

Enabling Co-Governance

CO4CITIES

Prof. Christian Iaione

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European Union
European Regional Development Fund

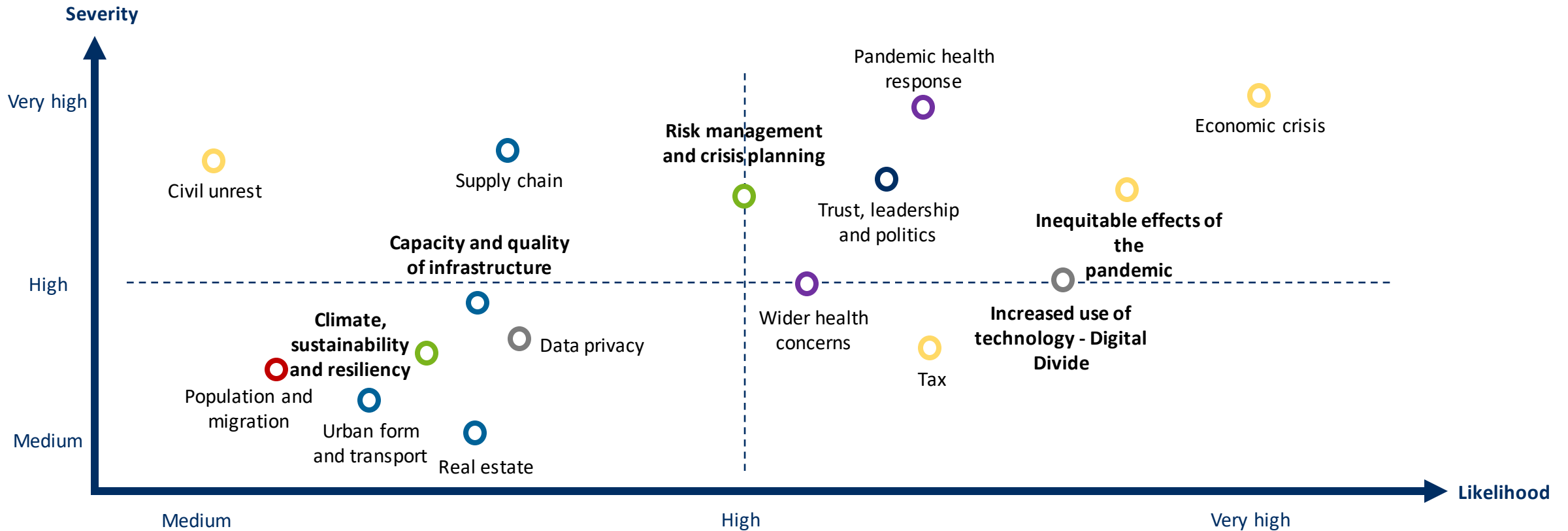


Cities have recognized the need to work on procedural and organizational aspects providing more clarity and administrative streamlining, thus improving the effectiveness and efficiency of public action through civic / collective action

Mutual trust and transparency should govern the relationships between the public administration and the civic actors, whose collaboration is characterized by building long-term shared value through an awareness and commitment to a sustainable and inclusive ecological and digital transitions

WHY TO WE NEED TO TAKE ACTION?

Urban risks and urban crisis



Revised from «Most severe and likely risks facing cities», KPMG 2021

CITIES NEED THREE MAIN TOOLS



Legal tools

How to “govern” the commons

Co-governance Urban Commons



Financial tools

Sustaining the initiatives
Sharing the value

URBAN CO-GOVERNANCE



The concept of co-governance draws on the literature on the commons (Ostrom, 1990), the urban commons (Foster & Iaione, 2016), the ladder of participation - citizen power partnership/delegation/control (Arnstein, 1969), the quintuple helix of innovation (Carayannis & Campbell, 2012), the modes of governance and regulatory approaches (Ackerman, 2004; Finck & Ranchordas, 2016) that allow the activation of collective action and the institutionalization of sustainable (Arnold, 2014) governance arrangements.

Regulations should therefore discipline differently the forms of shared governance and the forms of self-governance that are able to generate polycentrism, meaning to create a multiplicity of formally independent centres of decision, gathering a plurality of urban actors (the community, local businesses, knowledge institutions, and civil society organizations) managing the commons together with public institutions (Iaione, Cannavò, 2015), as a very advanced layer of co-governance.



