as quantitative statistics.
208 Gaffey, 2009

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analytical way to bring out the interrelationships between the various aspects which need to be covered;

- be able to include **context-dependent information** in order to learn about how policy is implemented and how it works in practice in the particular region being examined.

This outline implies that the case studies shall here

- focus on the governance structures of the two policy fields under investigation;
- test the policies against different relevant forms of policy management;
- tell the story of the governance structures applied for the respective policy field in each case study region; it will have to show why and how stakeholders have interacted, thereby processing different dimensions or perspectives of the governance mechanisms;
- include all aspects of the analysed case relevant for understanding its context and possibilities for transferability, ranging from governance contexts to the specific context of the investigated policy.

The Committee of the Regions monitors and evaluates the development of multi-level governance in Europe using a scoreboard method[209]. The monitoring is structured along two categories:

- **Procedures** (Information and consultation; stakeholder involvement; and responsiveness) and,
- **Content (**Territorial, integrated and place-based policy; Smart regulation mechanism; and innovative instruments for implementation and partnership).

The focus and outcome of the scoreboard is interesting, however, as this methodology approaches the topic from the perspective of the European Union as a whole, only some elements of the method may be considered in the study methodology.

Nonetheless more nuanced viewpoints from the regions are expressed in the Committee of the Regions Europe 2020 monitoring network and reports[210]. The methodology is based on surveys focussing on different aspects of the implementation of the Europe 2020 Strategy. The surveys, which contain a mixture of open-ended and closed-ended questions, are distributed among representatives from the regions. Thereby the monitoring gives an impression of the challenges of the implementation from a local point of view, as well as an idea of how this differentiates between regions. Even though only elements of the two analyses can be included in the case study methodology, they also give an interesting viewpoint for later validating the case study outcome, as well as putting the results of the case studies into perspective.

The International Energy Agency[211] has conducted a series of worldwide case studies on multi-level governance structures applied for improving energy efficiency. These analyses

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[209] Committee of the Regions, 2011
[210] Committee of the Regions, 2013
[211] Jollands et al., 2009

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are based on an outline of different elements to be considered in governance related analyses. While the specific analytical approach may not be relevant for our study, the governance elements to be included in such an analysis are categorised in a helpful way and may be applied not only to the policy field of energy efficiency but social inclusion as well[212]:

- relationships between different levels of government (vertical dimension);
- relationships within one level of government (horizontal dimension);
- four types of modes of governance which principally explain the rationale behind action taken at regional or local level, namely
    o governing by authority – refers to direct interventions of national governments in local or regional politics by mandatory means;
    o governing by provision – refers to incentives by national governments in return for local actions;
    o governing through enabling – refers to the enabling of local actions by e.g. information, opt-in opportunities;
    o self-governing – is based on self-motivated action;
- level of inclusion of different government levels and fields;
- type of promoted measures, which may include different types of direct and/or indirect actions;
- initiation and decision-making may be dominated by top-down or bottom-up processes;
- the nature of participation may be compulsory, voluntary or a mixture of both;
- administrative structures may take different degrees of formality depending on the decision-making processes;
- level of accountability is influenced by the arrangements for reporting, monitoring, evaluation, communication channels;
- budget size and funding symmetry refer to some basic financial information which may be considered as context information.

The above listed aspects shall be included in the relevant parts of the case study template and also need to be considered when collecting case study information whether by interviews or other information sources. Their more precise understanding will have to be thoroughly communicated with the case study experts. The results of the case studies undertaken by the International Energy Agency indicate some additional insights which may be worthwhile to keep in mind when conducting our case studies[213]:

- The opportunity to combine complementary programmes etc. may affect the policy's outcome. Thus, the case studies should depict also this specific aspect of the policy context.
- The level of financial and human capacity of the involved local and regional stakeholders may affect the policy implementation, outcome etc. It may be therefore worthwhile taking a thorough – often disguised – look at the capacity of the involved authorities.
- Often key individuals are crucial for successful policy implementation.

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[212] Jollands et al., 2009, pp.12-13
[213] Jollands et al., 2009, pp.38-39

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While the approach of the International Energy Agency is more oriented to the kind of information which needs to be collected, there are other approaches focusing more strongly on the way a case study is presented and the steps of developing the case study report. This kind of approach is in particular linked to the third point of DG Regio's guidance[214], the approach to tell a story. There are several approaches, which are linked with each other, all aiming to provide a tool for qualitatively evaluating policies by integrating empirical and qualitative data. They include in particular the Most Significant Change Technique (MSC), Performance Story Reporting (PSR) and as the latest of these approaches Collaborative Outcomes Reporting (COR)[215]. These "story-based approaches are especially useful to capture the broader social benefits of programs, particularly in situations where empirical attribution may be difficult".[216]

Since the objective of the case studies to be conducted in our study is somewhat different, especially as the main aim of the study is to focus on the governance, this approach is adjusted to our study's needs. Thereby it will also be synthesized with the other described approaches.

