



Background paper integrated governance approach in cities

DEALS, February 2019 - Ellen van Reesch







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Introduction 02

1 Introduction

Integrated approaches are a key feature of global thinking about sustainable development. There is widespread recognition that development approaches which overemphasize one goal (usually: economic growth) at the cost of other dimensions (people, planet) are not sustainable. At a more operational level, a lack of coordination among different sectors creates imbalances and (cost) inefficiencies. Yet, integrated thinking and practice are still rare. While many national and local governments have strategies that emphasize the importance of integrality, their processes of planning, budgeting, implementation and monitoring remain segmented in practice.

Urban governments in developing countries face numerous challenges which they must confront with limited resources. How can VNG International support them in adopting integrated approaches? This paper summarizes the findings of an exploration into this question undertaken for the DEALS Programme in 2018. It looks at both the substance and operational aspects of integrated approaches, using international sources as well as practical experience in the Netherlands. The findings of this exploration were used to formulate some 'key elements' of integrated and multi-stakeholder approaches in the context of DEALS country programmes, and to develop a tool for monitoring progress with such approaches.

2 Sustainable (urban) development and integrated approaches: the international consensus

Integrated approaches are deeply embedded in international thought about sustainable (urban) development. Below are quotes from two of the leading agendas.

The UN declaration on the 2030 Agenda for sustainable development, which launched the 17 Sustainable Development Goals in 2105, states (paragraphs 13 and 17):

"The challenges and commitments (....) are interrelated and call for integrated solutions. To address them effectively, a new approach is needed. Sustainable development recognizes that eradicating poverty in all its forms and dimensions, combatting inequality within and among countries, preserving the planet, creating sustained, inclusive and sustainable economic growth and fostering social inclusion are linked to each other and are interdependent. (...) Reflecting the integrated approach that we have decided on, there are deep interconnections and many cross-cutting elements across the new Goals and targets."

In 2016, the signatories of the New Urban Agenda of HABITAT III committed to an urban paradigm shift that will, amongst others:

"Readdress the way we plan, finance, develop, govern and manage cities and human settlements (...); Adopt sustainable, people-centred, age- and gender-responsive and integrated approaches to urban and territorial development by (...) Developing and implementing urban policies at the appropriate level, including in local-national and multi-stakeholder partnerships, building integrated systems of cities and human settlements and promoting cooperation among all levels of government to enable the achievement of sustainable integrated urban development (...)

Reinvigorating long-term and integrated urban and territorial planning and design in order to optimize the spatial dimension of the urban form and deliver the positive outcomes of urbanization (...)"

The Agenda 2030 and New Urban Agenda are aspirational documents. While the intentions are clear, the tasks seem quite overwhelming and limited operational guidance is provided. Indeed, few documents spell out concisely what is meant by integrated approaches in practice.

The UN Department of Economic and Social Affairs, in its 2013 <u>World Economic and Social Survey</u>, does offer a definition with some clearer-cut elements, which has been used as an important starting point for the DEALS framework.

It states that "an integrated approach to urbanization will be based on a *holistic view* of its *social* development, *economic* development, *environmental* management (at the local, national and global levels) and *governance* components.

It will entail the coordination of objectives and programmes among different city stakeholders (e.g., citizens, government and the business sector), as well as the development of linkages between and within socioeconomic sectors and activities.

In economic terms, the integrated approach tries to *improve synergies* among activities such as public transportation, energy consumption, biodiversity and human health.

Further, under an integrative approach, city administrations would *integrate investment in various* types of infrastructures with the development of institutional and management capacities and the active participation of all stakeholders in the process of building sustainable cities. ¹

Taking an integrated perspective: linking different sectors, perspectives and goals

UN DESA's definition starts by addressing the 'substance' of an integrated approach. Sustainable urban development requires an approach that looks at social development, economic development, environmental management and urban governance in conjunction. Sector-specific expertise and goals as well as clear lines of responsibility for achieving intended outcomes remain important. But an integrated perspective requires that actors working in specific sectors or thematic areas are able to identify relevant influences from outside their own domain, as well as understand the impact of their own efforts on others. To achieve synergies, they must take an open-minded look at how their projects or goals can be aligned to those of other actors and to the priority needs of communities.

