

# Sound Local Public Management

Draft White Paper

Version 1

written by

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### **Guiding Questions for the workshop:**

In preparation of the workshop on Sound Local Public Management in Vienna on November 5, please read the draft version of this document with the following guiding questions in mind:

- Completeness**
  - Does the document include the most relevant aspects of local public management?
  - If something is missing, what is it?
- Focus**
  - Does the document focus on the right topics?
  - Are there redundant passages?
  - Should different topics be emphasized?
- Comprehensiveness**
  - Is the text easy to understand?
  - Any paragraphs that are too complex?
- Inspiring Practices**
  - Which other inspiring practices are you aware of?
  - Can you report on an inspiring practice at the workshop?
- Useful tools**
  - Which other useful tools are you aware of?
  - Can you report on a useful tool at the workshop?

## II Introduction: From Public Management to Governance

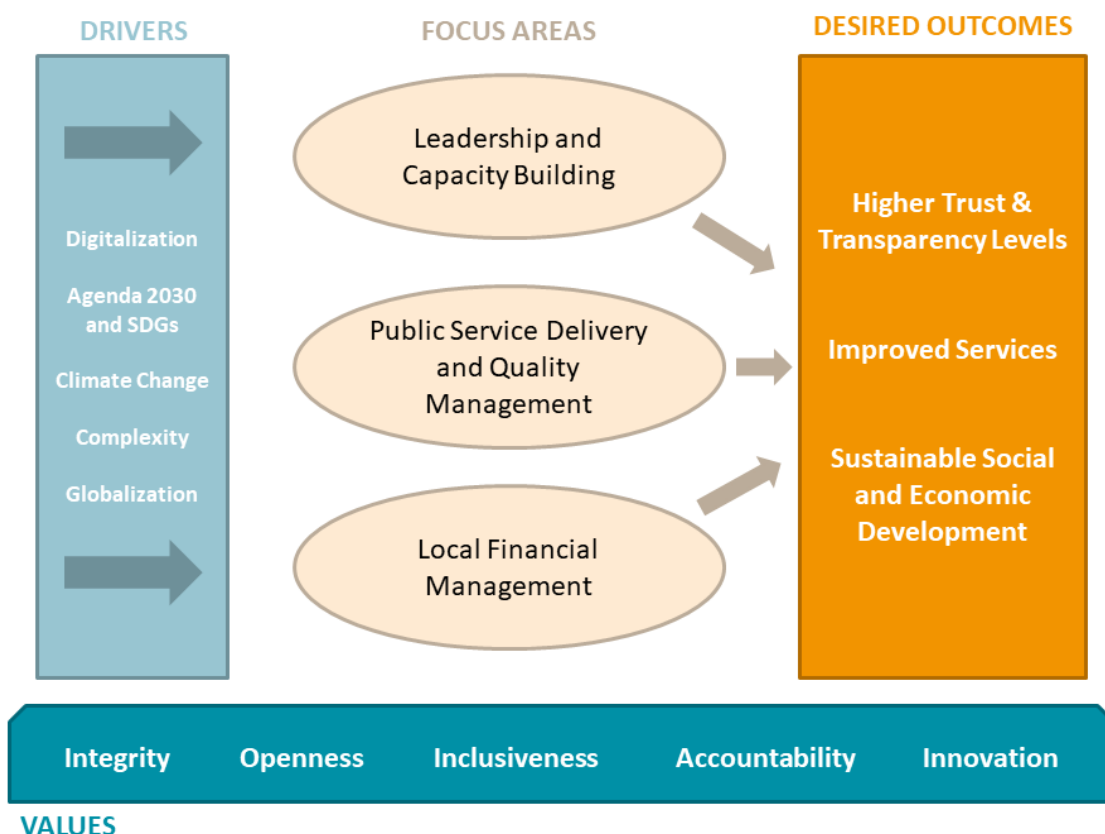
Public administrations across all countries and regions are faced with an increasingly complex environment. Climate change, digitalization and a more active and participatory civil society are only some of the challenges the public sector has to respond to, especially on the local level.

