3 Governing the Brussels-Capital Region

This chapter provides a comprehensive analysis of the governance of the Brussels-Capital Region. After a detailed description of the current state of governance arrangements, the chapter identifies key challenges that have emerged over time and proposes policy recommendations to enhance efficiency, transparency and accountability, ultimately paving the way for a more robust and sustainable governance framework.

Created initially as a unitary parliamentary monarchy in 1831, Belgium has undergone a gradual but deep transformation since the beginning of the 1970s with the purpose of better accommodating its different linguistic and cultural communities. Most importantly, this process has taken place through a series of constitutional reforms, with the last one in 2014, all of which have made Belgium's federal structure evolve towards a greater decentralisation of decision-making power to the six federated entities (Box 3.1). Today, Belgium is a federal country that hosts a variety of institutions at different levels of government and with different powers, responsibilities and resources, seeking to respond to the different needs and preferences of its Dutch-, French- and German-speaking populations.

The institutional architecture of Belgium is complex, particularly in the Brussels-Capital Region

Figure 3.1 provides a stylised representation of the institutional architecture of Belgium. Belgium's six federated entities can be classified into two groups: regions and communities. The determining characteristic of regions is their territorial area, whereas that of communities are person-related matters, such as language.

Figure 3.1. Belgium's multi-level governance structure
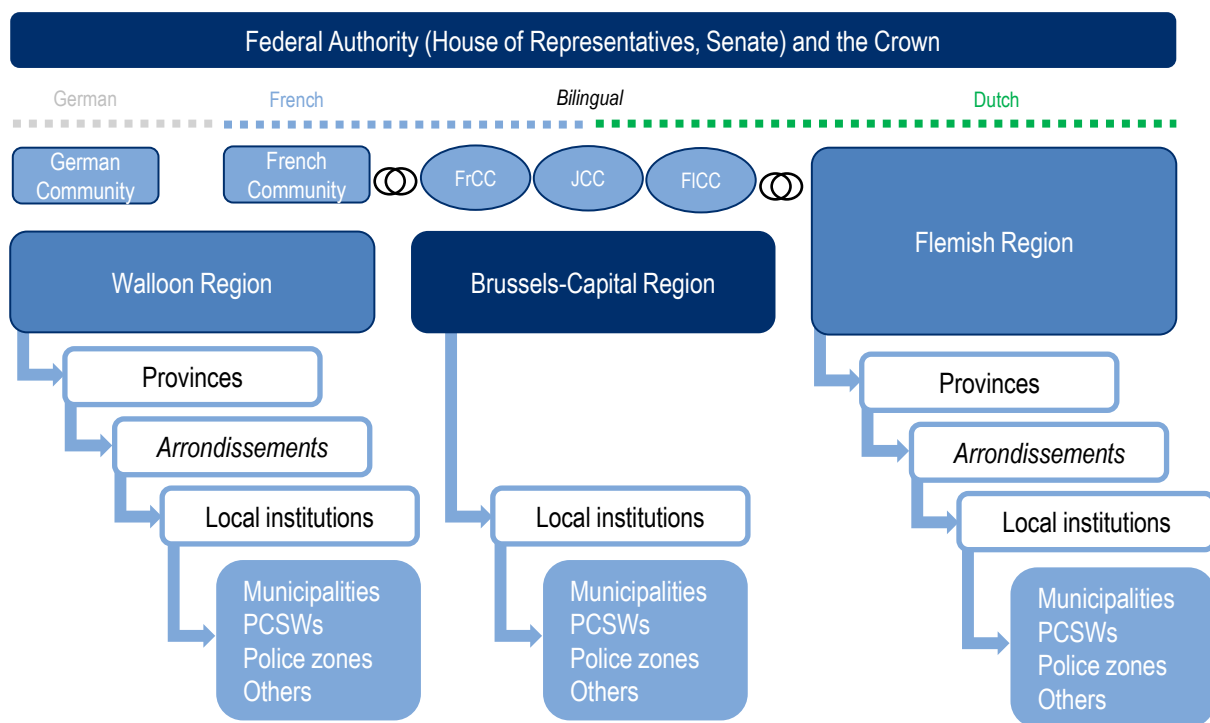
Note: FrCC – French Community Commission; FlCC – Flemish Community Commission; JCC – Joint Community Commission; PCSW – Public Centre for Social Welfare.
Source: Adapted from Albrechts, L. (2001[1]), "Devolution, regional governance and planning systems in Belgium", https://doi.org/10.1080/1356 3470123288.