A corresponding case study report could consist of following parts[217]:

- **Synthesis** – Summary of the case study with the key findings.
- **Background Information** – Basic information about the case study e.g. duration and funding.
- **Project description** – includes a short description of the overall objectives, description of the activities, identification of the beneficiaries, the main results and expected impact.
- **Strategic and political context** – Relevant information on the key elements of the regional and national context.
- **Implementation** – Description of the project design and planning process; management, monitoring and evaluation system in place and an overview of the main elements of the governance. Furthermore innovative elements and novel approaches and obstacles and problem-solving practices in the implementation of the project.
- **Results** – identifying and analysing the results and impacts of the project.
- **Sustainability and transferability** – Includes an identification of follow up procedures, continuity of the project as well as an assessment of possible transferable elements of the project to other regions.
- **Key success factors and lessons learned** – The conclusive chapter should present the factors for success and the lessons learned based on the findings in the previous chapters.

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[214] Gaffey, 2009
[215] Vanclay, 2012, p.8
[216] Vanclay, 2012, p.9
[217] European Commission 2008

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5.2.2 Guidance for case study experts

The case studies will be carried out in eight regions located in eight different countries. They will be carried out by eight individual experts in eight different languages. All case study reports will have to be delivered in English, however. A smaller number of case study experts may have some advantages from the comparability point of view, but carrying out the planned case studies requires the involvement of local experts who understand and speak the particular language of the region or locality. Moreover, the local expert should have a decent knowledge of the area which helps in terms of contextualising and framing the analysis.

This implies a considerable challenge for the core research team as a whole and the experts individually: "…there is potential for considerable variation in the way the stories are compiled especially when multiple interviewers are used. It is necessary to ensure good training, supervision and monitoring of the interviewers so that they are relatively consistent in the way stories are collected."[218]

Therefore, the experts fully need to understand the chosen case study approach in order to provide a comparable report complying with the study's objectives. Thus, the core research team should make sure that any such local expert is made fully aware of the general purpose of the case study, of the hypotheses being tested and of the issues which need to be explored as set out in the terms of reference. Indeed, the best approach is that a member of the core team works alongside a local expert to help conducting the case study interviews in the field. The challenge may be somewhat reduced by the fact, that all case study experts are well known by the core research team. A first step towards raising this awareness is provided in the following sub-sections by developing guidance information for the case study experts.

The aim of the case studies is to discuss the strengths/weaknesses, successes/failures and transferability of local and regional governance experiences and processes related to the implementation of Europe 2020. In other words, the case studies are about change in governance and about accessing the effectiveness of the governance changes.

The case studies shall …

- … focus on the change in **governance structures** and arrangements at play in the case study and pay special attention to changes introduced in these arrangements.
- … discuss how these structures and arrangements work along the **policy cycle**, i.e. show how different moments of policy development function in the case study and why and how stakeholders have interacted.
- … identify the main strengths and weaknesses (realised or potential), **successes/failures** of the adopted approach in relation to the expected achievements and to any other not envisaged effects (such as increasing of the local ownership of the policy, of the administrative or long-term programming capacity), as well as problem

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[218] Vanclay, 2012, p.17

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solving practise that might have been used to overcome obstacles. Furthermore make sure that the text clearly distinguishes (language-wise) between past and present events and actions.

- … discuss how **effective** the governance structures and changes have been in terms of achieving the policy objectives of the Europe 2020.
- … stimulate discussions about how governance arrangements can be improved in order to **better deliver the Europe 2020** Strategy.

Apart from this general information given in the introduction of the guidance for the case study experts, the following differentiates between different aspects of comparability, starting with more practical information on the time schedule, information sources and stakeholder to be interviewed and concluding with more content oriented information on key questions and a template for writing the case study report.

Timetable

For achieving comparable results useful for initiating the twinning process and gaining fruitful discussions at the multilateral meetings it is of uttermost importance to comply with the foreseen schedule. According to the updated overall project schedule the multilateral meetings shall take place in March 2014. These meetings provide the frame for the timing of the case studies.

Information sources and collection

Generally speaking, all case study relevant information must be collected by means of desk research or in the field. Especially the following methods will be used to collect information:

- Document analysis;
- Semi-structured and in-depth interviews with key stakeholders by phone or face-to-face;
- Open-ended questions in structured questionnaires.

Furthermore the case study partners will be an important source of information and for ensuring precise and high quality outputs. Representatives of the case study area should contribute to the case study work where suitable. This includes especially verifying the appropriateness of the relevant case study report and checking for any factual errors.

Relevant stakeholders

For the interviews supporting the case study report, relevant stakeholders need to be selected deliberately, keeping the objective of the case study in mind. There should be a trade-off between 'broad' inclusion of relevant stakeholders and saturation of information, which means a deliberate selection of interviewees. It is important to include both representatives of the administration as well as political (elected) representatives and to cover all involved levels of government.

At least five stakeholders need to be interviews for every case study covering public administrators of at least two different levels of governance as well as politicians at these two levels. In case studies involving several policy sectors, also stakeholders from different sectors need to be interviewed.

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In particular where different interviewees provide contradicting information interviews with additional stakeholders are recommended.

Case study template and report

The template should be seen as guidance for the case study experts to ensure that all the case studies for the multi-level governance in support of Europe 2020 study are aligned as far as possible.