Bureaucratic structures are too rigid to quickly adapt to a volatile and unpredictable environment, where citizens are well connected and better-informed through technology and demand open and accountable institutions. Furthermore, all members of the United Nations have committed to sustainable development, as expressed in the Agenda 2030 signed in September 2015. The 17 Sustainable Development Goals (SDGs) are a guide for governments all over the world to move towards the same direction of ensuring prosperity for people and planet for generations to come.

Municipalities play a vital role in achieving the SDGs. They are closest to their communities, offering many essential public services and have valuable knowledge on the needs of their residents. It is on the local level, where sound public management directly and promptly affects civil society and businesses to foster a prosperous community. Thus, modern public management in an increasingly complex environment shifts to public governance where management of the processes of interaction and decision-making among the involved actors is key.

With the commitment to the principles of sound local public governance, municipalities should aim for the **DESIRED OUTCOMES**:

- (1) ensuring higher trust and transparency levels,
- (2) improving public services based on the needs and expectations of their residents and
- (3) achieving sustainable social and economic development.



Based on fundamental principles and **VALUES** of good governance, three **FOCUS AREAS** should be emphasised in which change should be facilitated to support the achievement of said objectives:

- Leadership and capacity building for public managers and employees
- Re-thinking public service delivery & quality management
- Local financial management

The following recommendations are based on the elaborate publication of the European Commission “Quality of Public Administration – A Toolbox for Practitioners”. The publication is an extensive source of tools and best practices across Europe and is recommended for further research.

### III The Values of Public Governance

The foundations of good governance are widely shared values and principles throughout the administration. These values guide public decision-making toward the common interest and thereby help build trust in government. From different EU and OECD practices, the fundamental values of **integrity, openness, accountability, inclusiveness and innovation** are key to citizen-driven policy making and to reducing corruption. These are not stand-alone values, but are interconnected and interdependent, and are not exhaustive. Rather they can be seen as guiding principles for the development of a modern public administration with their own set of values and codes of conduct.<sup>1</sup>

#### 1 Integrity

Trust is built when the actions of one's counterpart are reliable, fair and predictable. It must be systematically ensured that administrations take decisions in the interest of the public when using and allocating public resources instead of enabling private or political interests to take influence. Building a culture of integrity and honesty is thus at the heart of anti-corruption measures. If citizens and businesses can trust their local government in being treated fairly and equally, it does not only facilitate the founding of businesses and the flourishing of entrepreneurship, it also strengthens democracy. To embed integrity as a core value within public administrations, the training and commitment of senior public servants and high political figures is essential. With respected leaders setting an example at the top, an organizational transformation can be achieved. A helpful instrument is the co-creation and communication of and commitment to 'codes of conduct' – a set of values agreed to by all public servants – which also includes enforcement mechanisms to monitor value-based decisions and actions. But integrity is not given if it happens behind closed doors; therefore accountability and transparency are further elements of integral institutions.

#### 2 Openness

To ensure that governments are open and accountable, mechanisms of public oversight are indispensable. This means that administrations need to ensure that their decisions and actions are transparent, in order to be held accountable. With citizens and business being able to question governmental actions, this leads to reduction of fraud and corruption. There are different steps of ensuring open government, which typically starts with open access to administrative data. Open Data should be free, accessible and understandable. Citizens and businesses should be able to use the data to develop new services which stimulates job creations in the field of ICT. Constant communication and interactions with the public through various channels, such as social media is a further step towards a more open government. A proactive approach in sharing information and data boosts the integrity of administrations. This can lead to the implementation of mechanisms of participation and collaboration, where government, businesses and civil society co-produce and co-create public services.