Based on Figure 3.1, Belgium presents the following level of government:

- **The federal level**, where the legislative power is exercised by the federal parliament, composed of two assemblies: the House of Representatives and the Senate. Following the sixth state reform in 2014, members of the Senate, serving as the chamber of the communities and regions, are

designated by the federated entities (50/60) or co-opted (10/60) and no longer elected (Article 67 of the constitution). Senators have no veto powers over federal legislation (OECD/UCLG, 2022[2]).

*   **The regional level**, comprising three out of the six federated entities known as the Brussels-Capital Region, the Flemish Region and the Walloon Region.[1] It must be noted that the Flemish Region has never existed as an independent body; rather, the Flemish Region merged its institutions with those of the Flemish Community.

*   **The community level**, encompassing the three remaining federated entities referred to as the Flemish Community, the French Community and the German-speaking Community. Within the Brussels-Capital Region, three community commissions were created to recognise the co-existence of both Dutch- and French-speaking populations: the Flemish Community Commission, the French Community Commission and the Joint Community Commission.

*   **The provincial level**, amounting to ten provinces serving as an intermediate level of government, with limited powers and under the supervision of the regions. Provinces are also subdivided into administrative *arrondissements*. However, the Brussels-Capital Region does not have any provinces within its territory.

*   **The local level**, including a total of 581 municipalities. Each municipality also has a Public Centre for Social Welfare (*Centre public d'action sociale*/*Openbaar Centrum voor Maatschappelijk Welzijn*, PCSW) in charge of social welfare and assistance. The Brussels-Capital Region has 19 municipalities with their corresponding 19 PCSWs, besides six police zones as well as other local institutions for specific purposes. Municipalities are responsible for their actions as well as those of the PCSW and other local bodies, and their actions are overseen by the regions, especially regarding budget balance and financial health.

Box 3.1. The birth and evolution of Belgium and the Brussels-Capital Region through state reforms

Since 1970, Belgium has undertaken a series of state reforms that have profoundly reshaped the country's institutional landscape. Notably, the Special Act of 12 January 1989 marked the establishment of the Brussels-Capital Region. Over the course of six state reforms, a gradual yet substantial devolution of responsibilities to the regions, communities and municipalities has taken place, seeking to address a range of funding and taxation issues. The sixth state reform, adopted in 2014, is, for the time being, the last reform of a long and complex process.

*   **First state reform (1970)**: In its first constitutional revision, Belgium established three cultural communities and laid the groundwork for the formation of three regions (Flemish Region, Walloon Region and Brussels-Capital Region). Although the principle of creating these regions was embraced, its full implementation was initially postponed. However, progress was made in 1971 when the Agglomeration (*Agglomération*/*Agglomeratie*), a unified administrative body, was established to oversee the governance of the 19 municipalities in the Brussels-Capital Region. This new metropolitan entity was granted various powers in crucial areas such as town and country planning, transportation, safety, healthcare, public cleanliness and economic development.

*   **Second state reform (1980)**: The Special Law of 8 August 1980 marked a significant milestone as it established regional institutions, albeit exclusively for the Flemish and Walloon Regions. In that instance, legislation fell short of encompassing any provisions for the Brussels-Capital Region. This omission was attributed to the complexities of reaching a political agreement.

*   **Third state reform (1989)**: The Special Act of 12 January 1989 represented a definitive turning point as it established the Brussels-Capital Region on the territory of the 19 municipalities. This

legislation not only set up the region's legislative and executive bodies but also facilitated the transfer of powers from the Agglomeration to the newly formed region. Moreover, the reform significantly bolstered the authority of the communities, making them responsible for education, and further reinforced the regions by granting them additional powers on transport and public works, among others. It was also through this reform that the three community commissions were established. The Special Financing Act (*Loi Spéciale sur le Financement/Bijzondere Financieringswet*, SFA), adopted on 16 January 1989, regulates inter-governmental transfers between the Federal Authority and the regions and communities.