Each case study report should have an approximate length of 15-20 pages, be written in English and presented in a narrative form. The case study report tells the story of the case study and needs to function as a freestanding text. Among others uses these reports will provide the basis for the multilateral and twinning meetings and therefore they need a clear structure and language.

The boxes in this template are the main structure of the case study report. The subheadings give a more detailed structure for the report. The questions and bullet points under these headings give general guidance on topics to address and make suggestions for points that should be considered, also in relation to the above mentioned guiding questions.

0. SUMMARY (1 page)
Brief summary of the case study report, which highlights the main findings.
Please, address briefly the most important aspects of the case study, incl.   • policy objectives of the case study,   • main governance arrangements and changes introduced,   • main results deriving from the arrangements and changes (or potential result and timescale),   • key lessons learned (that might be of interest for other regions…) during the process of change or as a result of it,   • limitations of the case study report

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1   METHODOLOGY (1/2 pages)

Brief summary of the applied methods and used information sources

Please, give a brief account in the methods used for the case study incl.

- applied methods (e.g. desktop research, interviews etc.),

- sources of information (e.g. key documents, contact with stakeholders of the case study, interviewees, etc.).

2   NEEDS (1/2 to 1 pages)

Initial situation in the case study area and which potentials, problems or challenges were the main driver of the change

Please, introduce briefly key facts that initiated the change described in the case study covering following points:

- What (socio-economic) development potentials or challenges initiated the change?

- What was the driver for the initiation of the change in terms of processes, stakeholders etc.?

3   STRATEGIC CONTEXT (5 pages)

Governance structures and framework conditions which set the scene for the case study

3.1 What is the relation between the case study and the national delivery system of the Europe 2020 Strategy?

Please, briefly specify the link between the case study and the Europe 2020 strategy – in terms of implementation of the Europe 2020 Strategy in the country / region and the governance arrangements at play (is it explicit or rather implicit?)

3.2 What are the most important socio-economic / territorial developments in the case study area?

Please, describe briefly the most relevant territorial and socio-economic features that need to be known to understand the case study, incl.

- the initial socio-economic and territorial development in the case study area, and

- How the socio-economic and territorial development evolved (or are expected to evolve) as a result of the implementation of the changes in governance of the policy and policy changes.

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3.3 What is the most important institutional / policy / political context within which the case study operates?

Please, provide a brief overview on the main governance context of the case study, incl. the most relevant institutions, organisations, policies, sectors, etc., involved at different governance levels. The information will mainly act as a summary of section 3.4. Besides a text, please provide an overview table locating the main actors, just like the below example (please, adjust the levels and sectors to your case study):

Fictive example		Sectors		
		Energy	**Housing**	**Etc**
Levels	**European**		*EU Funding Programme*	…
	National	*Energy Agency*	*Ministry of Housing and Urban affairs*	…
	Regional	*Municipality and local Environmental NGO*	*Municipalities and Housing associations*	…
	Local			

3.4 What are the main governance structures for policy coordination within which the case study operates?

3.4.1 Vertical Coordination

Please, give a short account of the main vertical coordination-mechanisms which form the context of the case study, incl.

- relationship between levels (partnership or subordination, reciprocity in the relationship),

- mechanisms ensuring vertical coordination (e.g. co-financing or conditionality, agreements or contracts, other tools),

- possible asymmetries in the funding (e.g. which levels of governance provide the main part of the funding),

- the role and importance of the local level in relation to the other levels.

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3.4.2 Horizontal Coordination
Please, give a short account of the main horizontal coordination-mechanisms which form the context of the case study, incl.   • relationship of policies and programmes operating at the same governance level (e.g. synergies and cooperation between policies or conflicting agendas),   • managing the interaction between different policy sectors (e.g. Integration of initiatives and projects in a policy cycle).
3.4.3 Functional Coordination
Please, give a short account of the main functional coordination-mechanisms which form the context of the case study, incl.   • cross-jurisdictional cooperation for initiatives within delimitated functional territories (e.g. several municipalities cooperating together),   • embeddedness in the national institutional framework (e.g. how different elements of the case study may be subject to and dependent on different sector policies).

4   IMPLEMENTATION (8 pages)
The chapter focuses on the implementation on the case study. However if a case study is not yet far in the implementation phase, you may instead focus on the expected impacts.   *The case study - focusing on*   • *the change in relation to the functioning of the governance structure,*   • *emphasising the implementation of the governance structure with respect to actions carried out and*   • *relations of the actors in the case study*
4.1 What is the case study about? (Measures)
Please, introduce the case study by focussing on the what actually was done, or what Is planned to be done, in the context described above and why, incl. information on   • the main governance-change that characterises the case study,   • types of measures (e.g. policies, strategies, financial support, incentives etc.),   • duration,   • urban focus of the case study,   • volume of the case study (both in terms of money and scope of the project (e.g. number of actors/beneficiaries involved).

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• implementing bodies.