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<sup>1</sup> For an extensive set of values of good governance, see European Commission (2017). Quality of Public Administration – A Toolbox for Practitioners

### 3 Inclusiveness

Representative democracy has the core function to represent all its citizens. Thus governance and decision-making must be equal for all, and politicians and civil servants must commit to the inclusion of disadvantaged, vulnerable and marginalised groups. This includes setting frameworks for gender equality, diversity and the involvement of youth in public life. With participatory mechanisms installed, the challenging part is to ensure it is used by and accessible to citizens with fewer resources in terms of time, knowledge, and influence. For inclusive policy-making, effective stakeholder management is key in order to tap into the knowledge and expertise of the stakeholders affected. The focus on inclusiveness supports the design of public services that fit the needs of its users, and may open up new paths that have not been considered within organizational silos before.

### 4 Accountability

Public administrations and governments are accountable to the public. Performances and decisions must be explained to stakeholders, third parties and media (horizontal accountability), but also within the organization, i.e. the establishment of accountability within the hierarchy (vertical accountability). Problems arise from closed and non-transparent decision-making processes and lacking accountability mechanisms. Being held accountable should not only result from media coverage on major scandals, which is typically followed by a political blame game. Setting accountability standards subject to deliberation are a way forward towards more integrity and openness.

### 5 Innovation

Innovation goes beyond mere improvement or continuous change; it means that given resources are creatively re-assembled, existing structures and processes are questioned and input from different stakeholders within and from outside organizational boundaries is welcomed. Public sector innovation has many faces and comes in different forms such as process, product, service, policy or governance innovation. An innovative mindset in the public sector does not just follow new trends for the sake of being first, but that it is capable of managing transformations and change. This begins with being open to new ideas from citizens, businesses and employees and creating an environment where these ideas can flourish.



## IV Leadership and Capacity Building

Change and development of local public administrations towards a more dynamic and innovative environment is a challenging task. Many aspects such as political will, civil society demands or public scrutiny influence decision-making and policy implementation. It is expected that public funds are handled expediently, efficiently, economically and effectively. On top, rigid legal frameworks put another layer of complexity for any changes or endeavours within the administration.

Good public governance therefore depends on excellent leadership and capacity building. This means that more attention should be paid to education, qualification, recruitment and selection of public service managers and employees. The success of public sector modernization is directly connected to the quality and commitment of the public workforce as much as political leadership. Especially leadership based on integrity supports the process of embedding core values within the administration. The implementation of human resource management practices can help prevent abuse of authority and prioritize professionalism and expertise.

### 1 Public service leadership

There is a clear line to be drawn between the roles of elected leaders and administrative leaders. The former are politicians that are head of their local authorities. These are mainly the Mayor and other senior elected officials and their key responsibility is the effective management of the local authority. The main functions<sup>2</sup> of **political leaders** are:

- ❑ To look ahead, developing, sharing and planning a **longer-term vision** of the community.
- ❑ To provide **strategic management** for the organization of the local authority and for the provision of local public services whether delivered:
  - by the local authority itself;
  - in partnership with other organizations; or
  - through outsourcing arrangements.
- ❑ To **engage** local people and organizations in the activities of the local authority by:
  - keeping them informed (e.g. of Council plans and policies);
  - consulting them on important matters (e.g. the draft budget); and
  - sharing the decision-making role (e.g. in neighbourhood committees or in the joint provision of a service).

Elected officials should work as a team with the administrative staff and not do the work for them. Therefore, it is important to understand each other's roles and responsibilities. Political leaders must move away from exercising hierarchical authority towards empowering and engaging staff for them to gain ownership of their tasks.

<sup>2</sup> Council of Europe. (2005). Toolkit Of Local Government Capacity-Building Programmes - <http://www.slg-coe.org.ua/wp-content/uploads/2012/10/Toolkit-of-local-government-capacity-building-programmes.pdf> (last accessed October 2019)

**Leadership by public managers** on the other hand is needed as much as political leadership. Leaders within the administration must cope with political uncertainty and fast-changing environments. It is also their leadership through which contexts are created where innovative ideas and new ways of working can emerge. However, there is no ‘one-fits-all’ type of leadership. Depending on the complexity of the environment, leaders must adapt to the situation within their sphere of influence.

