

# CONCEPT NOTE

## UN-HABITAT EXPERT GROUP MEETING (EGM) ON URBAN GOVERNANCE



### The EGM at a Glance

Governance has been a long-standing area of work within UN-Habitat as it is key for the eradication of poverty and achieving sustainable urbanization. For more than 20 years, the Agency has undertaken several substantial efforts in urban governance both at normative and operational levels. The New Urban Agenda identifies governance as one of the four fundamental drivers of change for sustainable urbanization along with policy and legislation, planning, and financing mechanisms. These drivers are context specific, and UN-Habitat is supporting cities and countries to develop their own successful means for deploying them and overcoming any barriers that might prevent their full implementation.<sup>1</sup>

The UN-Habitat Strategic Plan 2020-2023 includes four domains of change that guide all activities of the organization: 1) Reduced spatial inequality and poverty in communities across the urban-rural continuum; 2) Enhanced shared prosperity of cities and regions; 3) Strengthened climate action and improved urban environment; and 4) Effective urban crisis prevention and response. The Strategic Plan also notes that urban planning and design must be a central component of the renewed urban governance paradigm, which promotes local democracy, participation, inclusion, and transparency, with a view to ensuring sustainable urbanization and spatial quality.

More specifically, the Strategic Plan calls for institutional coordination at all levels through multi-level governance arrangements and improved metropolitan governance structures and it also highlights the role of capacity building in effective governance systems by tasking UN-Habitat with assisting local governments to effectively capture domestic revenue, improve fiscal decentralization, manage urban displacement, take climate action, and utilize frontier technologies.<sup>2</sup>

Five global flagship programmes catalyse the implementation of the Strategic Plan building on past and ongoing initiatives of UN-Habitat: 1) Inclusive, Vibrant Neighbourhoods and Communities; 2) People-Centred Smart Cities; 3) RISE UP: Resilient Settlements for the Urban Poor; 4) Inclusive cities: Enhancing the Positive Impacts of Urban Migration; and 5) Sustainable Development Goals Cities. These flagships aim to achieve coherence and realize synergies between initiatives, by facilitating the cross-fertilisation of ideas, experiences, and lessons. They enable the establishment of long-term partnerships with national and local governments and other stakeholders as well as enhance the integration of sustainable urbanization issues and strengthen the localization of the Sustainable Development Goals. They integrate the social inclusion dimensions identified in the Strategic Plan 2020-2023, notably human rights, gender, children, youth and older persons, and disability.

<sup>1</sup> UN-Habitat Strategic Plan 2020-2023, pg. 57. [https://unhabitat.org/sites/default/files/documents/2019-09/strategic\\_plan\\_2020-2023.pdf](https://unhabitat.org/sites/default/files/documents/2019-09/strategic_plan_2020-2023.pdf)

<sup>2</sup> Ibid. Paragraphs, 66, 77, 80, 83, 84, 85, 108 and 109.

The success of the Strategic Plan as well as the Flagships will undoubtedly depend on a range of supportive structures such as the involvement of governments at all levels. This will involve multi-level cooperation built around broad consultative processes and mechanisms for vertical and horizontal integration. The sustainability of the flagships can only be ensured if the projects build the capacities of local governments and support their implementation of activities. Community needs and interests require to be mediated and critical decisions will be made. Only national and local institutions are in a legitimate position to perform this role and as such, these flagships should build their capacities.

The concept of governance has proven to be complex to understand and apply. It is multidimensional because decisions are based on complex relationships between many actors with different priorities and power relations. As a result, several competing approaches are applied at different territorial scales leading to wasted resources, inefficient sectoral interventions, human rights violations, and an overall lack of progress. Effective urban governance depends on four core elements:



**The city-national interface:** Effective urban governance depends not only on local institutions and actors, but also on the framework set by national governments that links the city and broader regional and national development. However, in many contexts, inadequate institutional frameworks have impeded effective urban governance.



**Municipal capacity:** Expanding municipal capacity to plan, manage and finance urban growth is a fundamental component of effective urban governance. It is important that each level of government has sufficient capacity to ensure that physical and socio-economic planning processes are well-coordinated, legally enforced, inclusive and cross-sectoral. However, many municipalities lack the skills, capacity and resources to meet their obligations.



**The role of the private sector:** The private sector is a key stakeholder in both urban and economic development. In addition to providing jobs, it can also be engaged in the design, construction and maintenance of infrastructure (for example through PPPs) and in service provision. However, where the private sector has contributed to improvements, it has often been at the expense of universal coverage, with low-income areas excluded.



**Political systems and institutions:** Urban governance is profoundly political, influenced by the creation and operation of political institutions, government capacity to make and implement decisions and the extent to which these decisions recognise and respond to the interests of the poor. The most vulnerable are often excluded or ignored in decision-making processes. There are large gaps between poor and better-off urban residents' access to social, economic, and political opportunities, and in their ability to participate in, and leverage, the benefits of urban living.

Therefore, UN-Habitat is organizing an Expert Group Meeting with diverse participants to discuss and re-align UN-Habitat's work on governance as well as identify niche areas. This will include discussing the elements of governance that should be strengthened to support the Flagship Programmes and the domains of change of the UN-Habitat Strategic Plan 2020-2023. Participants will also identify how to apply the governance principles at the national and sub-national levels and to find synergies and areas of collaboration with external partners in the field of governance.

This will contribute towards the implementation of the New Urban Agenda and UN-Habitat Strategic Plan 2020-2023 and can act as a catalyst for a better quality of life for all in an urbanizing world.

After the EGM, it is expected that UN-Habitat will have a common position and joint strategy on urban governance that will guide the Agency's work on positively transforming lives in cities, communities and their institutions. Another key outcome is the identification of tangible and action-oriented niche pathways on urban governance.

## Background

Sustainable urbanization is central to the realization of the global development goals as set out in the suite of global agreements signed between 2015 and 2016, including, most importantly, the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the Sendai Framework for Disaster Risk Reduction, the Paris Agreement on Climate Change, the New York Declaration for Refugees and Migrants and the New Urban Agenda (NUA).

The United Nations Human Settlements Programme (UN-Habitat) Strategic Plan 2020-2023 focuses on the agency's commitment and contribution to the implementation of the global

development agendas, particularly the premise of the SDGs and NUA to 'leave no one behind.' Through its normative and operational work as well as coordination and focal point role within the UN system, UN-Habitat's objective is: **"to advance sustainable urbanization as a driver of development and peace to improve living conditions for all."**

In **January 2020**, the Agency underwent a restructuring to align with the Strategic Plan 2020-2023. In this new structure, the **Policy, Legislation and Governance Section (PLGS)**, is one of the five sections/units of the **Urban Practices Branch (UPB)**, the Agency's skills centre for tools and methodology production.