4.2 Who are the key actors of the case study? (Identification of key actors)

Please, describe the key actors (and link up to section 3.3) including information on

- the main initiator,

- the role of different actors in the governance (change) described by the case study (including administration and politicians, and if relevant individual stakeholders)

4.3 How did the key actors get onboard? (Mobilisation of stakeholders)

Please, describe how the various stakeholders got or get mobilised and by whom, incl. aspects such as

- activation of the stakeholders' knowledge and incorporation of their claims and concerns,

- usage of this knowledge to improve the compatibility between European objectives and territorial realities (specificities),

- the creation and functioning of partnerships, e.g. Public-Private Partnerships.

4.4 Which governance mechanisms are at play in the case study? (Modes of governance)

Please, describe the modes of governance at play in the case study?

- Governing by authority (direct interventions by national governments in local or regional politics by mandatory means),

- Governing by provision (incentives by national governments in return for local actions),

- Governing through enabling (enabling of local actions by e.g. information, opt-in opportunities),

- Self-governing (based on self-motivated action).

4.5 Was there change in the ability to deliver policies? (Change of organisational capacity)

Please discuss the change (or expected changes) in organisational capacity with particular emphasis on governance and cooperation (link to the information in 3.4), including aspects such as

- capacities and skills of the organisation to coordinate and manage investment projects and policy development between different organisations and levels,

- capacity to adhere to good practices,

- ability to be result-oriented, with clear goals and targets (Strategic Planning),

- make the most out of traditional funding instruments, as well as new forms of financing (Innovative Financing) (financial and economic resources),

- ability to promote results and learning processes via monitoring and evaluations

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(promoting results and learning),
• Adaptability of institutions in a learning process.

4.6 Which approaches have been used? (Innovative tools, techniques and novel approaches)
Moving towards the technical level, please describe which concrete techniques have been employed in the case study, incl.
• new tools, techniques and novel approaches have been developed in case study, and
• what is innovative about the tool, technique or approach.

4.7 What challenges where encountered and mastered? (Major obstacles)
Please, describe the main challenges that were met or you expect to meet carrying through the changes that characterise the case study, incl.
• major obstacles in the process,
• problem solving practices to overcome the obstacles, and
• challenges which are still to be addressed.

4.8 What difference did it make in the end? (Main results of the governance changes)
Going beyond discussing governance aspects, please describe briefly what the governance changes did mean for achieving the policy objectives at stake (also linking back to Europe 2020), incl.
• the main changes and results the governance structures brought about, and
• how they relate to the initial situation (see section 2 and section 3.2).

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5 SUCCESSES AND FAILURES (4 pages)
Successes and failures of the governance structure and changes, described in section 3 and 4, according to the policy cycle - focussing on the usefulness of the governance approach for delivering Europe 2020 objectives

5.1 What can be learned for the identification of needs, potentials & challenges? (Identification)
Please discuss any lessons that can be learned with regard to the identification of policy issues, incl. elements such as • understanding development needs (analytical tools, participative tools, ownership), • political visibility (how the territories/ stakeholder reckon the process), • interdisciplinary / territorial approach, • targeting and focusing capacity, • initiating process.

5.2 What can be learned for the formulation of policies? (Formulation)
Please discuss any lessons that can be learned with regard to the formulation of policies, incl. elements such as • inclusion of different government levels and fields, as well as non government actors, • programming and planning instruments, • synergies with other programs and plans, • policy innovation: new approaches, tools, applications, frameworks, developed budget size and funding symmetry, • tools for consultation – information, • decision making process, • role of politicians and political cycles, • relation between administration and politicians.

5.3 What can be learned for the effective implementation of policies?
Please discuss any lessons that can be learned or any foreseen strength or weaknesses with regard to the effective implementation of policies, incl. elements such as • administrative structures and networks established (also beyond the territory boundaries), • complementarity and coordination with other policy fields and sectors, • administrative capacity in overcoming administrative technical issue, • influences on other policy processes,

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- flexibility in adapting to the changes of the economic/ social context,

- added value of multi-level governance approaches (mitigate clashes and exploit synergies).

5.4 What can be learned as concerns accountability? (Accountability)

Please discuss any lessons that can be learned or any foreseen strength or weaknesses with regard to the accountability of policy process and implementation, incl. elements such as

- arrangements for reporting and monitoring,

- methods of evaluation (internal/ external),

- communication channels,

- systematic lesson drawn and capitalisation.

5.5 What are the overall successes and failures of the governance arrangements?

Please, summarise and reflect on the successes and failures of the (changed) governance arrangements in the case study, including

- How effective has the arrangement been in terms of the initial challenge (relate to chapter 2)?

- What are intended and unintended effects?

- How did the governance structure help to deal with obstacles in the policy cycle (relate to 4.3)?

5.6 Will the positive changes remain? (Sustainability and ownership)

Please, discuss to what degree the positive changes of the case study are expected to remain and under what preconditions (or whether they are likely to fade away as e.g. funding sources disappear). This includes also reflections on the ownership of the governance structure and the policy.