For less complex environments, i.e. projects or service deliveries involving a low range of stakeholders and interdependencies, leadership functions involve more directing, planning and resourcing activities such as helping co-workers understand their roles, tasks and responsibilities. The more complex the context gets, e.g. with multiple stakeholders being involved, political agendas being pushed, or lengthy procedures going on, the more adaptive leadership must be. Stimulating innovative ideas, actively supporting inclusion and participation of multiple stakeholders across organizational and sectoral boundaries and being flexible to changing plans, processes and routines are some of the needed skills in such complex environments.<sup>3</sup>

To sum up, it is essential to place the right people with leadership capabilities in the right position, and also provide them with the appropriate mandate and conditions for them to act. Building towards this also needs strategic planning regarding human resources.

### INSPIRING PRACTICE

The **Leadership Academy Programme (LAP) course of the Council of Europe** is a learning and action course targeting mayors, senior officials and elected representatives of local government that seeks to develop leadership over 3 stages: leadership for organisations, leadership for strategy, and leadership for capacity building.

It is delivered, over a period of six months, in three separate sessions (one for each stage) lasting three days, to groups of up to 25 participants. The ultimate objective is to equip participants with the knowledge and the tools to deliver good governance through high-performing local government organisations.

Source: CoE (2017). Leadership Academy for Local Government. Syllabus

## 2 Human resource management

Civil servant systems are typically classified into two types: career-based and position-based systems. The traditional bureaucratic administration foresees employment right after school or higher education, with a steady progression on the career ladder and positions appointed according to seniority. This career-based approach has become outdated and does not meet the requirements of flexibility and adaptability of the new century. An ageing workforce, online

<sup>3</sup> Murphy et al. (2017) Managing the Entanglement: Complexity Leadership in Public Sector Systems

services, big data and a more digital society accelerate the need to reconsider the human resource management of local authorities.<sup>4</sup>

**Strategic human resource planning** starts with authorities rethinking how positions can be filled with staff with the right skills and competences, and how in the long-term positions might change. This systematic process should include the whole human resources (HR) cycle, from planning, to recruitment, selections, performance management, development and training and redeployment. The link between HR policies and organizational performance must be acknowledged.

As a result, a shift is needed from employing staff due to their status towards **employment by a pre-defined competence framework**. Local authorities must define which competences and skills are needed to reach the organizational goals. Based on these competences and the organizational values, job profiles should be created and openly communicated. The recruitment and selection processes should be transparent, fair and impartial and vacant posts allocated according to objective criteria.

In general, the public sector is facing challenges with an ageing workforce and uncompetitive salaries compared to the private sector. The perception of public sector jobs is that of a safe, steady and monotonous work. Local authorities are advised to invest in **image and employer branding**, and to promote flexibility and diversity in tasks to attract new and skilled workforce. During the last years, social networking platforms like LinkedIn or talent acquisition platforms like recruitee.com have brought new and innovative possibilities to recruitment also for the public sector.

#### USEFUL TOOLS

- Develop an **attractive job profile** based on competency
- **Publish vacancies** in print media, social media and websites of local governments
- Invest in **image campaigns**
- Make sure the advertising campaign reaches out to all sections of society, irrespective of age, gender, ethnicity and physical ability
- Make sure **recruitment procedures** are not too lengthy
- Emphasize interesting **career perspectives**, challenging job content by promoting working for the public good and offering a good work-life balance

Source: EC (2017). Quality of Public Administration

Finally, **development and continuous learning** should be an integral part in human resource considerations. Not only should there be a focus on 'hard skills', but especially trainings in leadership and soft skills should be offered to the staff. Empowering employees to take action and providing the necessary space and structures for them to take ownership and work together for a common purpose supports an innovative environment and can transform the image of the public sector to an attractive employer.