- **Fourth state reform (1993)**: Belgium became a federal state in its own right, where the communities and regions are its six federated entities with their own governments and institutions. The SFA was also reformed (see Chapter 4). One year after this reform, the French Community Commission's powers were expanded, mainly through a transfer of health and social welfare responsibilities from the French Community. This was not mirrored by a similar transfer from the Flemish Community to the Flemish Community Commission, thereby increasing the degree of institutional asymmetry among community commissions.

- **Fifth state reform (2001)**: The Lambermont Agreement and the Lombard Agreement entered into force thanks to the two special laws of 13 July 2001. This reform also included a new amendment of the SFA (see Chapter 4).

    o The Lambermont Agreement facilitated the transfer of specific powers to the communities and regions, encompassing responsibilities such as municipalities and provinces, agriculture, sea fishing, foreign trade and development co-operation (pertaining to regional and community competencies). Moreover, this agreement introduced various measures concerning the financing of the communities, the expansion of taxing powers for the regions and an additional allocation from the federal government to the French and Flemish Community Commissions.

    o The Lombard Agreement modified the functioning of the Brussels institutions, particularly concerning the representation of linguistic groups within the Parliament of the Brussels-Capital Region and the representation of Brussels representatives at the Flemish Parliament. Notably, the six Brussels members of the Flemish Parliament were henceforth directly elected as a result of this agreement.

- **Sixth state reform (2012-14)**: With the purpose of improving the institutional design of the country and reducing tensions among the linguistic communities, the sixth state reform entered into force gradually from 2014 until 2019. It continued the decentralising trend of shifting the state's centre of gravity from the federal level to the federated entities. It revolved around four main chapters, including: i) measures of "political renewal" with a reform of the Senate and a reinforcement of the Chamber of Representatives' role as well as that of the Concertation Committee; ii) the scission of the electoral and legal circumscription of *Bruxelles-Hal-Vilvorde/Brussel-Halle Vilvoorde* as well as the promotion of a metropolitan community that would foster "tight" co-operation relations between the Brussels-Capital Region and its hinterland; iii) the transfer of new competencies to the regions and communities in the fields of employment, economy, health, social assistance and family allowances among others; and iv) the strengthening of regional and community fiscal framework, with a new reform of the SFA of the regions and communities.

Source: Chamber of Representatives (2011[3]), *Accord institutionnel pour la sixième réforme de l'état : Un état fédéral plus efficace et des entités plus autonomes.*

Assessing public governance in the Brussels-Capital Region

The comprehensive examination of the current state of the Brussels-Capital Region's institutional landscape offers valuable insights into its governance and helps to identify areas that require improvement. Key highlights include the complexities posed by the intricate institutional setup and ongoing efforts to streamline governance in the Brussels-Capital Region for better efficiency, alongside the absence of well-defined metropolitan governance arrangements, the existence of various co-operation mechanisms to foster co-ordination and collaboration among the different layers of government and the importance of citizen engagement in shaping the institutional landscape.

The Brussels-Capital Region's "institutional lasagne" displays a high degree of complexity and unclear competency allocation

Because the Brussels-Capital Region's institutions reflect the arrangements made to accommodate the territorial specificity, the linguistic diversity and the different preferences of the communities, its multi-level governance structure is exceptionally complex. Compared to the Flemish and Walloon Regions, the Brussels-Capital Region has three particular characteristics. First, while surrounded by Flemish territory, the Brussels-Capital Region is the only bilingual federated entity inhabited by both Dutch- and French-speaking populations. Second, despite its reduced land area of only 162 square kilometres (km²) (compared to 13 635 and 16 845 km² for the Flemish and Walloon Regions respectively, see Chapter 1), the Brussels-Capital Region encompasses the capital of the country (i.e. the City of Brussels) and gathers the two Assemblies of the French and Flemish Communities of Belgium. Third, the Brussels-Capital Region also acts as the capital of the European Union and headquarters of most European Union (EU) institutions as well as other international organisations such as the North Atlantic Treaty Organization (NATO) (Peiffer, 2021[4]; Brussels International, 2021[5]).