DESIGN PRINCIPLES & INDICATORS



1

Co(ollective)-Governance

multi-stakeholder scheme where the community (organized or not) emerges and partners up with public institutions and the private sector in the management of the urban commons.

2

Enabling State

the role of the State supporting and making the collective urban management possible.

3

Pooling economies

presence of autonomous institutions, managed or owned by local communities, operating within non-mainstream economic systems, such as collaborative, cooperative, circular economies, for the creation of new opportunities and services.

4

Experimentalism

the presence of a site-specific and iterative bottom-up processes to co-design legal and policy innovations for the co-governance of the local urban commons.

5

Tech justice

open access to technological and digital urban infrastructure and data is an enabling driver of cooperation and co-creation of urban commons.



Years of experimentation are required to develop and refine tailored tools that support and enable stakeholders' mutual cooperation & cities' self-sustenance

THREE DEGREES OF CO-GOVERNANCE



Service and business models (and therefore legal, governance, and financial tools) implement urban co-governance when they are designed to enable **community stewardship** on urban commons. This recognition could be more or less powerful. We can recognize three main incremental cooperation schemes as forms of “co-governance”:

1. **Community Access**
2. **Community Management**
3. **Community Ownership**



SERVICE AND BUSINESS MODELS + LEGAL & FINANCIAL ENABLING TOOLS FOR:

#1 Right to Use

#2 Right to Co-Manage

#3 Right to Co-own



RIGHTS OF USE

RIGHTS OF USE | LEGAL TOOLS

Civic and urban collective use



The civic and collective urban use is a form of diffused collective rights to use. It foresees that a community (an informal group of civic actors, both individuals and organized groups such as NGOs) defines a Self-Governance Charter to regulate the ways in which to use an urban commons.

The initiative is assumed by the public administration, which checks the coherence with the principles of the regulation and the technical feasibility of the Charter before approving it, therefore closing the civic deal.