PLGS's current categories of intervention are:



**1. Normative work** – development of tools and methodologies as well as the identification of best practices.



**2. Technical Cooperation** – field and technical cooperation projects including testing and implementation of developed normative tools and methodologies.



**3. Partnerships and Advocacy** – establishment of partnerships and cooperation mechanisms between various stakeholders and the development of MOUs and joint agenda.



4. **Knowledge and awareness** – seminars, webinars/workshops, podcasts, production of case studies and training events. Development and dissemination of discussion papers and research publications.

## UN-Habitat's work on Governance

UN-Habitat is the focal point for local and regional governments (LRGs) within the UN System. It partners with local and regional governments associations worldwide to amplify the voice of LRGs within UN processes and international fora – such as the High-Level Political Forum, while supporting other UN agencies to work more effectively and intensively with local governments and their networks. UN-Habitat holds the co-secretariat of the Local 2030 initiative, hosted by the Executive Office of the Secretary General, and has been traditionally working with partners such as United Nations Development Programme and United Cities and Local Governments (UCLG) to promote the localization of the SDGs through the formulation and dissemination of cutting-edge knowledge and technical cooperation at country level. Together with UCLG, and in coordination with

other international partners – such as UNDESA; the UN Regional Commissions and the European Commission Joint Research Centre, UN-Habitat leads the global discussion on Voluntary Local Reviews, providing local governments with knowledge and guidelines to support their SDG monitoring efforts. Moreover, it technically assists cities to produce their VLRs – such as Moscow, Florence and Amman.

UN-Habitat also supports government authorities at national and local levels in the formulation of rights-based governance frameworks on affordable housing, effective land rights and legal frameworks, economy and finance, access and sustainable management of basic services and natural resources as well as the proper planning and design of urban and peri-urban areas.

In the past, UN-Habitat has undertaken several substantial efforts in urban governance:

1. The Urban Management Programme (UMP) was a research programme that ran for 18 years from **1986 to 2004**. It is one of the largest global technical assistance programmes in the urban sector ever. One of the merits of the UMP was the introduction of urban poverty and urban governance into the mainstream of UN-Habitat activities
2. The Global Campaign on Urban Governance **2001-2005** aimed at creating the necessary framework to encourage and accommodate effective implementation of programmes.
3. In **2007**, the Agency developed the 'International Guidelines on Decentralization and Strengthening of Local Authorities and the International Guidelines on Access to Basic Services for All' to intensify its efforts in sustainable urbanization and the international dialogue on decentralization.

## PLGS Current work on Governance

Asymmetric power relations manifest in the negotiations and contestations of urban spaces which undermine the core functions of institutions in three ways: exclusion, capture and clientelism.



- a. Exclusion happens where some individuals or groups are “systematically side-lined from policy decisions that affect their interests”.<sup>3</sup>
- b. Influential groups often have the ability to ‘capture’ policies and make them serve their narrow interests. For example, despite operating in the least productive sector of the economy, powerful firms may advocate for policies that protect their economic power, obtain preferential treatment and block competition.
- c. Clientelism occurs where benefits are exchanged in return for political support. Examples include public officials soliciting for votes in exchange for short-term benefits such as transfers and subsidies or where politicians become responsive to groups that wield greater influence.

To manage power asymmetries, the New Urban Agenda proposes that first, for optimum delivery of urban services, the national-local government interface must be strong with proper inter-institutional hierarchy and coordination (NUA para 87-90). Second, the recognition that local governments are responsible for provision of most services requires a focus on decentralization in accordance with the principle of subsidiarity and accompanied by capacity building (NUA para

91). Third, effective urban governance needs to appreciate the role of the private sector as a complementing partner of public authorities in service provision and its ability to spur economic growth and generate employment (NUA para 91-92). Such a discussion must, however, also recognize that inadequate regulation of the private sector may reinforce social and economic inequities and promote exclusion and exploitation.

In light of the above, the PLGS Governance workstream currently has three sub-areas:



**i. Local Governance:** Strengthening urban governance to realise the SDGs and the New Urban Agenda (including localising the SDGs, and working with local governments and their associations);



**ii. Multi-Level Governance:** Focusing on vertical and horizontal coordination for policy implementation including metropolitan management; and



**iii. Multi-Stakeholder Partnerships:** Re-thinking the relationship between public and private actors to enhance public sector investment.

<sup>3</sup> Ibid.

In a nutshell, the following normative tools have been developed so far:

1. UN-Habitat (2021) A Guide: Leveraging Multi-Level Governance for Health Equity.
2. UN-Habitat-UCLG (2021) Guidelines for Voluntary Local Reviews: Connecting VLRs and VNRs
3. UN-Habitat (2020) Governance Assessment Framework for Metropolitan, Territorial and Regional Management (GAF-MTR).
4. UN-Habitat-UCLG (2020) Guidelines for Voluntary Local Reviews Vol.1: A Comparative Analysis of Existing VLRs
5. UN-Habitat (2016) Metropolitan Governance: A Framework for Capacity Assessment. Guidance Note and Toolbox.
6. UN-Habitat (2016) Unpacking Metropolitan Governance for Sustainable Development: Analysis of Case Studies: Summary Reports of Case Studies.
7. UN-Habitat (2015) Unpacking Metropolitan Governance for Sustainable Development.

Annex I contains a comprehensive overview of the governance workstream in these three sub-areas.

## Purpose of the Expert Group Meeting

The main objective of the EGM is to re-align and strengthen UN-Habitat's work on Governance to support the Flagship Programmes and the domains of change of the UN-Habitat Strategic Plan 2020-2023.

This will contribute towards the implementation of the New Urban Agenda and UN-Habitat Strategic Plan 2020-2023 and can act as a catalyst for a better quality of life for all in an urbanizing world.


To achieve this objective, the EGM will pursue the following specific goals:

- Identify niche and innovative areas of work on governance that UN-Habitat could fulfil in the three sub-areas of 1. Local governance 2. Multi-level governance and 3. Multi-stakeholder partnerships; and
- Identify potential areas of collaboration with partners and stakeholders.


## Expectations from Participants

This EGM will provide participants with the opportunity to review UN-Habitat's work on governance and provide feedback and

recommendations on the way forward. Participants in the meeting are expected to:

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- A. Review the current work programme of governance (see attached Annex I);
  - B. Review the governance elements that support the Flagship Programmes and Domains of Change of the UN-Habitat Strategic Plan 2020-2023 (see attached Annex II); and
  - C. Review the discussion paper on the definition of governance (see attached Annex III);
  - D. Come up with suggestions for entry points for the governance workstream.
  - E. Contribute towards drafting of a **UN-Habitat Governance Handbook** that will highlight some of the current trends in governance, compile definitions, and furthermore provide information on:
    - The impact of governance on urban practices;
    - Innovation in governance; and
    - Digital governance (e.g. how to bridge the digital divide and access to online institutional platforms).