For example, waste management is a major concern of municipalities across the globe, as reflected in SDG targets 11.6 and 12.5. A purely sectoral approach to waste management will focus on improving waste collection and operations at landfill sites. It will measure results by the tonnage of waste collected and processed, and focus resources on infrastructure investments. A more integrated approach can come about at various levels, depending on the local government's openness, capacities and means. For example, more integrated environmental management approaches also look at reducing the amount of waste produced and at recycling. In the cities of developing countries there is a direct and strong link between solid and liquid waste, poverty and health. NGO projects or sanitation departments often work on improving awareness about environmental sanitation, especially in low-income neighbourhoods. In some cities, informal waste collection and reuse by communities has been well integrated in solutions for waste, thereby creating jobs, income and benefits for the poor.

Underlying the problem of urban waste are distributional factors. Adequate services are primarily channeled to upper- and middle-class neighbourhoods. Low-income neighbourhoods often depend on distant infrastructure for solid waste disposal, clean water and sewerage or on private service providers, while informal settlements often have no facilities at all. A comprehensive approach to sustainable urban development looks at such social and governance aspects, which typically lie far outside the mandate of waste departments. Yet, many of the challenges around waste are related to the inequitable access to land and housing, which in turn is linked to the policies, politics and power relations that determine land and housing markets.

Authoritative sources such as UN HABITAT, the World Resources Institute and United Cities and Local Governments (UCLG) emphasize that equitable access to land and to decent and affordable housing are core elements for sustainable urban development. In addition to socioeconomic hardships and environmental pollution, people living in informal settlements and those without proper housing are also the most vulnerable to the adverse effects of 'natural' disasters such as sea-level rise, floods, heatwaves and storms. SDG 11 on sustainable and inclusive cities and human settlements has therefore set targets for universal access to safe and affordable housing and basic services (11.1), public transport (11.2), human settlement planning (11.3) and green and public spaces (11.7). It also calls for protecting (poor) people from disasters. Durable solutions for these combined challenges will not be achieved without addressing the political and governance dimensions of spatial inequality.

There is increasing awareness globally that environmental sustainability must be integrated in urban agendas. However, as UCLG and partners note in the 2016 GOLD IV report Co-creating the Urban Future, the quest for a greener production and consumption system ('green economy') tends to again emphasize economic aspects over others. The concept of sustainability is being narrowed down to clean technologies and de-politicized. The GOLD IV report proposes to link environmental sustainability and social inclusion to four key 'citizenship rights': the right to land, the right to housing, the right to universal access to basic services, and the right to culture. Because conventional land and housing policies and centralized means of services provision have failed large sections of (urban) populations, some cities have adopted alternative, more inclusive models. The GOLD IV report offers inspiring examples of innovative (governance) models for land tenure, (social) housing and inclusive service delivery, fitting in with a rights-based approach.¹

To visualize the multiple dimensions of 'waste', the figure below was included in the DEALS inception report. It 'plots' the sectoral issue of waste management on UN DESA's four urban sustainability pillars and adds a fifth, spatial pillar. It also shows links to relevant SDG targets.

¹ The <u>Leipzig Charter on Sustainable European Cities</u> that was adopted by EU member states in 2007 also emphasizes the importance of exploiting endogenous economic forces in deprived neighbourhoods, and of tailoring labour market and economic policies to the needs of individual neighbourhoods.