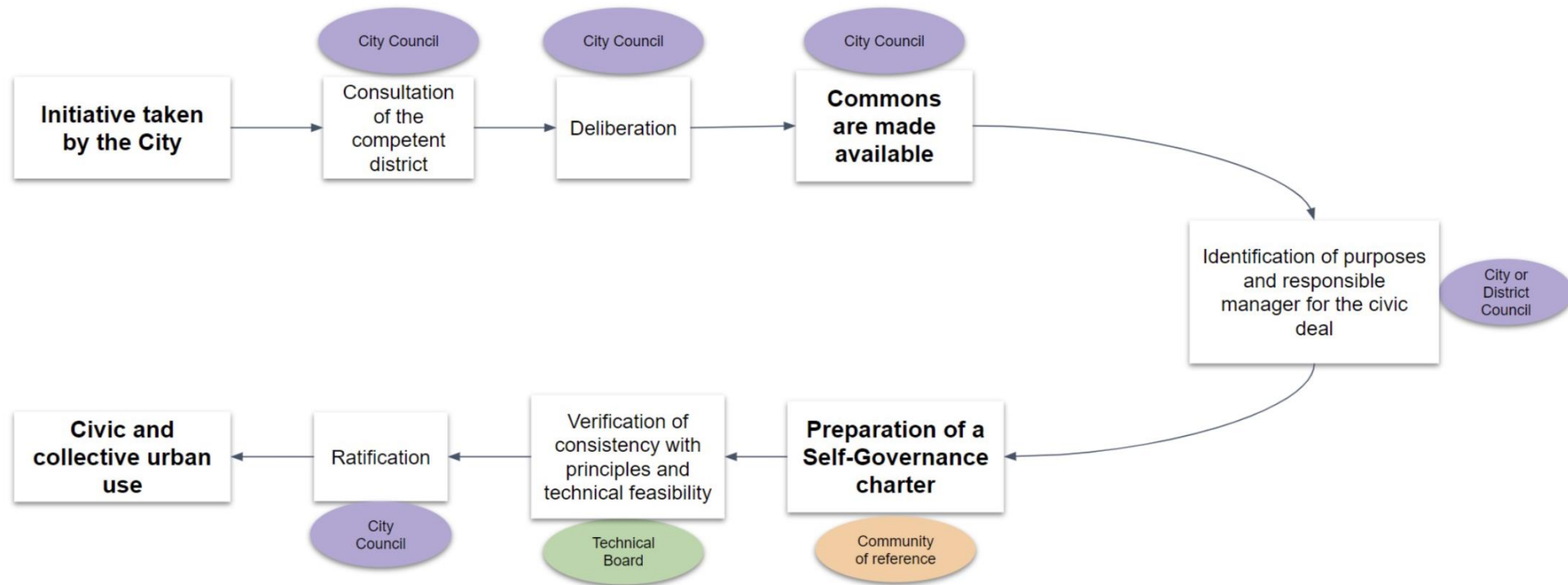




NAPLES – CIVICESTATE.EU

RIGHTS OF USE | LEGAL TOOLS

Civic and urban collective use (Turin Regulation)



RIGHTS OF USE | FINANCIAL TOOLS

Economic Investment Bank tools



Within key European programs such as URBACT, cities including Naples, Barcelona, and Amsterdam are building bridges between urban commons projects and long-term, patient, ethical investors, cooperating with institutions such as the European Investment Bank (EIB).

The EIB has become the climate bank of the EU, with and sustainability investments representing 50% of the investment portfolio. EIB is a long-term lending institution, with maturities (duration of the loan) of 20 to 30 years. Beyond climate projects, today the EIB is also focusing its efforts on the Covid-19 crisis.



RIGHTS OF USE | FINANCIAL TOOLS



Economic Investment Bank tools

For urban commons projects it provides:

- **Investment loans.** The city can get a loan for a larger project, part of which can fund the commons
- **Framework loans.** The city can get a loan to implement a broad strategy in a set period of time
- **Intermediated framework loans.** A group of smaller cities can be financed
- **Equity fund.** It is a fund of funds not directly funding urban commons, but it could support them through the European investment funds
- **Social impact bonds.** They are innovative instruments of impact investing aimed at the realization of projects of public utility, with a remuneration of the investors only in case of effective generation of positive social impact



RIGHTS OF USE | FINANCIAL TOOLS

Social outcome contracting (SOC)



SOC is an innovative form of procuring social services, in which the service provider's compensation is linked to outcomes rather than specified tasks (rather than outputs).

Often known as a payment-by-results scheme, it has many sub-categories, one of which is Social Impact Bonds (SIBs). SOC is a partnership between a public authority, which defines desired outcomes and pays for those outcomes, and a service provider, who in turn works to get the beneficiaries to achieve those outcomes.



RIGHTS OF USE | FINANCIAL TOOLS

MAEX



MAEX is an online tool created by the city makers and initiator community, that offers insight into the value (and needs) of social initiatives.

The municipality supports this initiative and is exploring how it can play a role in Amsterdam policy for the commons. MAEX developed a ‘social handprint’, a tool based on “Sustainable Development Goals” (urbact.eu).





URBACT
Driving change for better cities

AMSTERDAM – URBACT.I



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RIGHTS OF USE | FINANCIAL TOOLS

Project financing - Trias Foundation



The foundation finances the projects in two ways:

Land property: the Trias foundation tries to acquire the land itself to keep it in the foundation and protect it from speculation. Any land acquired belongs to the foundation and cannot be sold to avoid speculation. The fund used to acquire the land is a mixture of donations, heritage, and loans accumulated over time.

Financing the building: besides the land, the foundation needs to purchase the relevant building and its renovation. This is the same investment that a private person or company would obtain, needing 25% equity and another 75% from a third-party subject (e.g., a bank).



RIGHTS OF USE | FINANCIAL TOOLS

Fund of Temporary use



The Ghent city council provides subsidies via the Fund of Temporary Use (€300,000) and offers spaces to initiators of temporary use projects to help entrepreneur-ship of citizens to start. Each year about 25 initiatives occurred thanks to this Fund.





GHENT – CIVICESTATE.EU

CO-MANAGEMENT

CO-MANAGEMENT | LEGAL TOOLS



Pacts of collaboration

A Pact of collaboration is the civic negotiation through which – following a co-design phase – the program of regeneration, care and co-management of a Urban Common is defined, as well as **the model of shared governance**. The pact defines a collaboration between the City and one or more civic actors. Its content depends on the complexity of the collaboration and its duration.