## Expected Accomplishments of the EGM

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- » UN-Habitat will have a strategic focus on urban governance that will guide the Agency's work on positively transforming lives in cities and communities;
  - » The identification of tangible and action-oriented niche areas on urban governance; and
  - » The identification of joint projects, partnerships and initiatives on governance.

## Logistics, Agenda and Programme

The two-day Expert Group Meeting will take place on 27-28 April 2021 and it will be hosted virtually by UN-Habitat. The EGM will be conducted in English. The link for the online participation will be sent to registered participants. Before the meeting, a survey will be prepared and shared with participants to collect preliminary proposals and contributions on proposed governance definitions, values, principles, and key approaches

etc. The meeting format will be structured around presentations from UN-Habitat and selected participants. The group of experts will then provide suggestions and feedback in the moderated breakout group discussions. The focus group meeting will have 30-40 participants with expertise in the thematic area of governance as well as from different relevant stakeholders.

# UN-Habitat Expert Group Meeting on Urban Governance

## Provisional Agenda

### DAY 1: TUESDAY, 27 APRIL 2021

14:00-14:30 (EAT)

#### *I. Opening remarks*

Raf Tuts, Director

Global Solutions Division, UN-Habitat

#### *II. UN-Habitat and Urban Governance*

Presentation of the survey results

Regional perspectives

14:30-16:00 (EAT)

#### **EXPERT DIALOGUE 1: The Future of Urban Governance**

**Moderator:** Shipra Narang-Suri, Chief, Urban Practices Branch, UN-Habitat

**Segment 1.** Public Service Delivery (45mins)

**Segment 2.** Localizing the SDGs (45mins)

Each Segment is structured as follows:

Presentation by international experts (15min)

Plenary Discussion (25min)

Summary of Key Action points (5min)

#### **Guiding questions:**

1. How do you imagine (or reimagine) the Future of Urban Governance in 10 years' time?
2. What are the most important trends that will impact and drive the future of urban governance?
3. How can urban governance be a vehicle for sustainable development? And which is the role of public service delivery?
4. What innovations governments, specifically local, can adopt to increase efficiency and productivity while operating in constrained staffing and fiscal environments?
5. Which transformations are needed to strengthen SDG localization in a post-COVID world?
6. How to ensure that no one is left behind?

16.00-17:30 (EAT)

#### **DIALOGUE 2: Multi-level governance**

**Moderator:** Filiep Decorte, Chief, Programme Development Branch, UN-Habitat

**Segment 1.** Role of sub-national governments (regions; district; counties etc.)

**Segment 2.** Policy coherence and effectiveness – global to local

Each Segment is structured as follows:

Presentation by international experts (15min)

Plenary Discussion (25min)

Summary of Key Action points (5min)

#### **Guiding questions:**

1. There is a common acceptance in governments that better vertical and horizontal coordination would lead to improved development results. Why is this not happening?
2. What are the fundamental components for inter-governmental and sectoral integration?
3. What are the essential issues that need coordination (specifically to achieve the spatial development related SDGs)?
4. What other means exist, beyond the traditional institutional measures, to achieve coordinated and integrated results?



## DAY 2: WEDNESDAY, 28 APRIL 2021

14:00-15:30 (EAT)

### **DIALOGUE 3: Partnerships in governance**

**Moderator:** Eduardo Moreno, Director, Research and Capacity Building, UN-Habitat

**Segment 1.** Public-Private Partnerships

**Segment 2.** Research and Academia

#### **Guiding questions**

1. What are the central tenets of partnerships in governance?
2. Partnerships in governance take often place within a self-constructed structure, what needs to be done to address questions regarding accountability amidst shared responsibility?
3. How can multi-stakeholder partnerships be structured and designed to be productive, inclusive, and engaging?

Each Segment is structured as follows:

Presentation by international experts (15min)

Plenary Discussion (25min)

Summary of Key Action points (5min)

15.30-17:00 (EAT)

### **DIALOGUE 4: Digital governance**

**Moderator:** Pontus Westerberg, Innovation Unit, External Relations, Strategy and Innovation Division, UN-Habitat

**Segment 1.** Inequalities and digital divide

**Segment 2.** E-Governance and transparency

#### **Guiding questions**

1. What are the pre-conditions/basic digital governance frameworks that should be in place?
2. How can the digital divide be tackled to leave no one offline?
3. What needs to be done to address the needs and rights of vulnerable groups in the digital world?
4. What are UN-Habitat's entry points on digital rights ?

Each Segment is structured as follows:

Presentation by international experts (15min)

Plenary Discussion (25min)

Summary of Key Action points (5min)

17.00- 17:30 (EAT)

**Way forward:** Remy Sietchiping, Chief, Policy, Legislation and Governance Section, UN-Habitat

**Closing remarks:** Neil Khor, Officer-in-Charge Office of the Executive Director, UN-Habitat

# ANNEX I

## UN-HABITAT CURRENT AREAS OF WORK ON GOVERNANCE

### GOVERNANCE WORK STREAM

#### SUB- AREA 1: Local Governance

##### Description

UN-Habitat is the focal point for local and regional governments (LRGs) within the UN System. It partners with local and regional governments associations worldwide to amplify the voice of LRGs within UN processes and international fora – such as the HLPF, while supporting other UN agencies to work more effectively and intensively with local governments and their networks. UN-Habitat holds the co-secretariat of the Local 2030 initiative, hosted by the Executive Office of the Secretary General, and has been traditionally working with partners such as UNDP and UCLG to promote the localization of the SDGs through the formulation and dissemination of cutting-edge knowledge and technical cooperation at country level. Together with UCLG, and in coordination with other international partners – such as UNDESA; the UN Regional Commissions; the EC JRC, UN-Habitat leads the global discussion on Voluntary Local Reviews, providing local governments with knowledge and guidelines to support their SDG monitoring efforts. Moreover, it technically assists cities to produce their VLRs – such as Moscow, Florence and Amman.

##### Challenge

Weak institutions and poor governance mechanisms increase the risk of low performance, wasted resources, inefficient sectoral interventions, human rights violations and an overall lack of progress. In many countries, urban governance systems are currently unfit for purpose and need critical reforms to enable sustainable and inclusive urban development.

They have institutional frameworks that prevent local governments from fully delivering on their responsibilities through inadequate decentralization, insufficient resources, poor capacity and weak frameworks for engagement with residents, civil society and other key stakeholders.

Community engagement and participation in public-decision making needs to promote more productive and inclusive interactions to better include women, youth, ethnic minorities, migrants, the urban poor and other disadvantaged groups such as people with disabilities in decision-making processes.