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issue	social	economic	environment	governance	spatial
Inadequate collection, treatment and re-use of solid waste SDG 12.5 and 11.6	Causes - poverty (SDG 1) - the presence of informal, unserviced settlements (SDG 11.1); link with right to land and right to housing and with social, economic and political inequality (SDG 5, 10) - behavioural/awareness issue (awareness) linked to environmental education (i.a. SDG 4) Effects - negative impact of littering and environmental pollution on public health (SDG 3) Opportunities communities make a living out of informal waste picking and reuse (SDG 8) Recognition and better payment for such informal work are	Causes - inadequate waste management due to shortage of government funding + market failure (SDG 9, 16,17) - wasteful economic production processes and lack of recycling (SDG 12); insufficient recognition of value of 'waste' in the formal economy Opportunities: - recycling/reuse - biogas - job creation	Effects - soil pollution (SDG 15) - air pollution (SDG 15, 3) - methane emissions from landfills (SDG 13) - water pollution and blocked sewers, resulting in flooding (SDG 6) Opportunities - biogas - reusing raw materials	Causes - inadequate coverage of public/private waste collection services: bias to richer areas (SDG 10, 16) - inadequate spatial and land use planning, (SDG 11.3) - shortage of funding (SDG 16,17) - lack of stakeholder participation (SDG 16) - limited range of solutions and partners deployed (often only state + private sector) SDG 17	- spatial inequality: poor people live in underserviced areas and in the proximity of landfills (SDG 11.1) - poor land use planning (SDG 11.3) - informal settlements are often near river banks and canals (and waste is thrown in the water) - narrow lanes or unpaved roads where large trucks cannot go

If integrated approaches are so important, why are they so rare?

As UN DESA points out, adopting an integrated perspective requires coordination of objectives and programmes among different city stakeholders and developing linkages and synergies among activities. In most places, such integrated approaches are hampered by: (1) the segmented nature of formal government institutions, policy making and budgeting, instead of pooling knowledge and resources. This also includes the lack of coordination among different tiers of government; (2) reliance of governments on market mechanisms (businesses and banks) which too have a bias towards sectoral and linear approaches; (3) lack of (area-based) bottom-up approaches and systematic citizens' and community involvement in policy making, planning and implementation. Lack of functional integration also occurs in spatial planning: planners often focus on a limited number of functions, separating residential from business or shopping areas and assuming that citizens can move from one place to the other with their own cars or other means of (paid) transport. Informal settlements that develop outside the process of formal planning often lack basic infrastructure, services and job opportunities altogether.

All municipalities will be familiar with problems arising from insufficient internal communication and cooperation between departments. Different units tend to focus on their own targets in isolation from the linked targets of other departments. For example, infrastructure is often built without attention for the capacity to run and maintain it, and without considering other infrastructural works (above or underground) that could have been done simultaneously. Also, existing spatial plans and citizens' own preferences for their neighbourhoods are often neglected.

To avoid wasting time and money, some level of coordination among institutions and sectors, horizontally and/or vertically, is usually practiced. This is indeed a necessary first step. But an integrated approach requires more: taking a multi-disciplinary perspective and achieving active synergies from the outset, based on people's needs. It looks at effectively combining multiple objectives, at a scale that is most suitable for addressing the issues at hand.

At the level of the city as a whole, a good example of such synergies is public investment in an environmentally clean, inclusive public transportation system instead of private car infrastructure. This can simultaneously achieve lower energy consumption and carbon emissions, reducing air pollution (promoting human health and biodiversity), providing broad public access to city centers and avoiding that central areas are heavily congested by car traffic. It also creates space for attractive and green public spaces in city centers instead. Involving people directly in decision making is essential for setting the right priorities. Although community-based projects and stakeholder participation are part of the experience of developing countries and cities, these often target specific social issues only, not the core processes of urban development.

Practicing integrated approaches: recent experience in the Netherlands

Inspiring examples of integrated urban development can be found across the world. Many countries have also developed operational tools and procedures for integrated urban development planning. Within the scope of the assignment there was insufficient space for exploring the cross-country experience. At the same time, a lot of interesting learning about integrated approaches in practice is taking place in the Netherlands right now. Sharing this experience fits in well with VNG International's focus on peer to peer learning. For example, the South-African municipality of Ekurhuleni and its Dutch partner city Breda have established the Anti-Silo Movement initiative to promote communication and cooperation between local government departments.

Despite a tradition of multi-stakeholder partnerships, most organizational structures and governance processes in the Netherlands, both public and private, are siloed and segmented too. In local government, the 'social domain' and 'physical domain' are managed as separate pillars. Within these pillars sectoral boundaries are also common. Meanwhile for the target groups of public services, such as vulnerable households, different aspects of live are highly interrelated. For example, access to jobs, health issues and affordable housing are interlinked and setbacks in one area can easily trigger problems in others. Public administration systems tend to look at these areas in isolation. Different units each have their own separate protocols and budget lines. It took a growing inequality in society and a rising number of households with unsustainable debts to create awareness that existing approaches were failing.