The pact must define the goals, duration or possible causes for suspension, modalities for adaptation or adjustment, modes of collective use, co-governance tools, responsibilities and consequences in case of damage or failure, documenting, monitoring and evaluation measures.

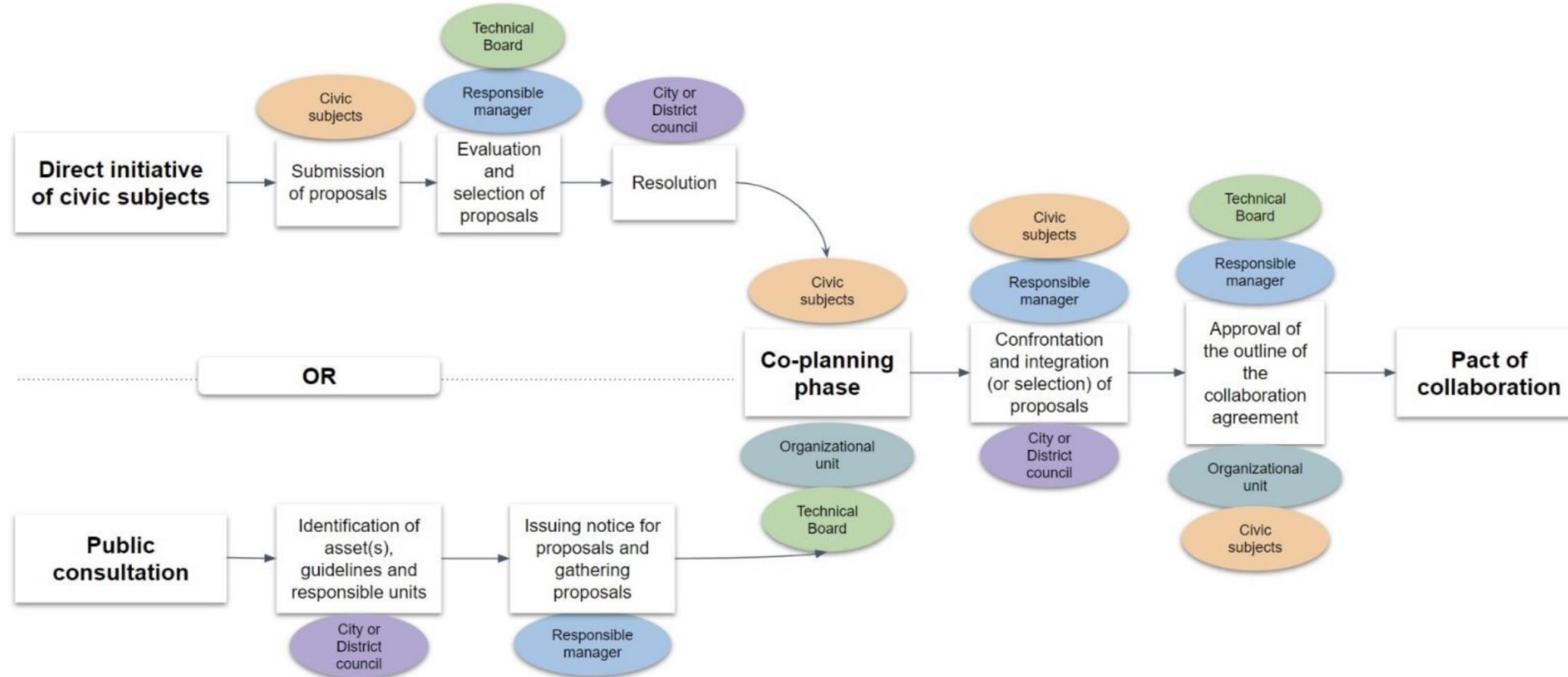




TURIN – [COMUNE.TORINO.IT/BENICOMUNI/INDEX.SHTML](https://www.comune.torino.it/benicomuni/index.shtml)

CO-MANAGEMENT | LEGAL TOOLS

Pacts of collaboration (Turin Regulation)