<sup>4</sup> EC (2017). Quality of Public Administration

## V Re-thinking Public Service Delivery and Quality

Quality of life in a municipality or region strongly depends on the organisation of services of general interests such as infrastructure, waste management, education, health care or social services. The essence of public administration is ensuring public service delivery, but reduced budgets and fast changing needs and expectations of citizens and businesses make it hard for local authorities to maintain and improve the status quo of public service delivery.

To meet the growing demands of public service users, it is necessary to re-think traditional service delivery from a procedural bureaucracy towards putting the needs of citizens and business in the centre of service design. Furthermore, opening up the process and viewing pressing issues from a more systematic perspective can break up silos of organisational units and let “outside” knowledge contribute to designing more innovative services. With increased participation of multiple stakeholders, and the use of ICT as enabler for introducing such processes, innovative, transparent and inclusive public services can be offered.

### 1 User-centricity in service design

When shifting the mind-set from a more bureaucratic output-orientated approach towards a user-centric idea of service delivery, the first and most basic step is the consultation of users in order to **understand their needs and expectations**. Such consultation processes should follow the underlying values of being open, inclusive and transparent and can accompany different stages of service delivery, from the designing phase, during implementation, or even when the service is being phased-out.

There are many tools that can be used depending on the situation faced by the service-provider:

#### USEFUL TOOLS

Perform **user surveys** to directly reach out to citizens and businesses in order to assess their experience with public services. A further step is setting up **focus groups or user panels** to provide a more deliberative approach in understanding the needs and challenges faced with public services

Source: EC (2017). Quality of Public Administration

The second step of **improving processes to benefit service users** encompasses the target to **reduce administrative burdens**, such as ‘cutting red tape’<sup>5</sup> and streamlining processes to make the use of public services simpler and freeing resources at the same time. Administrative burden reductions are very complex and there is no single model that can be applied everywhere. However, the OECD<sup>6</sup> had identified success factors for overcoming the most common barriers in administrative simplification, some of which can also apply to the local level (selection):

<sup>5</sup> Excessive regulation or rigid conformity to formal rules that is considered redundant or bureaucratic and hinders or prevents action or decision-making is often referred to as “red tape”.

<sup>6</sup> OECD (2009). Overcoming barriers to administrative simplification strategies: guidance for policy makers

- ❑ **Get powerful support from a highly visible political figure**  
Political commitment puts reform on the agenda and real political leadership empowers public managers and employees to take ownership of change and improvement
- ❑ **Ensure administrative simplification is independent from the electoral cycle**  
To make sure simplification measures are sustainable they should be seen as politically neutral, such as investing in eGovernment measures
- ❑ **Prioritise based on evidence**  
Use the input from public service users to decide which processes to prioritize on. Not only financial factors are relevant, but also a focus on public value and non-quantifiable factors.
- ❑ **Use success stories and find simplification ‘champions’ to act as ambassadors**  
Celebrate and communicate your achievements and learn from success stories that fit the local context.
- ❑ **Promote a ‘reform and innovation’ mentality**  
Building on an innovation mindset, the administration should enable employees to test and experiment with new ideas, and not be discouraged by failures. Instead, a culture of learning should be fostered to gain new ideas.
- ❑ **Build ownership and momentum with users**  
Participation and co-creation of users is key to design public services based on actual needs of citizens and businesses.
- ❑ **Internalise the benefits of simplification to citizens and businesses within the administration**  
Public sector employees should understand the benefits for public service users and how it can improve public value of their services.

The challenge is to bring different services together into one process, a **service that is easy for users to access** (e.g. digital platform) and which minimizes the amount of administrative units that need to be consulted (e.g. one-stop-shops). The use of **new technologies and interoperability**, i.e. the ability of systems to communicate and work together, within or across organisational boundaries, play a vital role in the improvement of processes.