This accumulation of institutional structures creating multiple layers of governance at different scales has sometimes been referred to as an "institutional lasagne" (Corijn, 2023[6]). While the Parliament and the Government of the Brussels-Capital Region manage a wide array of competencies, other actors such as the Federal Authority or the two communities remain as key actors for specific competencies. The various layers of governance, including the community commissions and the institutions at the local level, often share their competencies with the Brussels-Capital Region and the Federal Authority, which may lead to overlaps and underlines the need for effective co-operation.

The Parliament of the Brussels-Capital Region is the main legislative body in the region, responsible for electing a government. It consists of 89 representatives directly elected by the population every 5 years, split into 2 linguistic groups with 72 French-speaking and 17 Dutch-speaking representatives. The existence of these two groups ensures the protection of the Dutch-speaking minority (Peiffer, 2021[4]). The Parliament of the Brussels-Capital Region legislates by issuing ordinances, which have the same effect and rank as decrees and federal laws.

The Government of the Brussels-Capital Region represents the executive power. Elected by the parliament, it comprises one minister-president, four other ministers, two of whom are French-speaking and the remaining two Dutch-speaking, and three state secretaries, among whom at least one is Dutch-speaking. The Government of the Brussels-Capital Region issues the necessary legal acts for the execution of the ordinances without ever being able to suspend the ordinances themselves or exempt them from execution. It also sanctions and promulgates the ordinances approved by the Parliament of the Brussels-Capital Region. According to Article 69 of the Special Law of 8 August 1980 on institutional reforms, the Government of the Brussels-Capital Region deliberates "collectively, following the consensus procedure followed in the Council of Ministers, on all matters within its competency". This consensus rule has a strong rationale in the Belgian context but also entails some risks (Box 3.2).

Box 3.2. The consensus rule: Rationale and risks

The consensus rule – which is the same for the governments of other federated entities – can be seen as a measure to protect the Dutch-speaking minority but also as a way to promote the representativeness of the government, protecting each represented view within the government.

Nevertheless, deliberating based on consensus has its risks. Combined with the rule that each minister is accountable to their language group, the consensus rule may generate deadlocks. Indeed, any members of the Brussels-Capital Region's government pertaining to one or the other linguistic groups could block any decision-making without fearing repercussions in parliament or, more specifically, within their language group.

The consensus rule may thus ensure that all decisions are acknowledged and owned by all members and linguistic groups in the government. However, especially in contentious issues, this may contribute to slowing down or even halting the decision-making process.

Source: Peiffer, Q. (2021[4]), "Les spécificités institutionnelles de la région bruxelloise", https://doi.org/10.3917/CRIS.2510.0005.


Even though the Brussels-Capital Region manages an extensive range of competencies, most of them are shared with other governments, especially with municipalities

The Brussels-Capital Region's competencies can be classified into two distinct categories: those explicitly recognised in Article 6 of the Special Law on Institutional Reforms (8 August 1980) and those incorporated after the sixth state reform. Based on the former law, the Brussels-Capital Region is, in general, competent to legislate in the areas of spatial planning, environment and water policy, rural renovation and nature conservation, housing, agriculture, economy, energy policy, local authorities (e.g. municipalities, PCSWs, police zones, etc.) and public works and transport. On the other hand, since the sixth state reform took place, responsibilities such as employment, animal welfare and road safety also fall under the Brussels-Capital Region's legislative purview. These newly allocated competencies also encompass certain cultural responsibilities regarding the funding and subsidising of municipal sports facilities, vocational training programmes, as well as bicultural matters (i.e. for both linguistic communities) as long as they remain of regional interest. As such, the successive reforms of the Belgian state have resulted in the assignation of extensive competencies to the regional level while the residual ones are assigned to the federal government, giving greater autonomy to the regions and communities, the latter of which are present in the Brussels-Capital Region both through the community commissions and the communities themselves (Box 3.3).