CO-MANAGEMENT | LEGAL TOOLS

Civic collective management

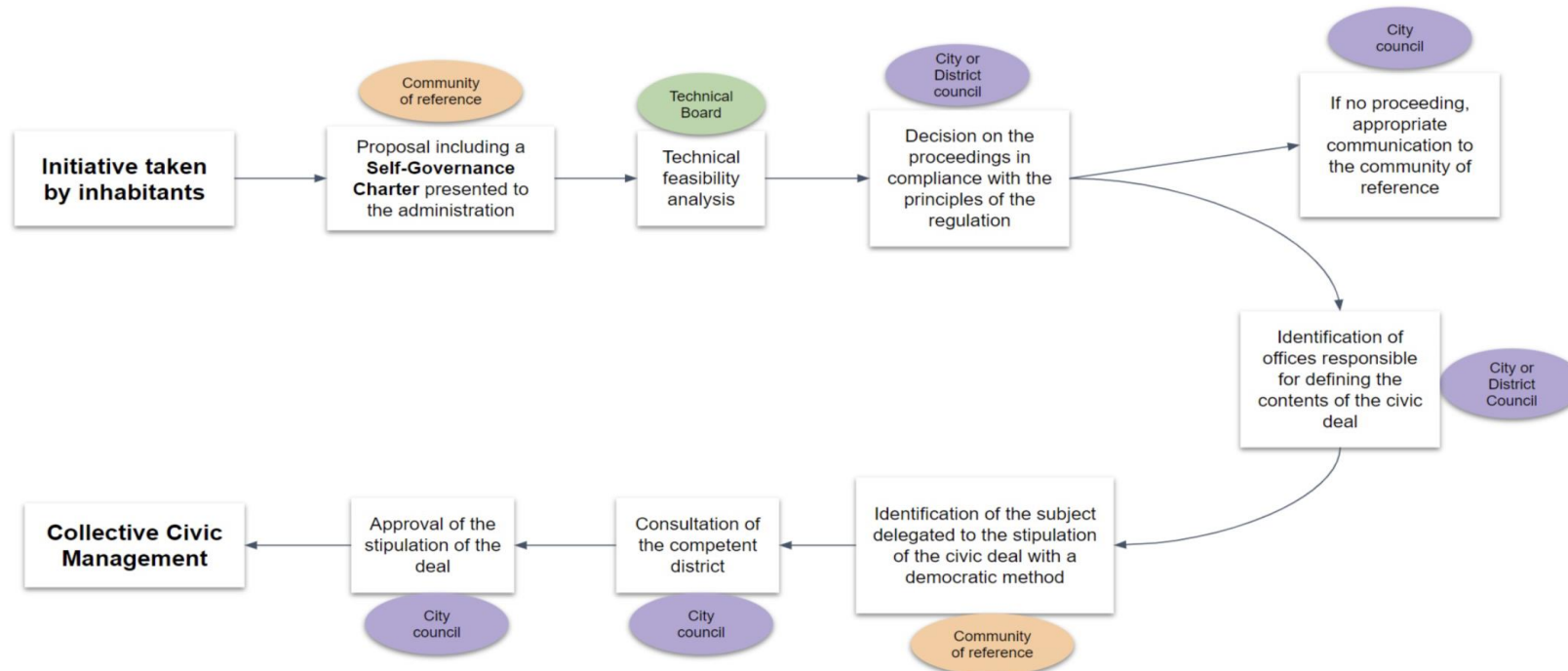


The civic collective management goes a step further in terms of intensity of self-governance. First of all, in this case the initiative for the definition of the civic deal for the management of urban commons is taken by the community of reference. In addition, when the civic collective management is approved, the municipal asset or property is entrusted upon the community of reference that must manage it in accordance with the regulation principles through the Self-governance Charter, which still defines the management methods.



CO-MANAGEMENT | LEGAL TOOLS

Civic collective management (Turin Regulation)



CO-MANAGEMENT

Community balance



The Community Balance Sheet is a tool used by organisations to assess the internal and external operation of their projects. It analyses matters such as ties to the territory, social impact and return, democratic, transparent and participation-based internal management, environmental and economic sustainability and the care of people and processes (ajuntament.barcelona.cat).