##### Goal

Strengthened local/urban governance to realise the SDGs and New Urban Agenda

##### Change objective

Strength of stakeholder ownership

Efficiency of policy instruments

Effectiveness of institutional arrangements

## Component 1. Normative Work– development of tools and methodologies as well as the identification of best practices.

**Outcome EA1** Enhanced Knowledge and Skills

**Output** Tools and methodologies

Best practices

Strengthened local government capacities in governance

**Activity** **Development of tools and methodologies, identification of best practices**

Guidelines and tools to improve accountability, participation, transparency and efficiency in local governance.

Tools on decentralization and capacity building

Guide on promoting subsidiarity in Urban-Rural continuum to reduce spatial inequalities and poverty

Good Urban Governance in Practice: Safeguards

Governance Action Framework for Smart and Liveable Cities

Guide on Civic engagement and citizenship in NUP

Checklist/guidance notes on governance frameworks for UN-Habitat Flagship Programmes

Methodology/ tool to monitor the governance gap between policies and outcomes

Guidelines for VLRs Vol.1: a Comparative Analysis of Existing VLRs.

Ongoing and planned:

Strengthening local government capacities with tools and methodologies

Training events and workshops on local governance

Good Urban Governance Training Programme

Case studies on lessons learned from country projects on urban governance

Internal background document on governance in the New Urban Agenda and UN-Habitat Strategic Plan

Knowledge materials on participatory processes in urban governance

Development of knowledge materials for climate change action

Guidelines for VLRs Vol.2: Connecting VLRs and VNRs

Research on VLRs and Megacities

## Component 2. Technical Cooperation – field and technical cooperation projects including testing and implementation of developed tools.

<b>Outcome EA2</b>	Increased implementation know-how
<b>Output</b>	Countries supported
<b>Activity</b>	Implementing pilot projects to test participation assessment methodology  Supporting countries on harnessing technology to facilitate public participation and data collection for evidence-based governance.  Supporting local governments worldwide to develop VLRs and to strengthen connection with national SDG monitoring processes.  Supporting Saudi social housing project  Advisory services to governments and partners on governance

## Component 3. Partnerships and Advocacy – establishment of partnerships and cooperation mechanisms between various stakeholders and the development of MOUs and joint agenda.

<b>Outcome EA3</b>	Raised Awareness  Enhanced Networks
<b>Output</b>	Partnership agreements
<b>Activity</b>	Raise awareness and knowledge, share interventions performed  Partnership with local and regional governments and their associations to amplify LRGs voices within international fora, strengthen their capacities and advance the 2030 Agenda.  Partnerships with Academia and multi-lateral Agencies to promote UN-Habitat governance approaches and tools  Raise awareness and share knowledge on urban governance

## Component 4. Knowledge and Awareness – seminars, workshops, case studies and training events. Development and dissemination of discussion papers and research publications.

<b>Outcome EA4</b>	Enhanced Knowledge and Skills  Increased implementation know-how
<b>Output</b>	Study reports
<b>Activity</b>	Case studies on urban governance and decision-making processes (SIDA)  LiveLearningExperience #BeyondTheOutbreak and #CitiesAreListening with UCLG and Metropolis

## SUB- AREA 2: Multi-Level Governance

**Description** UN-Habitat supports countries to improve the vertical and horizontal linkages between government institutions and also among non-state actors. In 2016, the third United Nations Conference on Housing and Sustainable Urban Development, Habitat III, presented the New Urban Agenda, a framework for sustainable management of cities. The Agenda appreciates the role of multi-level urban governance in sustainable and inclusive cities. It calls for stronger coordination and cooperation among national, subnational and local governments, including through multi-level consultation mechanisms and by clear definition of mandates; coherence between goals and measures of sectoral policies at different levels of administration; and strong metropolitan governance based on functional territories rather than administrative borders. The New Urban Agenda also emphasizes on participation of all urban residents in urban governance by encouraging collaborations among local governments, communities, civil societies and the private sector in infrastructure and basic services provision as well as urban and territorial policy and planning processes

**Challenge** Most countries, especially low- and middle-income countries suffer from ill-defined distribution of responsibilities between different levels of governments, leading to the duplication of roles and gaps which can lead to institutional wars. The net effect being that common citizens suffer from poor public service delivery and they end up procuring these services from informal, expensive yet unsafe channels.

These ineffective multilevel governance arrangements also compromise planning processes, risk backlogs in budget spending, lead to higher transaction costs and create wider economic inefficiencies, as well as compromising the principles of transparency and accountability.

The expansion of metropolitan areas and the burgeoning gap between them and intermediary cities pose serious challenges to urban governance.

**Objective** Vertical and horizontal collaboration within and among different levels of government and sectoral institutions

Sustainable development in world's metropolises and regions

**Change objective** Improved metropolitan management

Effective inter-institutional cooperation

### Component 1. Normative work – development of tools and methodologies as well as the identification of best practices.

**Outcome EA1** Enhanced Knowledge and Skills

Increased Implementation Know How

**Output** Knowledge materials on multi-level governance approaches to improve vertical and horizontal linkages.

## SUB- AREA 2: Multi-Level Governance

<b>Activity</b>	Guide on Multi-level Governance for NUP
	Governance Assessment Framework for Metropolitan, Territorial and Regional Management (GAF-MTR).
	Guide on Leveraging Multi-level governance to Promote Health Equity
	UN-Habitat Global State of Metropolis 2020 - Population Data Booklet
	UN-Habitat Global State of Metropolis 2020 – Compendium of Case Studies on Metropolitan Management (forthcoming publication)
	UN-Habitat Global State of Metropolis Report (forthcoming publication)
	Guide on Metropolitan Institutions.
	Guide on Metropolitan Management and Planning Methodologies highlighting the Metropolitan Management Pyramid.
	Guide on Metropolitan Observatories.

### Component 2. Technical Cooperation – field and technical cooperation projects including testing and implementation of developed tools

<b>Outcome EA3</b>	Improved metropolitan management
<b>Output</b>	Countries supported
<b>Activity</b>	Improving governance and legal frameworks in the Metropolitan Area of San Salvador (El Salvador).
	Improving governance in the Metropolitan Area of Guadalajara (Mexico).
	Improving metropolitan governance and legal frameworks in Colombia metropolitan areas.

### Component 3. Partnerships and Advocacy – establishment of partnerships and cooperation mechanisms between various stakeholders and the development of MOUs and joint agenda

<b>Outcome EA</b>	Establish a strong partnership with relevant networks and creation of a platform for linking several metropolitan networks.
<b>Output</b>	MetroHUB Initiative
<b>Activity</b>	Co-host campaign together with Metropolis for participants to showcasing initiatives and exchanging knowledge and ideas on metropolitan phenomena worldwide.
	Publishing audio-visual material and web stories on metropolitan subjects.