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6 LESSONS LEARNED AND TRANSFERABILITY (2 pages)
Lessons learned in relation to the successes and failures of the case study, focussing on aspects suitable for policy transfers and policy learning
6.1 Which successful practices are of special interest for others?
Please specify which successful practices are of particular interest for policy transfers and mutual learning between different regions. The following points should in particular be considered: • Role of the institutional context in the success of the governance settings, • Practicalities (organisation and other practical arrangements in relation to governance and in the inclusion of relevant stakeholders), • Technicalities (Know-how, methods, tools), • Timing (both the timing of the introduction of the project/tool, etc.).
6.2 What are the Do's and Don'ts that can be extract from the case study?
Please, fill in a table on the most important do's and don'ts in relation to lessons learned and transferability to be used as a summary and start of discussion:

Do's	Don'ts

5.2.3 Interview guidance

In the following a **general guidance** is provided for the interviews with the stakeholders in the case study area. It may not always be necessary to pose all questions to all interviewees. Some information may also be sufficiently provided in written documents. This depends very much on the nature of your case study and its documentation. At the same time, it may be necessary to pose additional sub-questions in order to require all the information that is needed for the final case study report. The questions might need to be rephrased or directed towards specifics interviewees. A number of places [Case/policy/project/…] are to be replaced by an appropriate word for the specific case study.

The questions are not structured strictly in accordance with the case study template, but instead follow a logic that reflects a likely and natural progression of an interview.

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Introduction

Present the aim of the overall MLG Europe 2020 project:

○ promoting multi-level governance in support of Europe 2020 is about generating lessons learned from existing experience and to stimulate the learning and transfer between regions. It would also be a good idea to shortly explain the Europe 2020 strategy and the link with either social inclusion or energy efficiency – if necessary.

Present the aim of the case study:

○ Discuss thetransferability of local and regional governance experiences and processes related to the implementation of Europe 2020. In other words, the case studies are about change in governance and about accessing the effectiveness of the governance changes in policy delivery.

Questions

General introduction and context:

○ Can you please describe the [case/policy/project/…] you are involved in?
- From your point of view, what was the main challenge before the implementation/initiation of the governance changes [Case/policy/project/…]?
- What are the main objectives of the [Case/policy/project/…]?
- What were/are the main features in terms of measures, tools etc.?
○ How do you see the links between the [case/policy/project/…] and the Europe 2020 strategy?
- Are the changes in governance influenced strongly by external factors / agenda?
- Are the changes driven by an "internal logic", a need in your region?
- How does the Europe 2020 strategy link up with other policies and initiatives which influence the [case/policy/project/…]?
- How is the contribution to Europe 2020 in your case agreed upon?

Key actors/ governance structure:

○ What is your role in the [case/policy/project/…]?
○ Which other stakeholders (political and administrative) are active in the process?
- Who initiated the process and how was it done?
- How is the work allocated and who has main responsibilities?
○ How would you describe the [case/policy/project/…] integration to other administrative levels, both regarding to the administrative and political representatives?
○ Do you find the [case/policy/project/…] well integrated into other (policy) sector?

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- o If not, should the case study be better integrated into other policy sectors? Why is this not considered?

  - o If yes, how do you integrate stakeholders or policies from other sectors
- o Is your case study bound to administrative borders?
  - o If not, how do you integrate stakeholders from other affected regions?
  - o If yes, should the case study include areas beyond the administrative border for functional relations? Why is this not considered?
- o Who are the relevant stakeholders for the [case/policy/project/…]?
  - o Have all of them been involved?
  - o If not, who was not involved and why?
  - o Those who have been involved, in which way are stakeholders involved?
  - o How were they mobilized / motivated?
  - o To what degree would you describe this as being successful (or not)? What has changed?
- o What were the main challenges in the cooperation?
  - o Were there conflicting interest among partners and stakeholders?
  - o How have these been dealt with? How were they overcome? What has been learned?
- o Is the cooperation flexible enough in terms of considering new interests and solutions?

Initiation and Implementation:

- o What is the link between your work [case/policy/project/…] and the implementation processes of the Europe 2020 Strategy in your country / region?
- o Which mechanism were used in the implementation phase? (e.g. mandate by authority, incentives for stakeholders, support in order to enable stakeholders, or self-motivation - NB this relates to the four modes of governance)
- o What kind of competences were particularly useful in the implementation?
- o Have you experienced bottlenecks in the capacity to implement the [case/policy/project/…]?
  How were these overcome?
- o In how far was the national institutional framework relevant to the implementation of your case? Positive, neutral, negative (in what way?)
- o Have there been other factors which hampered the implementation? Did you overcome them? How?
- o How does the (new) cooperation contribute to bring about change reaching the envisaged objectives of the [case/policy/project/…]?
  - o In relation to that do you think the situation is now better than before?
  - o Did you expect these results, linked to the prior defined objectives?
  - o Did the project have any unexpected outcomes (good or bad)?

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Success:

[Please consider the points mentioned in chapter 5, when questioning about the strengths/ weaknesses success / failures in the case study template in order to get a complete picture of the case study.]

- What is to your mind the success of the [case/policy/project/…]?
  - What are the most innovative parts that you would highlight?
  - Which elements are, to your opinion, crucial for the success?
- In your opinion, which improvements to the cooperation can be beneficial for the [case/policy/project/…]?