Barcelona – civicestate.eu

- ▲ |24| Other situations (plots, art factories, etc.)
- |386| Transfer of municipal assets (ground-floors)
- ◆ |56| Community management of local facilities

CO-OWNERSHIP

Co-ownership as the most advanced level of co-governance combines legal tools and vehicles with the solid establishment of sharing mechanisms that favors financing and the re-distribution of the generated value



Coviolo Wireless Community – comune.re.it



CO-OWNERSHIP

Community land trust



The CLT is a community-led development model, where local non-profit organizations develop and manage homes and other vital assets (such as community enterprises, food growing or workspaces). The main goal of a CLT is to ensure that these spaces stay affordable based on the income level of the locals they want to attract. CLTs are strictly non-profit, meaning that they can make a surplus as a community business, but that such surplus must be reinvested in the community.

CLTs originated in the US as a result of the organized fight for civil rights of African American communities (Gordham Nembhard 2014).



CO-OWNERSHIP

Community land trust



They are being increasingly recognized in the EU, by both common law and civil law countries. England and Wales enabled the creation of CLTs by local communities to acquire land and buildings in the Housing & Regeneration Act 2008; the Bruxelles government recognized and encouraged the creation of the Bruxelles CLT in the Bruxelles Housing Code (Bettini 2018). Although similar to other kinds of governance property that can be used for the urban commons, such as cooperatives for example, their governance is designed to explicitly remove the profit motive from building and land use and measuring it on the basis of the community value they create (Huron 2018; Foster and Iaione, 2021).



CLTs are an interesting model for the Civic eState network because, unlike many top-down projects developed inside city partners, these could be truly shaped by local communities and their needs. Some of the cities in the network, like Ghent and Barcelona, are already experimenting with CLTs

CO-OWNERSHIP

Urban Commons Foundation – Participatory Foundation



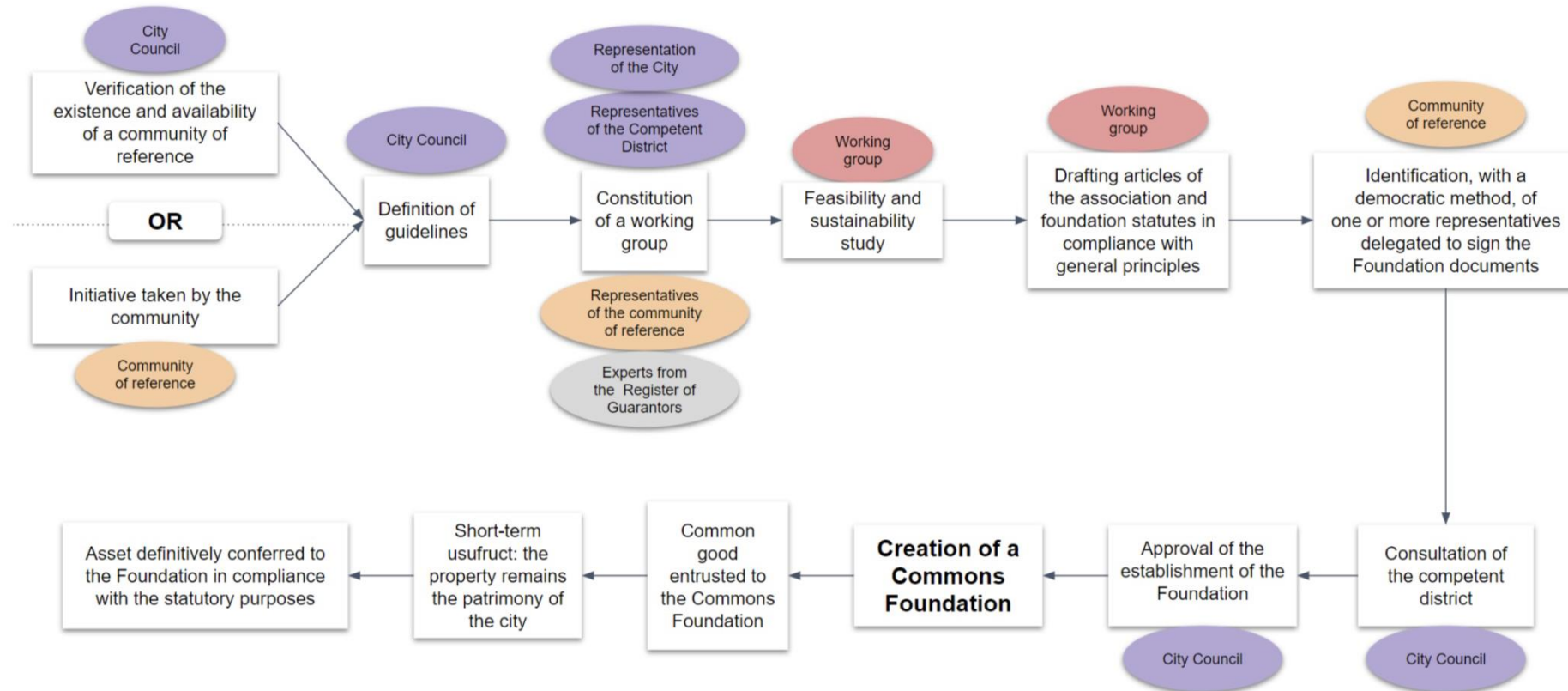
The Urban Commons Foundation is probably the most advanced instrument for the governance of urban commons. Through this legal tool, the City can transfer one or more of assets to a Foundation established for the sole purpose of managing urban commons in the general, public, common interest.