In 2015, a major decentralization took place with respect to government support for vulnerable and low-income households and individuals. The expectation is that local governments are better placed to overcome existing failure. However, municipal organisations need to adjust their structures and routines to achieve this. Most municipalities have now established interdisciplinary social teams to interact with citizens in needs of support. But challenges are far from solved and a lot of discussion and learning is taking place. (http://blog.sozio.nl/een-lekkend-kraantje-vraagt-geen-bouwteam-tenzij/; integraal werken in de wijk).

In 2021, a new law on the physical environment and spatial planning will take effect which integrates 26 existing laws. A key objective is to ensure that governments at different tiers develop integrated vision documents and plans, jointly with stakeholders. These plans must align and prioritize multiple ambitions and claims for space such as housing, mobility, economic activity, the energy transition, nature preservation, environmental and health issues and adjustment to climate change. A dedicated team in VNG is helping municipalities to prepare for this major reform. On their website (kennis en informatie over de Omgevingswet) is a note explaining that integrated approaches in the context of the new law (Omgevingswet) are about "bringing together and considering a broad range of topics, perspectives and interests in order to make balanced choices". It is not about connecting everything with everything, but about making sensible choices based on an integrated analysis. VNG has supported a series of pilot projects in which participating municipalities elaborated comprehensive vision documents. The findings were published in a report, which puts a lot of emphasis on how the participatory process changes dynamics and outcomes. In addition, efforts are being made to map and visualise the interconnectedness of thematic areas and goals and to offer frameworks for balanced decision making. One example is the Omgevingswijzer, developed to guide an integrated perspective at the time of large infrastructural works.

Hence, to overcome segmentation, city governments and the private sector need to work in partnership with each other and with civil society and communities to identify and implement sustainable solutions that are responsive to people's needs. There is a gradual move from a top-down, system perspective to a more bottom-up, people-centered perspective. Many Dutch municipalities express commitment to organising municipal strategies and resources around priority themes that are identified jointly with citizens and local stakeholders (opgave-gericht werken). The municipality of Rheden has restructured its entire internal organisation based on this principle, with the SDGs as a reference framework.

The concept of City Deals also emerged in this context. City Deals are pilot programs in which national ministries and municipal public and private actors jointly explore new approaches, which transcend the usual organisational and institutional boundaries. Solutions that work best for people may conflict with existing rules and mandates. For this reason, local governments experiment with pilots and 'laboratories' in which rules are temporarily suspended, to find out what works. The Urban Futures Studio, which has evaluated City Deals, considers such experiment the physical practice of doing things differently - to be a key aspect of joint learning. Sustainable development, therefore, is not only about technological innovation but also very much about social innovation.

There is growing awareness of the contributions that committed citizens and communities can make to enhancing their neighbourhoods and promoting social and environmental sustainability, for example by greening public spaces, organising alternative home care services or starting local energy cooperatives. Indeed, in many neighbourhoods and villages such citizen initiatives were the ones that started a transition from top-down, sectoral approaches (emphasizing rationalisation, economic scale and control) towards local, bottom-up, people-centred approaches and networks. This movement inspired professional networks to also experiment with 'place making' and urban renewal, for example WeMakeThe.City. Several public planning agencies (PBL, SCP) and advisory councils (eg. College van Rijksadviseurs with Panorama Nederland) are underpinning the validity of these approaches with their research.

The city of Leeuwarden was European Capital of Culture in 2018. It won the European competition for this title by putting the principle of "Mienskip" (community) at the heart of its approach. The approach demonstrated convincingly that a 'co-ownership approach' can mobilise far more human and financial resources than a top-down approach. For the city administrators, this requires preparedness to be flexible, let go off control and listen to people. "Do not instruct citizens what to do, but invite them to bring their own ideas and give them the instruments to implement these ideas. Taking people's ideas seriously leads to ownership and a sense of pride. Allow people to learn and make mistakes in their projects. Ensure that citizens trust you", is what officials of Leeuwarden told the visiting delegation of DEALS partner cities in September 2018.