Box 3.3. The competencies of the community commissions in the Brussels-Capital Region

Recognising the bilingual essence of its population, three community commissions were established in the Brussels-Capital Region to effectively administer "language-based competencies" and "other person-related competencies",[2] each to varying degrees: the French Community Commission, the Flemish Community Commission and the Joint Community Commission (JCC). Each Community Commission is comprised of members who hold seats in the Parliament of the Brussels-Capital Region. The JCC consists of all 89 parliamentary representatives, while the French Community Commission represents the 72 French-speaking members and the Flemish Community Commission does the same for the 17 Dutch-speaking members (Figure 3.2).

Figure 3.2. The Brussels-Capital Region and the community commissions
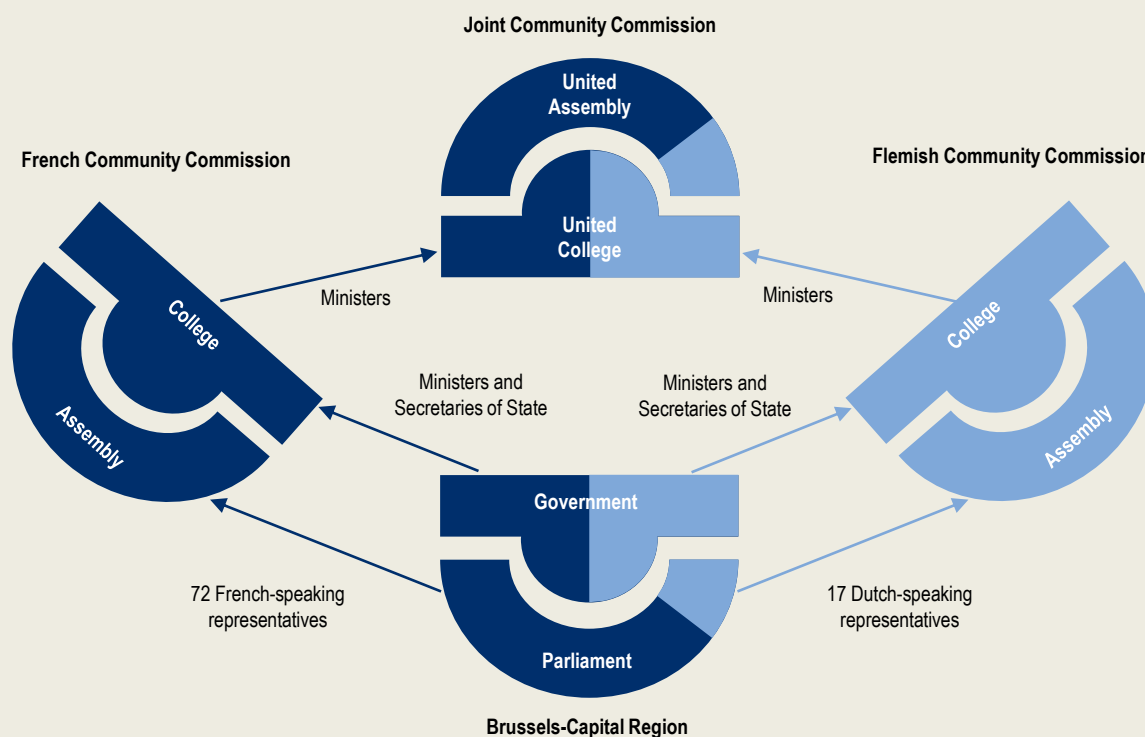
Note: Dark blue refers to French-speaking representatives, while light blue refers to Dutch-speaking representatives.
Source: Adapted from Corijn, E. (2023[6]), *Brussels, Metropolis*.

Language-based competencies involve education and cultural affairs, whereas other person-related competencies refer to matters such as health and social welfare allocations, which vary from one person to another, irrespective of any language differences. At the same time, these competencies can be exercised over two different beneficiaries or recipients: individuals or institutions, be they unilingual or bilingual (also known as bi-community) (Table 3.1).

Community commissions are asymmetric bodies in terms of their degrees of autonomy. The Joint Community Commission acts as a fully decentralised body,[3] exercising its jurisdiction over public institutions (PCSWs, public hospitals, etc.) as well as private institutions that do not belong to either of the 2 communities and consequently subsidises over 300 bi-community establishments and services, including psychiatric care homes, protected housing initiatives, mental health services, nursing homes, day care centres, etc. It can also create its own bi-community institutions, such as Bruss Help, an institution responsible for co-ordinating emergency aid and integration programmes for homeless people in the Brussels-Capital Region. With the sixth state reform, the Joint Community Commission's competencies were expanded in scope and number by adding, namely, justice and electronic surveillance establishments, film classification and promotion of Brussels.