### Component 4. Knowledge and Awareness – seminars, workshops, case studies and training programmes and events. Development and dissemination of discussion papers and research publications

<b>Outcome EA4</b>	Workshops and sessions on multi-level governance and metropolitan management.
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## SUB- AREA 2: Multi-Level Governance

<b>Output</b>	World Metropolitan Day Events
	Postgraduate and other training programmes on metropolitan management
<b>Activity</b>	World Metropolitan Day 2020 Virtual Event co-hosted by Metropolis and UN-Habitat.
	27 World Metropolitan Day 2020 side events held by local governments and metropolitan partners around the world.
	Post-graduated on metropolitan management and governance with the National University of Colombia.

## SUB- AREA 3: MULTI-STAKEHOLDER PARTNERSHIPS

<b>Description</b>	Multi-stakeholder governance/network governance is a practice of governance that brings multiple stakeholders together to participate in dialogue, decision making, and implementation of responses to jointly perceived problems. The principle behind such an approach is grounded on the fact that if collaborative input is provided by multiple types of actors, the eventual consensual decision gains more legitimacy and sense of ownership, and can be more effectively implemented than a traditional state-based response.
<b>Challenge</b>	As an evolving global governance form, only a limited number of organizations and institutions are involved in multi-stakeholder processes. In several arenas, opposing forces are actively challenging the legitimacy, accountability, and effectiveness of these experimental changes in global governance.
<b>Objective</b>	Improved relationship and synergies between public and private actors for effective public sector investment.
<b>Change objective</b>	Self-organising, inter-organisational networks characterised by interdependence, resource exchange, rules of the game and significant autonomy from the State.

## Component 1. Normative Work– development of tools and methodologies as well as the identification of best practices.

<b>Outcome EA1</b>	Increased Stakeholder collaboration
	Development of Stakeholder Engagement Plans
<b>Output</b>	Knowledge materials on the role of stakeholders in governance
<b>Activity</b>	Methodology to assess participation of residents, NGOs, civil society organizations, and the private sector in urban governance.

## ANNEX II: GOVERNANCE INTERVENTIONS IN THE FLAGSHIP PROGRAMMES AND DOMAINS OF CHANGE OF UN-HABITAT STRATEGIC PLAN 2020-2023

UN-HABITAT STRATEGIC PLAN 2020-2023					
Drivers of Change	Domains of Change				
	1	2	3	4	
	Reduced spatial inequality and poverty in communities across the urban–rural continuum	Enhanced shared prosperity of cities and regions	Strengthened climate action and improved urban environment	Effective urban crisis prevention and response	
	<b>Flagship Programmes</b>				
	Inclusive, Vibrant Neighbourhoods and Communities	People-Centred Smart Cities	RISE UP: Resilient Settlements for the Urban Poor	Enhancing the Positive Impacts of Urban Migration	
<b>Sustainable Development Goals Cities</b>					



<p><b>Governance</b></p>	<p>Outcome 2: Increased and secure access to land, and adequate and affordable housing</p> <p>Improving land-based finance as revenue sources for local governments.</p> <p>Outcome 3: Effective settlements growth and regeneration</p> <p>Underscoring urban cores, peri-urban areas and suburban settlements with inclusive governance arrangements that promote socially cohesive urban communities.</p>	<p>Outcome 1: Improved spatial connectivity and productivity of cities and regions</p> <p>Reinforce institutional coordination at all levels.</p> <p>Enhancing metropolitan governance structures and collaboration mechanisms as it is critical for sustainable urbanization.</p> <p>Outcome 2: Increased and equitably distributed locally generated revenues</p> <p>Assisting local authorities in enacting the institutional and legal reforms that are necessary to generate additional financial resources, including through public–private partnerships, and land-based revenue and financing tools, maintaining a strong emphasis on transparency and accountability.</p> <p>Outcome 3: Expanded deployment of frontier technologies and innovations for urban development</p> <p>Improving the capacity of local governments to effectively procure, test and implement frontier technologies.</p> <p>Enhance capacity-building in local government to turn smart city plans and the use of frontier technologies in urban planning, design and regeneration into people-centered opportunities.</p>	<p>Outcome 3: Effective adaptation of communities and infrastructure to climate change</p> <p>Promote multilevel governance approaches so that national governments empower local governments to take climate action through improved frameworks with strong local-national collaboration.</p>	<p>Outcome 1: Enhanced social integration and inclusive communities</p> <p>Inclusive engagement of all segments of society, as well as vulnerable groups, including migrants, refugees, returnees, and internally displaced persons, in the planning and management of cities.</p> <p>Empower local governments and communities and strengthen their capacity to promote social cohesion and resilient recovery and rebuild the social fabric.</p> <p>Outcome 2: Improved living standards and inclusion of migrants, refugees, internally displaced persons and returnees through effective crisis response and recovery</p> <p>Supporting local governments and building their capacity to manage urban displacement, drawing on its strong experience and expertise in the humanitarian, development, and peace nexus.</p>
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**Overarching:**

Para 158: Weak institutions and poor governance mechanisms increase the risk of low performance, wasted resources, inefficient sectoral interventions, human rights violations and an overall lack of progress. Effective institutions and governance mechanisms, both formal (constitution, legislation and regulations) and informal (social norms, customs and traditions), together determine how people, and public and private sector organizations, make decisions of an economic, social or political nature, maximizing potential and optimizing resources. Urban governance encompasses the different ways in which public and private institutions and individuals participate in the planning, design and management of the common affairs of a city, and the processes used for effectively realizing the short- and long-term agenda of a city's development. Urban governance can deliver sustainable development when it is environmentally friendly, participatory, accountable, transparent, effective, equitable and inclusive, both in law and in practice.

Para 159: UN-Habitat recognizes the multiplicity of local, regional, and national governmental agencies and organizations, many of which have competing interests and influence. Improving urban governance requires that the institutional framework be coordinated and transparent. UN-Habitat will work to help strengthen urban governance, with sound institutions and mechanisms that empower and include representatives of urban stakeholders and constituencies, in addition to appropriate checks and balances, providing predictability and coherence in urban development plans to enable social inclusion; sustained, inclusive and sustainable economic growth; and environmental protection.

## ANNEX III

### DISCUSSION PAPER: DEFINITION OF GOVERNANCE

There is no universally adopted definition of governance in political literature. The concept originates from Plato, an Athenian philosopher during the Classical period in Ancient Greece (323 - 510 BC) who was the first to use the Greek word *KYBEPNΩ* (*kubernáo*), meaning to steer a ship, metaphorically, in the context of steering men.<sup>1</sup> Over the years, the word has been used generically and the concept has evolved to encompass relationships between stakeholders in a variety of set ups. In the present highly dynamic environment; politically, socially, economically and culturally, the term means different things in different contexts and the use of an adjective (such as good, inclusive, effective etc.) with the word governance has become almost mandatory for it to make any sense at all.<sup>2</sup>

Governance systems set the parameters under which management and administrative systems will operate.