**Digitalisation** of public administration is not an end, but a means to improve efficiency, increase user-friendliness and accessibility, and to reduce opportunities for corruption. A sound digital environment allows for more collaborative and participatory relations with stakeholders such as citizens, the private sector and civil-society organisations to define political priorities actively together and to co-design and co-deliver public services. Especially when building an eGovernment strategy, either from a whole municipal perspective or for one specific process, three aspects should be considered<sup>7</sup>:

- ❑ Modernising public administration with ICT, using key digital enablers (**‘make it simple’**)
- ❑ Enabling cross-border mobility with interoperable digital public services (**‘make it for all’**)

<sup>7</sup> EC (2017). Quality of Public Administration

- ❑ Facilitating digital interaction between administrations and citizens/businesses for high-quality public services ('make it together')

### INSPIRING PRACTICE

The **Open Government Initiative of the city of Vienna** was not only the first in a German speaking country, it was – and still is – an example of a major transformation in public management. From the beginning the initiative was embedded in a strategy paper (Open Government Implementation Model). The opening of data available in various city departments was accompanied by a continuous participation process involving the local communities as well as collaboration with universities and NGOs. The initiative also led to the founding of the „Cooperation OGD Austria“ together with institutions from the federal, regional and local level in order to set the basic agreements for the future of Open Government Data in Austria.

Source: Data.gv.at (2019). Cooperation OGD Austria

## 2 Quality Management

A majority of public services are already in place and are functioning in a satisfactory way; of course there is always room for improvement. Within the operational activities of an organisational entity the question arises how quality of services and processes can be improved or the quality be kept on a constant (high) level.

When considering change, it is recommended to take a **systems-thinking** approach. This means to view the own organization and its policies embedded in an interconnected system, where choices affect actors within and beyond the organizational boundaries. Thus all relationships with the external environment should be considered and the interdependencies understood, in order to make improvements within the system. Systems-thinking is the basis for the ideas of **total quality management (TQM)**, which seeks for continuous improvement and satisfaction of all stakeholders.

There are many instruments of quality management, such as certification processes (ISO), the Excellence Model by the European Foundation for Quality Management (EFQM) or the Common Assessment Framework (CAF), which is a self-assessment tool specifically designed for public administrations. CAF is less demanding the Excellence Models and is a suitable instrument for organizations starting off with quality management procedures.

## USEFUL TOOLS

The **Common Assessment Framework (CAF)** is a total quality management tool developed by the public sector for the public sector. It is based on the premise that excellent results in organizational performance, citizens/customers, people and society are achieved through leadership driving strategy and planning, people, partnerships, resources and processes. It looks at the organization from different angles at the same time: the holistic approach to organization performance analysis.

The CAF is available in the public domain, is free of charge and is offered as an easy-to-use tool to assist public sector organizations across Europe in using quality management techniques to improve performance. The CAF aims to be a catalyst for a full improvement process within the organization and has five main purposes:

- to introduce public administrations into the culture of excellence and the principles of TQM;
- to guide them progressively to a fully-fledged PDCA (PLAN, DO, CHECK, ACT) cycle;
- to facilitate the self-assessment of a public organization in order to obtain a diagnosis and a definition of improvement actions;
- to act as a bridge across the various models used in quality management, both in public and private sectors;
- to facilitate bench learning between public sector organizations.

Source: EIPA (2013): The Common Assessment Framework

## VI Local Financial Management

The public sector is in particular restricted by legal and budgetary frameworks. New ideas and reform attempts in the area of public service delivery struggle to overcome the big question of how it will be financed. Depending on the fiscal framework of the respective country, the leeway of local public financing varies. Local governments can use instruments of financial management which can be used as strategic levers to not only be more budget friendly but to pursue policy objectives such as boosting local economic development and citizen participation.