Table 3.1. Competency allocation among community commissions

	Language-based competencies (culture and education)	Other person-related competencies (health, social welfare allowances)
Individuals	Federal Authority	Joint Community Commission
French-speaking institutions	French Community Commission	French Community Commission
Dutch-speaking institutions	Flemish Community Commission	Flemish Community Commission
Bi-community institutions	Federal Authority*	Joint Community Commission

Note: This table focuses on the main competencies of community commissions and hence does not include other auxiliary competencies in which community commissions are involved, such as some aspects of international relations, scientific research, infrastructure development or the decentralised management of public services and criminal competencies (French Community Commission, 2020[7]).

* For language-based competencies that are of common interest (i.e. culture), the Joint Community Commission is legally in charge of legislating them, which is not to be confused with the Federal Authority's role regarding federal cultural and scientific institutions.

Source: Based on references for Box 3.3.

Contrary to the Joint Community Commission, the French Community Commission acts as a partially decentralised entity with a dual nature: for some competencies, it is a subordinate body of the French Community of Belgium, respects the French Community's decrees and intervenes only by issuing regulations, while on the other hand, it is fully responsible and can legislate regarding the competencies that the French Community has decided to transfer to it, as per Article 128 of the constitution (e.g. sports facilities, vocational training, assistance to people with disabilities, school transport, family policy, social assistance, social cohesion, migrant integration, the elderly, and health (French Community Commission, 2020[7])). This is different for the Flemish Community Commission, which acts as a subordinate body of the Flemish Community. The latter both supervises and can suspend or annul decisions taken by the Flemish Community Commission's Assembly or College. It also oversees the annual budget and accounts of the Flemish Community Commission. In terms of competencies, the Flemish Community Commission is explicitly assigned responsibilities in decrees of the Flemish Community and may act as a "deputy" municipal or provincial government as needed. This intricate web of institutions that are responsible for different fields and different target beneficiaries has other complexities. For instance, so-called bicultural affairs of regional interest, related to support for museums or festivals that concern both linguistic communities, are, since the sixth state reform, no longer under the jurisdiction of the JCC but rather that of the Brussels-Capital Region (Nassaux, 2012[8]).

Community commissions, especially the JCC, also play an indirect role in policies such as housing. For example, the JCC provides funding and holds authority over PCSWs, which can facilitate rental guarantees, offer transitional housing and provide housing suitable for individuals with disabilities, among other services.

Source: French Community Commission (2020[7]), *Compétences*, https://ccf.brussels/qui-sommes-nous/competences; Nassaux, J. (2012[8]), "Les aspects bruxellois de l'accord de réformes institutionnelles du 11 octobre 2011", https://doi.org/10.3917/cris.2129.0005.

However, responsibilities are seldom allocated exclusively to one institution or level of government only (see Annex Table 3.A.1). On paper, the Brussels-Capital Region and the other regions do have exclusive competencies, such as the management of inland waterways, agriculture and rural development, environment and nature conservation, of housing, research and development and religious affairs, among others. Yet, in reality, there are many overlaps among levels of government, be it at the federal, the community or, particularly, the local levels. For instance, the Brussels-Capital Region collaborates with the

Federal Authority in domains such as spatial planning, civil protection and emergency services, public works, public transport, telecommunications, manufacturing and construction and climate protection. On the other hand, competencies related to culture, vocational and higher education, sports and recreation and social welfare fall mostly under the communities' purview, notwithstanding the exceptions mentioned above for which the Brussels-Capital Region has become competent. Most importantly, the Brussels-Capital Region legislates on a variety of topics together with local authorities, which may have some legislative power and/or may restrict their action to implementation. Apart from tourism and support to local enterprises, the Brussels-Capital Region and the municipalities are both responsible for urban planning, parking facilities as well as social housing, where the Brussels-Capital Region conducts and implements its overarching housing strategies while municipalities can establish their own priorities and strategies, which may diverge from those outlined by the Brussels-Capital Region (see Chapter 2).