6   Task 4: Multilateral and twinning meetings

This task comprises the organisation of two multilateral meetings and 16 twinning meetings, including the reporting on these meetings.

6.1   Multilateral meetings

Purpose. Two multilateral workshops will be organised, one on energy efficiency policies and one on social inclusion. These workshops shall contribute to different aims. Firstly, they should be used to raise awareness of the project's work among other regions and stakeholders of the two concerned policy fields. Secondly, it is an opportunity for the case study regions to present their approaches to implementing Europe 2020 related policies in a multi-level governance context and receive responses from other participants (e.g. in form of peer reviewing). Thirdly, it is also an opportunity for exchanging experiences among the case study representatives and their future twinning partners. In order to realise all these aims, the multilateral workshops will provide sufficient time for facilitating different forms of discussion and communication.

Organisation. The meeting on social inclusion is envisaged to take place in Stockholm, Sweden, and the meeting on energy efficiency is envisaged to take place in Milan, Italy. The meetings are planned as one-day meetings, possibly organised as lunch-to-lunch meetings to facilitate travel arrangements.

In order to stimulate mutual learning and the development of new ideas based on existing experience, the meetings will focus on the interaction between the participants, rather than on lecturing. In the textbox is a first proposal on a possible structure for such a meeting. However, within the task, the structure and approaches for interactive sessions will be further developed.

For a focused and fruitful discussion it will be furthermore necessary to prepare the presentation of the case studies thoroughly. This will imply that each case study expert,

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together with the case study partnership, presents the specific findings most relevant for discussions on the transferability of governance approaches (incl. the necessary context information).

Possible agenda for a one-day multilateral meeting
09:00 – 09:30 Introduction and welcome
09:30 – 10:00 Presentation on Europe 2020 implementation in a multi-level governance context
10:00 – 11:00 Presentation of 2 case studies
11:00 – 11:30 Coffee break
11:30 – 12:30 Small group discussions and possibility for other regions or cities to inform about their cases. Focus on (a) lessons learned from the case studies, and (b) how to take this forward in concrete action plans
12:30 – 13:30 Lunch
13:30 – 14:30 Presentation of 2 case studies
14:30 – 15:00 Coffee break
15:00 – 16:00 Small group discussions and possibility for other regions or cities to inform about their cases. Focus on (a) lessons learned from the case studies, and (b) how to take this forward in concrete action plans
16:00 – 17:00 Plenary discussion on lessons learned and possible future actions

Participants. In general, it is envisaged that each multilateral meeting will have between 30 to 40 participants. The relevant case study experts and at two representatives from the four thematically fitting case study partnerships shall be present at the multilateral meeting. Furthermore, it is envisaged that even the twinning partners will attend the meetings in order to allow for a first contact with the case study areas.

In an ideal case, the list of participants of a multilateral meeting would include:

- 8 stakeholders from the case study regions (2 per case study)
- 4 case study experts from the study team (1 per case study)
- 16 stakeholders from the twinning regions (2 per twinning region)
- 2 persons from the overall study team

In addition the meetings can be open to persons from other regions or cities working with the implementation of Europe 2020 objectives – if this is seen as beneficial. The participation in the meeting will be free of charge, but external participants will have to pay their own travel expenses.

Timing. In order to allow for the twinning partners to be selected and prepared before the multilateral meetings, it is suggested to run the two multilateral meetings in late March 2014. Consequently the planning of the meetings and general invitations are scheduled for January 2014. This would be about one month later than originally envisaged but may allow for a better preparation and the inclusion of the twinning partners.

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6.2 Twinning meetings

Purpose. A total of 16 twinning meetings, i.e. two per case study are envisaged. These meetings shall take place in a rather confidential spirit, including only the twinning parties and one or two representatives of the project team. The meetings will be used to transfer good practice multi-level governance approaches to another region. In order to succeed, it is vital to exchange all necessary background knowledge for understanding each of the two partners' legislative and administrative frameworks. Based on this common understanding these meetings shall help to develop actions and/or decisions for initiating improved multi-level governance processes in the twinning partner's region.

On that basis, the meetings will lead to actions, concrete decisions or action plans to initiate a governance process to better coordinate policy making and implementation across levels of governance (linked to the Europe 2020 Strategy).

This can take rather different forms such as:

- Action (plans) for the single knowledge twinning partners, about how to take forward ideas from the case study region at home. This may e.g. also include actions related to the development of ideas for projects under future ESIF programmes.
- Joint action of the twinning partners, e.g. related to the establishment of joint projects or benchmarking / benchlearning exercise. This can for instance involve the development of project ideas for future territorial cooperation programmes (e.g. in-line with the 'Europe 2020 going local project funded by INTERREG IVC (http://www.eu2020goinglocal.eu/) or even to programmes under the regime of other EU policy sectors (e.g. 'Europe for Citizens Programme' or TEN-E).

The actions are intended to improve the governance process of the partners, by setting up or reviewing common visions, outcomes to achieve, or the approach adopted for interaction.