Transparency in municipal finances has been driven by several NGOs with projects like “Where Does My Money Go?”<sup>8</sup> that analyse and visualise information on public spending. Today, many public institutions are pro-actively sharing spending data, using visualisations to make the complexity of public spending better understandable and implementing participatory budgeting projects.

### 1 Public procurement

One of the main challenges for local authorities is lengthy and complex procurement frameworks, with excessive administrative procedures and red tape. This is at the same time a major barrier for small and medium-sized enterprises (SMEs). Thus, within the limits of (sub)national regulations, a first step is to **simplify procurement** as much as possible. This starts from reducing necessary paperwork, splitting contracts into smaller lots, capping the minimum turnover required for participating in a public tender and shortening of deadlines for open applications. These steps can be supported by developing joint (with other municipalities within a region) and electronic procurement processes.

A consultation of sub-national government (SNGs) on infrastructure planning and investment<sup>9</sup> has furthermore identified practices, which helped the management of large investments by SNGs, the most relevant of which are:

- Improved medium-termed strategic planning which connects planning and budgeting frameworks
- Increased external support for designing projects
- Improved co-operation with neighbouring local governments to favour economies of scale
- Increased stakeholder engagement at an early stage and targeting local needs based on evidence

Procurement can also be used as an instrument to pursue wider policy goals. Goods and services can be procured which aim to reduce the environmental footprint or which incorporate social considerations. Another possibility is **innovation procurement**, which directs the public sector to invest in research & development of technologies which aim to tackle the challenges of today’s society. Based on the classic economic model of innovation and its diffusion, the public sector can invest in enterprises to invent, develop and diffuse innovative solutions to make it

<sup>8</sup> <https://app.wheredoesmymoneygo.org/> (last accessed October 2019)

<sup>9</sup> OECD/CoR (2015). Infrastructure planning and investment across levels of government: current challenges and possible solutions



available for the mass market. This type of procurement requires long-term planning, good communication structures with the supply chain, patience and space for actors to innovate.

## 2 Financing and funding

### 2.1 Public-Private Partnerships

Public-Private Partnerships (PPP) generally refer to a cooperation between public and private actors with the aim to finance, construct, operate, or maintain infrastructure or to provide a mutual service. Risks, costs and benefits are shared within such a partnership. PPP models are based on certain principles such as using a life cycle approach of the good or service as well as optimizing risk distribution, costs and performance standards among the partners. PPP is not primarily a financing model, but rather a comprehensive, alternative organization and procurement approach by involving private businesses in the implementation of infrastructural measures.

The **benefits of PPP models** are seen in the long-term partnership, security in terms of planning, deadlines and costs, as well as the potential synergies from bundling various functions and the possibly greater skills of private sector institutions.

Potential **drawbacks** are higher funding costs, transaction costs, and also the risk of insolvency with private partners. To what extent the public sector has a decision power needs to be contractually specified and is definitely a challenge. Contracting such responsibilities also leads to less flexibility and less space for innovative ideas to flourish.<sup>10</sup>

A consultation<sup>11</sup> of sub-national government (SNGs) on infrastructure planning and investment has led to the conclusion, that the use of PPPs has rather decreased and are rather an option for larger jurisdictions (such as metropolitan areas and regions), as the planning, contracting and managing of such complex projects requires the adequate skills and resources.

Nevertheless, PPP remains an option for implementing infrastructure projects in municipalities, and given the know-how and resources, there are different PPP models that fit different municipal investments. For more details, see the KDZ publication under the BACID programme “Public Private Partnership – Guideline based on the experiences of the Austrian municipalities”<sup>12</sup>

### 2.2 Citizen participation and crowdfunding

For alternative financing options on a smaller scale, municipalities can turn to their citizens. This is particularly interesting for smaller investments, and is often involved with lower interest rates and an involvement of citizens in municipal government processes. Keeping in mind the national legislation in terms of banking or credit licences, there are three possible models<sup>13</sup>:

<sup>10</sup> KDZ (2015). Public Private Partnership – Guideline based on the experiences of the Austrian municipalities