The transferred assets constitute a patrimony of the Foundation with restricted and inalienable destination by the same Foundation. The basic idea is to transfer to a new legal entity, the Urban Commons Foundation, not only the rights of stewardship and ownership over critical assets or properties for the community of reference, but also the duty to carry out the interventions and activities normally carried out by the community of reference.



CO-OWNERSHIP

Urban Commons Foundation – Participatory Foundation



CO-OWNERSHIP

Neighborhood Cooperatives



As a result of the capacity building process the first community cooperative in a complex urban area active in the Centocelle, Alessandrino and Torre Spaccata neighborhoods in Rome was born. LabGov has accompanied local inhabitants and operators towards the creation of an urban collective enterprise.

This economic operator, governed by the inhabitants, aims at developing a social business plan that creates opportunities in the neighborhoods in the fields of integrated sustainable tourism, culture and creativity, circular economy, collaborative and digital neighborhood services.





CooperACTiva – co-roma.it

CITY-COMMUNITIES NEGOTIATING DEALS

Public-community partnerships (contractual and institutionalised)

Driving change for
better cities

“The City as a Commons”, intended as an enabling infrastructure, creates opportunities and ensures the “right to the city” favored by the creation of public-private- community partnerships.

While Public-Private-Partnerships (PPPs) have by now become a common solution for the public sector risk aversion and for its lack of resources, it is more and more clear that sustainable innovation and smart city infrastructures require new types of partnership to be created, overcoming the public-private binary.



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Public-community partnerships (contractual and institutionalised)

Driving change for
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If public-private-people partnerships represent an alternative option to the traditional PPPs, a further step can be taken by establishing public-people partnerships (also “PPCPs” or “P5s”) that allow for a direct participation of citizens both in the procurement and in the delivery and /or implementation process.



CO4CITIES - Third Transnational Meeting

PPCPs require facilitators such as innovation brokers. They are the third party that offer support to public administrations by acting as moderators between private, public and civic actors.

Innovation brokers at the urban level can manifest themselves in the form of public officials in charge of research and innovation (i.e. Chief Science Officers, Chief Innovation Officers, etc.) or in the form of entities like Urban Laboratories, Living Labs, or Competence Centers.



Gdansk towards PCPs

EU CITIES MISSIONS



EU Missions are a coordinated effort by the Commission to pool the necessary resources in terms of funding programmes, policies and regulations, as well as other activities. They also aim to mobilise and activate public and private actors, such as EU Member States, regional and local authorities, research institutes, and land managers, entrepreneurs and investors to create real and lasting impact. Missions will engage with citizens to boost societal uptake of new solutions and approaches.

EU Missions will support Europe's transformation into a greener, healthier, more inclusive and resilient continent. They aim to bring tangible benefits to people in Europe and engage Europeans in their design, implementation and monitoring.