Organisation. The twinning meetings are expected to take place in the case study region which is at the heart of the twinning exercise in order to facilitate possible sight visits. A general concept for the twinning meetings will be developed during spring 2014. This will also include a standard structure or guidance for the Action Plans to be developed. It is envisaged that each twinning meeting takes about 1 day and has between 6 to 10 participants. Where appropriate it could be considered whether to hold single twinning meetings back to back with a multilateral meeting (if the timing allows for that).

Each twinning meeting will be supported by at least two experts from the project team (study team and case study expert). They will facilitate the meeting and support the development of ideas for concrete actions or actions plans. The project team experts will also prepare a report on each twinning meeting which will be sent to the participants of the meeting for acceptance.

Participants. As indicated above, the twinning meetings are envisaged as rather small meetings with a selected number of key stakeholders from the case study region and the

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twinning partner region, as well as the case study expert of the project team and one additional expert of the project team who will take part in several twinning meetings in order to facilitate learning and reflections across twinning meetings in different case study regions.

In an ideal case, the list of participants of a twinning meeting would include:

- approx. 3 stakeholders from the case study region
- 1 case study experts from the study team
- approx. 3 stakeholders from the twinning region
- 1 persons from the overall study team attending twinning meetings in several regions

Timing. The twinning meetings are expected to take place after the multilateral meetings, i.e. after late March 2014, and before mid-November 2014.

7 Task 5: Final report documenting analysis, lessons

The study will have to provide different types of written deliverables, which vary from precise and focused case study reports to more extensive analytical and synthetic reports.

To deliver a useful final product, we know that developing targeted findings and lessons learned is at least as important as thorough analytical work. Previous experience within the project team, for example, when drafting reports for DG Regio or the synthesis reports for ESPON or developing policy papers for the Swedish or Polish EU Presidencies and for other national or European clients has shown that useful findings and recommendations presented in written form and/or orally must follow a few simple principles:

- Easy to understand and communicate.
- Clear link between analysis, findings and recommendations.
- As concrete and practical as possible.
- Accurate and linked to previous studies.
- Policy relevant, i.e. targeted towards current policy aims and debates.
- Targeted towards the field of competence and influence of the client.
- Independent, objective and balanced.

This goes hand in hand with a thorough approach to drawing conclusions which are scientifically sound and policy relevant.

Usually a report would be delivered in English, but our team is able to produce reports in many official EU languages – at least all languages of the proposed case studies regions can be covered.

Structuring steps of analysis and report

The development and drafting of reports will follow a number of predefined structuring steps. These will be especially applied for the interim report and the synthesising final report but

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they also need to be followed when drafting the case study reports, since they are supposed to represent freestanding reports:

- The "Structuring phase" is the first phase, where the research question is prepared to sharpen the understanding of the task ahead. This also includes the identification of the appropriate tools for information and data collection as well as analysis methods etc. The envisaged approach as well as a draft table of content for each of these reports will be agreed with DG Regio.
- In the "Observing phase" the relevant data is collected using the appropriate triangulation of quantitative and qualitative data collection approaches outlined in this tender.
- In the "Analysis phase" the material is analysed within individual case studies and across case studies and policies. In this phase, we will also use various approaches for synthesising information and analysing data. The work will result in an aggregated picture of the information collected by the case studies and the twinning exercises displaying major patterns as well as similarities and disparities across case studies and policies. For the individual case studies this phase will comprise the synthesising of information from all relevant stakeholders, processes and other data. In all reports, this will be supported by charts, tables and any other suitable means of visualisation, to support the overall findings. The work will be scientifically sound and follow a clear logic.
- The "Judging phase" will assess the previous analysis through a set of criteria (if possible) and draw up conclusions and recommendations. An important step when drawing conclusions are internal analysis workshops, where the tentative conclusions are discussed by various team members to test their robustness and identify potentials for further improvements.
- The "Reporting phase" includes a linguistic check, the presentation of the results and – where suitable – a formal presentation and discussion.

We will use a pragmatic and mixed approach towards these five phases, which will differ between case study, interim and final reports.

Final Report

The final results will be presented in an easy to read report (in English language) accompanied by a self-explanatory powerpoint file. This Final Report will bring together the results from the case studies, the various meetings and discussions arranged throughout the study. The aim of the report is to inspire multi-level governance approaches for the implementation of Europe 2020 objectives.

In doing so, the report will presents the analysis of the multi-level governance used to achieve coherence between national, regional and local policies and the Europe 2020 objectives. Furthermore, the report will present the main lessons learned as well as critical success factors and important contextual frameworks to be considered. Based on this it is envisaged to develop recommendations and policy points focusing on how to make use of the lessons learned at various levels of governance and within various sectors.

The recommendations will indicate how to reduce coordination and capacity gaps in policy making in terms of information, resources, funding, administrative and policy fragmentation.

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They will propose solutions to ensure that all partners (a) are genuinely engaged in the decisions made which affect them, and can influence and inform these decisions; and (b) are committed to work together in providing better policy. In this way all the expertise the different partners possess in their own areas of activity can be effectively harnessed, and a more dynamic approach and greater responsibility for the various players can be promoted to ensure the most effective use of EU resources.