Implications for DEALS: an integrated approach is an inclusive and multistakeholder approach

In conclusion, integrated approaches require local governments to think and act differently and, above all, to build their capacities for interacting with other stakeholders within and outside their own organisation. For many civil servants, this may imply a need to step out of their comfort zone. At the same time, the DEALS programme must be realistic about what it can achieve within the available time span and resources. The level of ambition will also depend on the extent to which the wider context in which the partner city operates is conducive, including the degree to which tasks and responsibilities have been decentralised.

Based on the above concepts and insights, 6 key elements were identified that will help to adopt integrated approaches in the DEALS projects. Based on these six elements, a set of monitoring questions was developed to monitor results at the output level. At this level, the emphasis is on capacity building and on finding out what works, what doesn't and why. Therefore, the monitoring questions (and their sub-questions) have a strong focus on process and on mechanisms that promote multi-stakeholder participation. They are aimed at investigating how these processes and mechanisms assist in doing things differently, which factors promote or prevent this, who participates and who doesn't and why.

#	Key elements of the integrated governance approach in the DEALS program:
1	Coordination of strategies, plans, budgets and activities among different departments within local government around the goals of the deal
2	Coordination of strategies, plans, budgets and activities among local government and other government actors and levels (eg national government ministries and their local agencies, other municipalities, local councils) to achieve the goals of the DEAL
3	Active cooperation with non-government stakeholders to achieve the goals of the DEAL: citizens' representatives, business sector, knowledge institutions, civil society and community-based organisations, donor agencies
4	An (area-based) pilot approach which develops linkages and synergies between social, economic, environmental, spatial and governance aspects, taking the needs of people in the pilot area or group as the starting point and involving them actively in the pilot's implementation
5	Integrating relevant public(-private) investment in infrastructure in the project area with the development of institutional and management capacities and the active participation of all stakeholders
6	A framework with targets and indicators which support integrated thinking, and a methodology for joined monitoring and learning

A separate explanatory note has been provided with the questionnaire. Below are some further suggestions.

The monitoring questions are inter-linked and related to country-specific analysis, targets and goals. It is important to ensure that, in all DEALS projects, shared goals at outcome level have been agreed among local partners. Building capacities for collaborative approaches will be greatly facilitated by having shared, higher level goals, which also guide the monitoring process.

It will be essential to meet with target communities and discuss their needs right from the start, and to avoid the trap of trying to 'fix' internal or intra-governmental coordination first. The very point of working with the communities and in informal settlements is that the real-life problems are not 'segmented'; this can assist local, regional and national government departments in bridging their sectoral perspectives. Of course it will also be important to ensure active involvement of women and youth, to capture their needs, ideas and contributions.

While answering the monitoring questions about processes and mechanisms, respondents should reflect and learn: does increased cooperation lead to better mutual understanding? Are participants starting to change established procedures or practice because they see added value in doing things differently? Are different dimensions approached in conjunction? Is there enough space for joint learning and are lessons from the pilots traveling through the government system? How are (competing) interests considered and balanced?

The selection of suitable monitoring targets and indicators matters a lot for joint learning. Government departments tend to work with one-dimensional indicators, related to their own results and focusing their resources narrowly. The search for and adoption of a set of indicators which, taken together, support an integrated approach to sustainable development will help avoid such narrow biases. NGOs and academic institutions may contribute actively.

The relatively small DEALS projects will not be able to provide solutions for all challenges. However, as they focus on low-income groups in informal, underserviced settlements, the projects can be vehicles for an exchange on the wider issues facing these communities, in line with a rights-based approach. Stakeholder mechanisms set up for addressing sectoral priority issues such as waste management may also be used to discuss other needs such as jobs, housing, possibilities for slum upgrading or participatory planning of new, safer settlement areas. The DEALS programme can also assist participating cities by sharing information on innovative approaches elsewhere, and promoting exchange of experience among DEALS partner cities.

The goal will be to encourage that, rather than treating low-income and informal settlements as destitute, even illegal areas, local governments will integrate these areas and their communities into the city's fabric.