EU CITIES MISSIONS



EU Missions are a novelty of the Horizon Europe research and innovation program for the years 2021-2027 meant to bring concrete solutions to some of our greatest challenges by 2030. They deliver impact by putting research and innovation into a new role, combined with new forms of governance and collaboration, as well as by engaging citizens. The five Missions are: adaptation to Climate Change; cancer; restore our Ocean and Waters by 2030; 100 Climate-Neutral and Smart Cities by 2030; a Soil Deal for Europe: 100 living labs and lighthouses to lead the transition towards healthy soils by 2030.

CLIMATE CITY CONTRACT

The Mission Board introduces the Climate City Contract as a new mechanism to deliver EU support to cities in the form of more innovation, better regulation, and integrated financing. It will be signed by the Mayor on behalf of the local government and local stakeholders, by the Commission, and by national or regional authorities. A precondition for a Climate City Contract is that citizens are given a new active role, new platforms to act and better resources to play their role. At least 1% of the funding granted by the EU to cities through a Climate City Contract should be devoted to support citizens and their platforms for the development and implementation of climate actions.



CITIZENS AS KEY DRIVERS OF THE TRANSITION

The Info Kit for cities



The section outlines main governance and policy structures and strategies that put citizens at the centre to achieve socially robust, sustainable and effective outcomes regarding climate neutrality.

These include **citizen engagement and co-creation, social innovation, and behaviourally informed planning practices** that bind together bottom-linked, bottom-up, and top-down governance approaches **towards co-ownership.**



CITIZENS AS KEY DRIVERS OF THE TRANSITION



Community involvement and ownership

- Create or sustain the frameworks within which community initiatives operate
- Provide economic, technical, and legal instruments calibrated to fit community needs and assist the projects maturity
- Create a diverse landscape of social policy and action
- Facilitate a permanent dialogue between local initiatives, administrative and government bodies and non-state actors at all levels
- Accept and facilitate a change of social relations and governance dynamics
- Develop advanced communication and collaboration capabilities in a multi-stakeholder setting
- Promote power sharing and allocation beyond traditional power-holding individuals and institutions.



CANVAS

Governance & legal model workshop: Towards Public-Community Partnerships / CITY OF ...

KEY ASSETS

KEY PARTNERS (5p)

POLICY GOALS / PUBLIC VALUES / OUTCOMES

SCALE

GOVERNANCE PRINCIPLES

What principles, features, characteristics should public – community partnerships bear (e.g. self-organization, civic autonomy, diversity, inclusion, openness in management and non-exclusivity in use, responsibility and entrepreneurship, multistakeholdership and transparency, mutual trust and informality, sustainability, innovativeness, competitiveness, etc.)?

INTERNAL GOVERNANCE (MANAGEMENT AND SUSTAINABILITY MECHANISMS)

What kind of internal decision-making mechanisms should communities have? Should they be more deliberative, participatory or collaborative? Should they be designed to guarantee their economic sustainability and if and how should economic sustainability be guaranteed? What other requirements should be in place in relation to internal functioning?

EXTERNAL GOVERNANCE (CITY-COMMUNITY LEGAL TOOL/DEAL; CONTRACT / LEGAL ENTITY, ETC.)

How should the legal tool strike the balance between rights and obligations among the parties? Which legal form? Collaboration Pacts / Cooperation Agreements ? Civic Uses Recognition / Value Labeling? Foundation / Cooperative / benefit corporation? Any other form?

PUBLIC GOVERNANCE (I.E. INSTITUTIONAL AND PROCEDURAL ARRANGEMENTS)

Through what kind of resources should the City enable the PCPs (e.g. internal office, external entity such as a foundation, funding, logistics, training/mentoring, digital tools, etc.)? At the central/district/neighborhood level? How should the City identify the community (e.g. co-design, collaborative dialogue, accreditation, self – emergence, etc.)?

EVALUATION MECHANISM

Describe the evaluation mechanisms to measure the public value produced by the public-community partnership, indicators to be used and subdimensions, as well as techniques/process/steps to implement the evaluation.

MONITORING/ADJUDICATION

Describe the monitoring, conflict resolution, and sanctioning mechanisms (internal and external)

CONSTRAINTS / NEEDS

Describe any other element, constraint or need, that may influence the design of a public-community partnership





Prof. Christian Iaione CO4CITIES EXPERT

ciaione@luiss.it

www.labgov.city

www.commoning.city

www.civicestate.eu

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