The institutional compromises to accommodate the bilingual nature of the Brussels-Capital Region in its parliament hinder its capacity to develop its own regional vision

As mentioned earlier, the Brussels-Capital Region is officially bilingual and its parliament aims to represent both Dutch and French speakers by apportioning seats to their respective communities, with 72 seats allocated for French speakers and 17 for Dutch speakers. This arrangement ensures that both linguistic communities are represented within the parliament. However, in practice, this has led to electoral dynamics that can hinder the development, execution and co-ordination of regional policies.

This fixed allocation of seats to each linguistic group may result in the inability of the Brussels-Capital Region to develop, establish and implement its own regional vision. Indeed, the primary consequence of this linguistic rule is that eligible voters must first make a language-based choice before considering the policy proposals put forth by political parties. In essence, voters are required to decide whether to vote for a Dutch-speaking or French-speaking list and only then make their choice among the various options within their chosen language group. This dual choice, together with the involvement of the communities in language-related matters within the Brussels-Capital Region, adds complexity to the task of reaching agreements (Sinardet, 2022[9]) and obstructs the establishment of a cohesive, solid regional vision that the Brussels-Capital Region can proactively manage and implement.

Moreover, the sociodemographic landscape of the Brussels-Capital Region has evolved over time. In 2022, a significant 35.9% of the population did not possess Belgian nationality, marking a 7.6% increase since 2000 (IBSA/BISA, 2022[10]). While some of these non-Belgian citizens may have Dutch or French as their primary language, the majority are likely to speak other languages. Consequently, even if they are not eligible to vote, the division of languages in the Brussels-Capital Region and its parliament falls short of accurately mirroring the diverse society residing within its boundaries.

Despite the decentralising trend, the Federal Authority remains a relevant player in certain policy areas in the Brussels-Capital Region

While Belgium's three regions have expanded their portfolio of responsibilities through successive state reforms, the Federal Authority has residual competencies and still maintains several avenues to influence certain policies implemented within the territory of the Brussels-Capital Region, albeit with some overlaps.

Federal residual competencies are all those competencies which are not explicitly attributed to any other level of government.[4] The distribution thereof among regions, communities and the federal level is subject to judicial control, carried out by the Constitutional Court of Belgium, which can repeal legislation that contravenes the division of powers, and by the Council of State.

As mentioned earlier, numerous competencies that are theoretically exclusive are, in practice, shared among various institutions (see Annex Table 3.A.1). This occurs because different aspects pertaining to the same field are managed by multiple entities. For example, the Brussels-Capital Region is the main

entity responsible for public transport in co-ordination with the 19 municipalities. However, the Federal Authority remains competent for rail networks, airports and specific aspects of public transport (see Chapter 2). Concerning urban planning and the environment, waste management falls under the purview of the Brussels-Capital Region, although the Federal Authority does play a role in managing radioactive waste (État de l'environnement wallon, 2018[11]). In reality, only a few competencies remain exclusive to a level of government, such as those relating to defence or nationality under the discretion of the Federal Authority.

Additionally, the Federal Authority is responsible, within the limits of the Brussels-Capital Region, for the use of languages for administrative matters, the use of federal scientific establishments, bicultural matters and matters relating to the international role and function of Brussels-Capital Region as a capital (Peiffer, 2021[4]).

The local level in the Brussels-Capital Region also hosts a large number of stakeholders with a complex allocation of competencies

The institutional landscape of the Brussels-Capital Region is also particularly intricate at the local level, both due to the numerous institutions in place as well as the ambiguity in competency allocation.

The 19 municipalities of the Brussels-Capital Region have a legislative and executive body. The municipal council is the legislative assembly of the municipality, composed of a mayor, municipal executives and councillors, as well as the president of the respective PCSW. Mayors, municipal executives and councillors are directly elected in municipal elections every six years and, as of 2024, will not be able to serve as regional elected representatives simultaneously (see Box 3.7 in the policy recommendations section of this chapter). There are no linguistic quotas for elected representatives in municipalities. In practice, this means that municipalities with smaller numbers of Dutch speakers also tend to have a smaller number of Dutch-speaking representatives and could, in principle, not have any.