Linking DEALS projects with the SDGs for inspiration, balancing interests and monitoring

By promoting an approach in which environmental, economic, social and governance aspects are all important, the DEALS projects are well placed to contribute to SDG 11 and to help localizing other SDGs. Making explicit how DEALS projects help implement the SDGs may help attract additional resources.

Conversely, the SDGs as a framework can be of much help in pursuing integrated approaches, provided that their interconnected nature is acknowledged by participants. They can serve as a starting point for analysis and deciding goals. They can also be used as a framework for ensuring that all relevant dimensions of an issue have been taken into account, and for identifying synergies and possible trade-offs. Last but not least, the SDGs can be helpful in the process of joint monitoring and learning. Of course there are other models and frameworks that can do the same, but the advantage of the SDGs is that they are a holistic, globally accepted framework. The UN Statistical Commission agreed on an indicator framework to track SDGs at the global and national level. In order to provide the information required, the intention is to build robust data production and tracking systems in every country, so that achievements at the national and local levels can be assessed. These national mechanisms should help countries to optimize their resources and actions to achieve the goals. DEALS projects might support such processes, by collecting relevant data. In the Netherlands, several municipalities are experimenting with SDG-based monitoring frameworks adjusted to local needs.

UN Habitat has developed a City Prosperity Index (CPI) with an interesting set of indicators, and a capacity building initiative for participating cities. The methodology and indicators are explained in the <u>Measurement of city prosperity: methodology and metadata</u>. The CPI framework is being adjusted to make it suitable for SDG monitoring.

The SDGs are also often used to visually present and link different objectives in a way that people can easily relate to. Some academic institutions are taking a step further and exploring the interactions among different goals more in-depth. The Stockholm Environmental Institute (SEI) has developed a methodology for mapping interactions and prioritising those goals and targets that have maximum positive effects on other areas (Towards systemic and contextual priority setting for implementing the 2030 Agenda). The DEALS team in Pereira reported that SEI has opened an office in Bogotá and aims to assist national and local governments in adopting this approach.

Some relevant literature

- * CCRE/CEMR Reference Framework for Sustainable Cities (RFSC, online toolkit for local European authorities, developed by Platform 31 and ICLEI)
- * GOLD IV Fourth report of the Global Observatory on Local Democracy and Decentralisation Co-creating the Urban Future (2016)
- * Government of South-Africa <u>Integrated Urban Development Framework</u> A new Deal for South-African Cities and Towns (2016)
- * Leipzig Charter on Sustainable European Cities (2007) +
 Bundesinstitut für Bau-, Stadt- und Raumforschung Ten Years after the Leipzig Charter. The
 enduring relevance of integrated urban development in Europe (2017)
- * OECD Policy Coherence for Sustainable Development (2017)
- * Programma Aan de slag met de Omgevingswet Eindrapport pilots omgevingsvisie 2017-2018
- * PBL, Ton Dassen et al The New Urban Agenda, Kansen voor inclusieve en groene verstedelijking (2017), over formele en informele processen van stadsontwikkeling.
- * Rotmans, Jan, Omwenteling van mensen, organisaties en samenleving (2017)
- * Stockholm Environmental Institute Towards systemic and contextual priority setting for implementing the 2030 Agenda
- * UN DESA World Economic and Social Survey (WESS) 2013: Sustainable Development Challenges. In particular chapter III: "Towards Sustainable Cities".
- * UN HABITAT City Prosperity Initiative City Prosperity Index Methodology and Metadata
- * UN HABITAT New Urban Agenda. Outcome Document of Habitat III (2016)
- * Urban Futures Studio, Suzanne Potjer en Maarten Hajer <u>Learning with Cities, Learning for Cities</u>: the Golden Opportunity of the Urban Agenda for the EU.
- * Urban Futures Studio, Suzanne Potjer, Maarten Hajer en Peter Pelzer <u>Learning to experiment.</u> Realising the Potential of the <u>Urban Agenda for the EU</u>.
- * WRI Ross Center Confronting the Urban Housing Crisis in the Global South. Working paper in the context of the World Resources Report *Towards a more Equal City. Framing the Challenges and Opportunities* (2016)







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