<sup>11</sup> OECD/CoR (2015). Infrastructure planning and investment across levels of government: current challenges and possible solutions

<sup>12</sup> <http://www.bacid.eu/Publications#Public-Private-Partnership-Guidelines-for-Local-Self-Governments> (last accessed October 2019)

<sup>13</sup> Prorok (2017). Alternative financing with citizen participation and crowdfunding. In: The future of Europe – built on strong municipalities

❑ **Citizens' credit model**

Municipalities receive funding through (quasi-) direct contributions by their citizens. A crucial element is the involvement of an intermediary (e.g. a trust bank), which under is entitled to make credit transactions. The basic transaction is a loan, which is granted to the city through the intermediary as soon as all deposits (declarations of consent by the citizens to grant credit in an appropriate amount) have been collected. Repayment is either at maturity or monthly, depending on the model. A variation of this model is the sale-and-lease-back model, where citizens purchase independent components of a infrastructure investment, and lease it back to the municipality. At the end of the period the municipality buys back the component. This model is suitable for renewable energy power plants, where singular solar panels can be financed with a low threshold for citizens.<sup>14</sup>

❑ **Crowdfunding-based citizens' credit model**

The essence of crowdfunding is to address a community with a project idea and engage them to financially support the implementation of this project. Thus, many small amounts of a 'crowd' can come up with the necessary financing. Municipalities can make use of existing online crowdfunding platforms to raise money from their citizens for smaller investments.

❑ **Citizen participation models**

Municipalities can involve their citizens in municipal investments by founding a company or associations with citizens as shareholders. In this model, citizens have a participating interest in a company and have rights and obligations according to articles of association.

These models are suitable as alternative funding sources, but must bear in mind legal restrictions and contract management. This might allow municipalities to implement smaller investments where they gain ownership of their citizens and positive publicity for fostering citizen participation. Of course these models are not suitable for any type of investment and should always involve proper legal consultation and risk management when considering these finance models.

<sup>14</sup> See Padevetova (2013) Bürgerbeteiligungsmodelle für erneuerbare Energie, ihre Vorteile und Nachteile für die Beteiligten

## VII Summary and Outlook

### To be done...

#### 1 Further reading

We recommend the following resources for further reading:

- ❑ European Commission “Quality of Public Administration – A Toolbox for Practitioners”: <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8055>
- ❑ Council of Europe: “Leadership Academy Programme”: <https://www.coe.int/en/web/good-governance/lap>
- ❑ KDZ/ADA, “BACID - Building Administrative Capacities in the Danube Region”: <http://www.bacid.eu>
- ❑ KDZ/City of Vienna: “Open Government Implementation Model”: <https://www.kdz.eu/en/open-government-implementation-model>

#### 2 Literature

Literature mentioned in this White Paper:

- ❑ CoE (2017). Leadership Academy for Local Government. Syllabus. Download: <http://rm.coe.int/doc/09000016806f3630> [2019-09-13]
- ❑ Data.gv.at (2019). Cooperation OGD Austria. Download: <https://www.data.gv.at/infos/cooperation-ogd-austria/> [2019-09-13]
- ❑ EC (2017). Quality of Public Administration. Download: <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8055> [2019-09-13]
- ❑ EIPA (2013): The Common Assessment Framework (CAF) – Improving Public Organisations through Self-Assessment. Download: [https://archive.eipa.eu/files/File/CAF/CAF\\_2013.pdf](https://archive.eipa.eu/files/File/CAF/CAF_2013.pdf) [2019-09-13]
- ❑ KDZ (2015). Public Private Partnership – Guideline based on the experiences of the Austrian municipalities. Download: [http://www.bacid.eu/images/d/d0/PPP\\_Guidelines\\_for\\_printing\\_FINAL.pdf](http://www.bacid.eu/images/d/d0/PPP_Guidelines_for_printing_FINAL.pdf) [2019-09-13]
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