Lessons learned will focus separately on the different obstacles to full implementation of the multi-level governance approach, as well as they will differentiate between the political and administrative side, and between planning, implementation, and evaluation phases whenever needed.

Below box presents a first idea of a possible rough structure of the final report. The final report will be language edited by at least one native speaker.

Possible structure of the final report

Summary

Introduction

Europe 2020 objectives and implementation mechanisms

Multi-level governance mechanism for promoting energy efficiency policies

- EU context
- 4 case study examples
- Lessons learned from the case studies and meetings
- Outlook and recommendations

Multi-level governance mechanism for social inclusion in an urban context

- EU context
- 4 case study examples
- Lessons learned from the case studies and meetings
- Outlook and recommendations

Success factors and hinders for the multi-level governance implementation of Europe 2020 objectives

Policy pointers for the implementation of Europe 2020 and Cohesion Policy Priorities

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8 Task 6: Final conference

The final conference is the major dissemination event of the study. It shall attract a larger audience as compared to the multilateral workshops. All tasks linked to preparing and conducting the event are envisaged in the corresponding work package. Apart from careful preparation based on vast corresponding experiences of the project team, a successful final conference also needs thorough running, facilitating and reporting after the finalisation.

Although preparing and conducting will vary depending on the type of event, the general process will include:

- Identification of the target audience;
- Development of the concepts/programmes incl. appropriate approaches;
- Selection and invitation of speakers and contributors;
- Invitation of participants;
- Preparation of written contributions;
- Moderation and facilitation of the event; and
- Summing-up incl. preparation of final documentation.

The exact structuring and methodology of the meetings and events must be carefully designed to ensure that the desired results are obtained, as different techniques will enable some results and inhibit others. Critical aspects are:

- Roles of the participants: those who are needed are present;
- Process design: techniques used and their pedagogical/strategic flow;
- Process facilitation: enabling, directing and ensuring the implementation of the design on site;
- Recording: collecting the input and results for analysis and use afterwards.

Towards the end of the study a final conference is envisaged in order to disseminate the results and stimulate further discussion on the multi-level governance approaches to implementing Europe 2020 objectives.

The study team will take care of the main aspects ensuring a smooth running of the event:

- **Programme.** The development of a programme will be done in close cooperation with DG Regio. Based on a draft programme provided by the study team, there will be a discussion with DG Regio and a decision about the final programme.
- **Marketing.** The study team will be in charge for marketing the event e.g. via launching news on relevant website as well as sending direct invitation to all participants in the multilateral and twinning meetings. The marketing will be fully online-based.
- **Registration.** The study team will set up a website where people can register for the conference and will also confirm the registration etc. electronically. At the day of the conference, the study team will take care of the on the spot registration incl. the dissemination of information material and batches.

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- **Speakers.** After agreement with DG Regio the study team will invite the speakers and brief them for their input. It will also collect the presentations etc. in advanced to ensure a smooth running of the conference.
- **Running and facilitating.** Throughout the conference, the study team will take care of the practical arrangements as well as of the moderation of the event and the facilitation of debates etc.
- **Reporting.** After the final conference the study team will prepare a short paper on the conference and its main outcomes. This paper will be submitted to DG Regio and can also be used for informing the participants or general public if wanted.

DG Regio will cover the costs for travel and accommodation for the speakers and two representatives of each partnership active in the project and provide the venue in Brussels.

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9 Time schedule

Time schedule DG Regio "Study on Promoting multi-level governance in support of Europe 2020"

Task/Month
Task 1: Literature and policy review
1.1 Full literature and policy review
1.2 Policy analysis on multilevel governance
Task 2: Call for partnerships
2.1 Preparation of the call
2.2 Launching the call
2.3 Selection of candidates
Task 3: Case studies
2.1 Develop methodology
2.2 Conduct case studies
2.3 Quality check
2.4 Cross Analysis Synthesis
Task 4: Multilateral & twinning meetings
4.1 Multilateral - development of concept
4.2 Multilateral - preperation of two meetings
4.3 Multilateral - running of two meetings
4.4 Multilateral - reporting
4.5 Twinning - development of concept
4.6 Twinning - preparation of 16 meetings
4.7 Twinning - running 16 meetings
4.8 Twinning - reporting
Task 5: Final report
5.1 Analysis of case studies & meetings
5.2 Drafting of Draft Final & Final report
5.3 Quality and language check
Task 6: Final Conference
6.1 Preparation of the conference
6.2 Running of the conference
Task 7: Overall project management
7.1 Internal project management
7.2 Monthly report
7.3 Reporting (inception, interim report etc.)
7.4 Meetings with DG Regio
Reports
Meetings

Months: Sep.13, Oct.13, Nov.13, Dec.13, Jan.14, Feb.14, Mar.14, Apr.14, May.14, Jun.14, Jul.14, Aug.14, Sep.14, Oct.14, Nov.14, Dec.14, Jan.15, Feb.15, Mar.15

Reports: Inception, Draft case studies, 1st Interim, 2nd Interim, Draft Final, Final

Meetings: Kick-off, EC SC, EC SC, EC SC, EC SC, EC SC

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