Governance refers to the process through which state and non-state actors interact to design and implement policies within a given set of formal and informal rules that shape and are shaped by power. It involves the structures and processes that are designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation. Governance also represents the norms, values and rules of the game through which public affairs are managed in a manner that is transparent, participatory, inclusive and responsive and sets the parameters under which management and administrative systems will operate.

Strong multi-level governance frameworks characterized by coherence and coordination between different levels of governments and the involvement of all urban stakeholders are crucial to sustainable development.

GOVERNANCE	MANAGEMENT
Set and norms, strategic vision and direction and formulate high-level goals and policies.	Run the organization in line with the broad goals and direction set by the governing body.
Oversee management and organizational performance to ensure that the institution is working in the best interests of the public, and more specifically the stakeholders who are served by the organization's mission.	Implement the decisions within the context of the mission and strategic vision.
Direct and oversee the management to ensure that the organization is achieving the desired outcomes and to ensure that the organization is acting prudently, ethically and legally.	Make operational decisions and policies, keep the governance bodies informed and educated.
	Be responsive to requests for additional information.

Source: UNESCO - <http://www.ibe.unesco.org/en/geqaf/technical-notes/concept-governance>

1 International Centre for Parliamentary Studies, Governance Section, <https://www.parlicentre.org/Governance.php>

2 Ibid.

Several attempts have been made to bring precision to the definition on governance, culminating into two categories:

1. **Prescriptive:** Refers to the understanding of governance through the application of a set of principles and normative parameters (e.g., transparency and accountability).
2. **Analytical:** Refers to the systemic understanding of governance through the linkages and synergies between its different dimensions (e.g., effective governance).

How key international agencies define governance:

**UNDP** - In 2004, the United Nations Development Programme (UNDP) defined governance as ***"the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions—achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe."*** (hybrid approach).

**World Bank** - In 1993, the World Bank defined governance as the method through which power is exercised in the management of a country's political, economic and social resources for development. While the World Bank has focused on stabilization and state reforms that overwhelmingly focused on civil service retrenchment and privatization for a long period, the early 1990s saw a change of focus. The Bank came to realize that most of the crises in developing countries are of a governance nature. Hence, the contemporary adjustment package emphasizes governance issues such as transparency, accountability and judicial reform.

In this context, the Bank has introduced a new way of looking at governance; good governance. In 2010, it provided this definition of governance, ***"consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them."*** (prescriptive approach).

In 2016, the World Bank reviewed its thinking on governance. It observed that, instead of asking *"What is the right policy?"* development practitioners should ask *"What makes policies work to produce life-improving outcomes?"* The World Development Report (WDR) 2017 moves on from (i) 'good' governance as the ability of the State to provide institutions that support growth and poverty reduction to (ii) 'better' governance as the ways in which governments, citizens, and communities engage to design and apply policies to ensure that well-intentioned policies improve the lives of their communities and deliver results. The WDR 2017 further explores how governance can help achieving development outcomes. There is a need to explore how policies for security, growth, and equity can be made more effective by addressing the underlying drivers of governance. Moving beyond the traditional concerns about implementation, such as limited state capacity, the report digs deeper to understand how individuals and groups with differing degrees

of influence and power negotiate the choice of policies, the distribution of resources, and the ways in which to change the rules themselves. Thus in 2017, the Bank provided this definition, **"the process through which state and nonstate actors interact to design and implement policies within a given set of formal and informal rules that shape and are shaped by power."** (Analytical approach).

**OECD** – In 2006, the Organization for Economic Cooperation and Development (OECD) defined governance as the, **"exercise of political, economic and administrative authority necessary to manage a nation's affairs. It is also the process by which decisions are made and implemented (or not implemented). Within government, governance is the process by which public institutions conduct public affairs and manage public resources."** (Analytical approach).

**UNESCO** – In 2009, the United Nations Educational, Scientific and Cultural Organization (UNESCO) Global Monitoring Report sees governance as 'power relationships,' 'formal and informal processes of formulating policies and allocating resources,' 'processes of decision-making' and 'mechanisms for holding governments accountable.' UNESCO has thus defined governance as the, **"structures and processes that are designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation. Governance also represents the norms, values and rules of the game through which public affairs are managed in a manner that is transparent, participatory, inclusive and responsive. Governance systems set the parameters under which management and administrative systems will operate. Governance is about how power is distributed and shared, how policies are formulated, priorities set and stakeholders made accountable."** (hybrid approach).

## **UN-Habitat**

In 2000, through the Global Campaign on Urban Governance, UN-Habitat noted that the concept of governance is complex and controversial, but there are some common points of departure. First, governance is not government. Governance as a concept recognizes that power exists inside and outside the formal authority and institutions of government. Many definitions of governance include three principle groups of actors: government, the private sector and civil society. Second, governance emphasizes 'process'. It recognizes that decisions are made based on complex relationships between many actors with different priorities. It is the reconciliation of these competing priorities that is at the heart of the concept of governance.<sup>3</sup> Therefore, UN-Habitat has defined governance (urban) as **"the sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens. Urban governance is inextricably linked to the welfare of the citizenry. Good urban governance must enable women and men to access the benefits of urban citizenship. Good urban governance, based on the principle of urban citizenship, affirms that no man, woman or child can be denied access to the necessities of urban life, including adequate shelter, security of tenure, safe water, sanitation, a clean environment, health, education and nutrition, employment and public safety and mobility."**

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<sup>3</sup><https://mirror.unhabitat.org/content.asp?typeid=19&-catid=25&cid=2097>

***Through good urban governance, citizens are provided with the platform which will allow them to use their talents to the full to improve their social and economic conditions.***<sup>4</sup>

In **2015**, the UN family adopted the Agenda 2030 which has significant policy goals. Achieving the Sustainable Development Goals (SDGs) requires strong political institutions and processes. SDG 16 ("Promote just, peaceful and inclusive societies") explicitly acknowledges this need and prescribes **"effective, accountable and inclusive institutions at all levels."**

It is worth noting that the 17 SDGs can only be achieved through good and effective governance frameworks at all international, national and territorial levels. In particular, SDG16 has specific targets that contain ingredients for good governance which include: promote the rule of law at the national and international levels and ensure equal access to justice for all; substantially reduce corruption and bribery in all their forms; develop effective, accountable and transparent institutions at all levels; ensure responsive, inclusive, participatory and representative decision-making at all levels; and ensure public access to information and protect fundamental freedoms in accordance with national legislation and international agreements.

In **2016**, the third United Nations Conference on Housing and Sustainable Urban Development, "Habitat III", presented the **New Urban Agenda (NUA)**, a framework for sustainable management of cities. The NUA acknowledges and advocates for a multilevel governance approach.

It calls for stronger coordination and cooperation among governments at all levels, including through multilevel consultation mechanisms and by clear definition of mandates; coherence between goals and measures of sectoral policies at different levels of administration; and strong metropolitan governance based on functional territories rather than administrative borders (**para 87-90**). The NUA also emphasizes participation of all urban residents in urban governance by encouraging collaborations among local governments, communities, civil societies and the private sector in infrastructure and basic services provision as well as urban and territorial policy and planning processes (**para 91-92**).

Also, from the NUA, national governments have a role to provide lower-level governments **"with adequate, timely and predictable resources and enhance their ability to raise revenue and manage expenditures"** (**para 135**). The NUA also contains an express commitment by Member States to adopt **"a smart city approach that makes use of opportunities from digitalisation, clean energy and technologies, as well as innovative transport technologies, thus providing options for inhabitants to make more environmentally friendly choices and boost sustainable economic growth and enabling cities to improve their service delivery"** (**para 66**).

The UN-Habitat Strategic Plan **2020-2023** recognizes the importance of effective urban governance in the implementation of the NUA and the SDGs. It draws attention to the need for multi-level governance; decentralization and capacity building; accountability and transparency; and inclusivity, participation and promotion of human rights in cities and human settlements. More specifically, the Strategic Plan calls for institutional coordination at all levels through new governance arrangements and improved metropolitan governance structures (**para 77**).

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4 UN-Habitat, *Global Campaign on Urban Governance: Concept Paper* (Nairobi: UN-Habitat 2002). <https://unhabitat.org/sites/default/files/download-manager-files/Global%20Campaign%20on%20Urban%20Governance.pdf>

It also highlights the role of capacity building in effective governance systems by tasking UN-Habitat with assisting local governments to effectively capture domestic revenue (**para 66**), improve fiscal decentralization (**para 80**), manage urban displacement (**paras 108-109**) and utilize frontier technologies (**paras 83-85**).

Consequently, the following principles lie at the heart of making governance effective for sustainable urbanization:

**Transparent and accountable decision-making:**

Transparency requires government officials to act openly and allow those affected by administrative decisions to know about the resulting facts and figures (e.g., the city budget) as well as the criteria used to reach those decisions. Availability of information on government policies and actions, a clear sense of organizational responsibility, and an assurance that governments are efficiently administered and free of systemic corruption are important components of transparent governance. Accountability provides the framework for community oversight and reporting government misconduct as well as the framework for individuals to seek recourse for any harmful acts by public administrators.

**Broad-based participation and inclusivity:**

Governments at all levels should involve all stakeholders including communities, civil society organizations and other public and private institutions in public decision-making from the planning phase, implementation and in maintaining and sustaining the benefits and outcomes (whole-of-civil society approach). The participation model should always contain specific mechanisms to ensure that vulnerable and marginalized groups (based on gender, age, ethnicity and other characteristics) have adequate opportunities for their voices to be heard.

**Subsidiarity, decentralization and proportionality:**

Subsidiarity involves the delegation of resources, competences and decision-making powers to democratically elected lower-level authorities that are independent of central government. Subnational authorities should be empowered by legal frameworks to have the fiscal and jurisdictional autonomy to carry out urban functions and optimize service provision as they are better placed to understand and respond to local needs. Subsidiarity at the metropolitan level involves allowing metropolitan and regional institutions to assume local powers and functions which are transferred by mutual agreement.

**Cooperation, efficiency and capacity building:**

Urban management, including policy implementation and monitoring must be free of unnecessary bureaucracy. Human resource capacity is the basis for efficient delivery of public goods. In cities where territorial dynamics have surpassed municipal boundaries, local authorities should cooperate and establish formal and informal inter-municipal institutional arrangements, as well as metropolitan governing bodies for joint decision-making, service provision and public investment.

**Digitalization and knowledge management:**

The use of digital governance tools and knowledge management strategies can facilitate greater access to urban services for dwellers and businesses, as well as creating new options for gathering and using data. Decision-making should be based on the most reliable and accurate available information. Data collected must be gender- and age-sensitive, promoting social inclusion in the decision itself and outcomes and respecting privacy. Cities must implement and make sustainable knowledge management strategies and instances, such as observatories, information systems, think tanks and others that facilitate monitoring and implementation of territorial urban development.



**FIGURE 1.** Governance principles. Source: Adapted from UN-Habitat (2002).



In 2018, the UN Committee of Experts on Public Administration developed basic principles of effective governance for sustainable development which apply to all public institutions, including the administration of executive and legislative organs,

the security and justice sectors, independent constitutional bodies and State corporations. The principles are given depth and made operational through a selection of commonly used strategies and related practices. (see Table 1 below).

**TABLE 1.** Principles of Effective Governance for Sustainable Development.

PRINCIPLE		COMMONLY USED STRATEGIES
<b>Effectiveness</b>	Competence	To perform their functions effectively, institutions are to have sufficient expertise, resources and tools to deal adequately with the mandates under their authority
		Promotion of a professional public sector workforce
		Strategic human resources management
		Leadership development and training of civil servants
		Performance management
		Results-based management
		Financial management and control
		Efficient and fair revenue administration
		Investment in e-government



Sound policymaking	To achieve their intended results, public policies are to be coherent with one another and founded on true or well-established grounds, in full accordance with fact, reason and good sense	<p>Strategic planning and foresight</p> <p>Regulatory impact analysis</p> <p>Promotion of coherent policymaking</p> <p>Strengthening national statistical systems</p> <p>Monitoring and evaluation systems</p> <p>Science-policy interface</p>
Collaboration	To address problems of common interest, institutions at all levels of government and in all sectors should work together and jointly with non-State actors towards the same end, purpose and effect	<p>Risk management frameworks</p> <p>Data sharing</p> <p>Centre of government coordination under the Head of State or Government</p> <p>Collaboration, coordination, integration and dialogue across levels of government and functional areas</p> <p>Raising awareness of the Sustainable Development Goals</p> <p>Network-based governance</p> <p>Multi-stakeholder partnerships</p>

<b>Accountability</b>	Integrity	To serve in the public interest, civil servants are to discharge their official duties honestly, fairly and in a manner consistent with soundness of moral principle	<ul style="list-style-type: none"> <li>Promotion of anti-corruption policies, practices and bodies</li> <li>Codes of conduct for public officials</li> <li>Competitive public procurement</li> <li>Elimination of bribery and trading in influence</li> <li>Conflict of interest policies</li> <li>Whistle-blower protection</li> <li>Provision of adequate remuneration and equitable pay scales for public servants</li> </ul>
	Transparency	To ensure accountability and enable public scrutiny, institutions are to be open and candid in the execution of their functions and promote access to information, subject only to the specific and limited exceptions as are provided by law	<ul style="list-style-type: none"> <li>Proactive disclosure of information</li> <li>Budget transparency</li> <li>Open government data</li> <li>Registries of beneficial ownership</li> <li>Lobby registries</li> </ul>
	Independent oversight	To retain trust in government, oversight agencies are to act according to strictly professional considerations and apart from and unaffected by others	<ul style="list-style-type: none"> <li>Promotion of the independence of regulatory agencies</li> <li>Arrangements for review of administrative decisions by courts or other bodies</li> <li>Independent audit</li> <li>Respect for legality</li> </ul>

**Inclusiveness**

Leaving no one behind

To ensure that all human beings can fulfil their potential in dignity and equality, public policies are to consider the needs and aspirations of all segments of society, including the poorest and most vulnerable and those subject to discrimination

Promotion of equitable fiscal and monetary policy

Promotion of social equity

Data disaggregation

Systematic follow-up and review

Non-discrimination

To respect, protect and promote human rights and fundamental freedoms for all, access to public service is to be provided on general terms of equality, without distinction of any kind as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, disability or other status

Promotion of public sector workforce diversity

Prohibition of discrimination in public service delivery

Multilingual service delivery

Accessibility standards

Cultural audit of institutions

Universal birth registration

Gender-responsive budgeting

Participation

To have an effective State, all significant political groups should be actively involved in matters that directly affect them and have a chance to influence policy

Free and fair elections  
Regulatory process of public consultation

Multi-stakeholder forums

Participatory budgeting

Community-driven development

<p>Subsidiarity</p>	<p>To promote government that is responsive to the needs and aspirations of all people, central authorities should perform only those tasks which cannot be performed effectively at a more intermediate or local level</p>	<p>Fiscal federalism</p> <p>Strengthening urban governance</p> <p>Strengthening municipal finance and local finance systems</p> <p>Enhancement of local capacity for prevention, adaptation and mitigation of external shocks</p>
<p>Intergenerational equity</p>	<p>To promote prosperity and quality of life for all, institutions should construct administrative acts that balance the short-term needs of today's generation with the longer-term needs of future generations</p>	<p>Multilevel governance</p> <p>Sustainable development impact assessment</p> <p>Long-term public debt management</p> <p>Long-term territorial planning and spatial development</p> <p>Ecosystem management.</p>

# MAIN TAKEAWAYS

The concept of governance is complex and controversial. However, there are some common points of departure. First, governance is not government.

Governance as a concept recognizes that power exists inside and outside the formal authority and institutions of government. Many definitions of governance include three principle groups of actors: government, the private sector and civil society. Second, governance emphasizes 'process', instruments, and impacts (changes). It recognizes that decisions are made based on complex relationships between many actors with different priorities. It is the reconciliation of these competing priorities that is at the heart of the concept of governance.

## Existing Definitions:

**Governance** refers to structures and processes that are designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation. Governance also represents the norms, values and rules of the game through which public affairs are managed in a manner that is transparent, participatory, inclusive and responsive. Governance systems set the parameters under which management and administrative systems will operate. Governance is about how power is distributed and shared, how policies are formulated, priorities set and stakeholders made accountable. It encompasses a diverse range of actors in decision-making processes as well as the formal and informal structures that have been set in place to arrive at and implement decisions.

**Urban governance** is the sum of the many ways in which individuals and institutions, both public and private, plan and manage the common affairs of the city in a continuing process where conflicting or diverse interests may be accommodated, and cooperative action can be taken. **Good urban governance** is a participatory, consensus oriented, accountable, transparent, responsive, effective, efficient, equitable and inclusive process that ensure all urban residents reap the benefits of urbanization. It reduces mismanagement, ensures that the views of minorities are considered and that the voices of the most vulnerable in society are heard within the decision-making processes.

**Multi-Level Governance** can be defined as the arrangements for making binding decisions that engage a multiplicity of politically independent but otherwise interdependent institutional actors (private, public and social) at different territorial levels and that does not assign exclusively policy competence or assert a stable hierarchy of political authority to any levels.<sup>5</sup>

**Network Governance** is first characterized by autonomous but interdependent actors. The driving force informing networks is that all kind of actors realize that they cannot solve a particular problem alone but need each other. A second feature of network governance is that the collaboration between actors take place within a self-constructed structure. When the actors first come together, there will be no structure in which interactions take place, but when they interact with each other they will gradually develop a structure which informs interactions.

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5 Schmitter, P, "Neofunctionalism" in A. Wiener and T. Diez (eds), *European Integration Theory* (OUP 2004) and OECD, *Building Competitive Regions: Strategies and Governance* (OECD 2005).

A third feature of network governance is their ability to work on complex social problems. Actors come together around a common concern and through joint coordination of actors try to work towards a solution.<sup>6</sup> Thus, the merging of the concepts networks and governances provides an understanding of network governance as "governing with and through networks" and differs significantly from other modes of governance such as markets and hierarchies.<sup>7</sup>

**Informal governance** has mainly been propelled by the European Union (EU), and to a significant extent, it is a necessary part of the EU system, because the EU can often actually make policy by way of informal routes and networking. One example of this is the "Eurogroup": the circle of finance ministers arguably shaping European economic governance by pre-agreeing all critical decisions made by the European Council, deciding on overall orientation of economic governance in the euro area.

It is formally recognized that it should meet informally (Article 137 - Treaty on the Functioning of the European Union), and consequently, neither a secretariat nor a Eurogroup post box exists in Brussels. Informal governance "refers to unwritten (and often vaguely specified) rules, shared expectations, and norms that are not enshrined in formally constituted organizations and which modify or substitute legally binding rules."<sup>8</sup> It has also been defined as "a means of decision-making that is un-codified, non-institutional and where social relationships and webs of influence play crucial roles."<sup>9</sup>

Furthermore, informal governance are "those non-codified settings of day-to-day interaction concerning policy issues, in which the participation of actors, the formation of coalitions, the processes of agenda setting, (preliminary) decision-making and implementation are not structured by pre-given sets of rules or formal institutions".<sup>10</sup>

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6 Sørensen, E. and Torfing, J., 2005. The democratic anchorage of governance networks. *Scandinavian political studies*, 28(3), pp.195-218.

7 Rhodes, R. A., 1997. *Understanding governance: policy networks, governance, reflexivity and accountability*. Philadelphia: Open University Press.

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8 Westerwinter, O., Abbott, K.W. & Biersteker, T. Informal governance in world politics. *Rev Int Organ* 16, 1–27 (2021). <https://doi.org/10.1007/s11558-020-09382-1>

9 Harsh, M. (2013) 'Informal governance of emerging technologies in Africa', in Christiansen, T. and Neuhold, C. Ed, *International Handbook on Informal Governance*, Cheltenham, Edward Elgar, pp 481-501

10 Van Tatenhove, J., Mak, J. and Liefverink, D. (2006) 'The inter-play between formal and informal practices', *Perspectives on European Politics and Society*