Legislation does not always clearly state what competencies are allocated to local governments. The constitution recognises the municipalities' autonomy in all matters of "municipal interest" (Articles 41 and 162), with the region playing an oversight and supervisory role. Nevertheless, the constitution does not clarify the legal notion of "municipal interest" and does not provide a comprehensive list of municipal competencies. As a result, everything that is not expressly regulated by another level of power potentially falls within the competency of the municipality.[5] Within this limit, municipalities, which are remarkably diverse among each other, may each determine what they consider to be of municipal interest, which may lead to conflicts over the distribution of responsibilities and may ultimately hamper accountability. The high degree of autonomy granted to municipalities and the significant number of competencies shared between the region and the municipalities may also translate into deadlocks or asymmetric implementation of regional policies.

The Public Centres of Social Welfare and other local bodies act alongside the municipalities

Similar to the region, the complexity of governing at the local level partly stems from the multitude of local institutions. To the 19 municipalities must be added the 19 PCSWs, the police zones, inter-municipal companies, municipal non-profit associations and other sub-local bodies at the neighbourhood level, such as the Local Identity Nexus.

Each municipality in the Brussels-Capital Region has its PCSW. PCSWs have a distinct legal personality with their own structure headed by a council of social action elected by the municipal council. The council of social action can also create special committees within itself to which it can delegate specific tasks (Bruxelles Pouvoirs Locaux, 2023[12]). The PCSW provides assistance to the individuals of its municipalities in different forms: financial, in kind, medical, socio-professional, family or even legal. For example, they can provide social housing or assist in finding housing adapted for people with disabilities. The PCSWs

are also legally permitted to form an association with one or more other PCSWs, with other public authorities or with legal persons other than those with a profit-making purpose.

Another set of local institutions is the six police zones in the Brussels-Capital Region. The establishment of 6 – instead of 19 – police zones that operate across various municipalities already streamlines the governance of safety and public order. This strategic decision has effectively minimised the number of separate actors that would have existed if the police zones were strictly aligned with municipal borders. Other purpose-specific institutions culminate the complexity of the Brussels-Capital Region's governance at the local level. They include, for example, inter-municipal companies, the network of hospitals, municipal entities and municipal non-profit associations.

Institutional complexity may pose significant challenges for efficient and effective policy making, and discussions on simplification reforms are ongoing in the Brussels-Capital Region

In many countries worldwide, the COVID-19 crisis presented a unique opportunity to assess the strengths and weaknesses of institutional frameworks (OECD/UCLG, 2022[13]). Belgium, along with the Brussels-Capital Region, faced the challenge of co-ordinating multiple institutions to swiftly respond to the pandemic, transcending administrative boundaries. This entailed the collaboration of seven ministers of health, their respective administrations and other ministries and departments responsible for areas indirectly linked to crisis management (Faniel et al., 2021[14]). The complexity of co-ordinating diverse institutions led to discussions on streamlining Belgium's institutional framework and clarifying the allocation of competencies among these bodies. Discussions started during an online participatory initiative throughout Belgium called "A country for tomorrow" led by the federal government, in which around 11 000 citizens from Belgium expressed their views on the future of the Belgian state. While the sample may not be entirely representative, the prominence of the simplification topic underscores its significance to the public (Federal Government of Belgium, 2023[15]).

While institutional fragmentation theoretically allows for greater choice in public service provision and encourages competition among local governments to cater to residents' preferences, it is important to acknowledge that, in practice, it often leads to negative consequences for economic performance. This is particularly evident when considering the implementation gaps apparent in major infrastructure projects and urban development processes that may, for example, delay the construction of housing blocks in a city. The complexity arising from institutional fragmentation has predominantly been associated with adverse effects, primarily due to duplicated efforts and a lack of economies of scale. As a result, the efficient delivery of crucial public services becomes more challenging, particularly when financial resources are constrained.

For example, an OECD study has shown that increasing the number of local governments within a metropolitan area can reduce labour productivity by about 6%, outweighing the benefits of spatial agglomeration (Ahrend et al., 2014[16]). Moreover, metropolitan areas with low administrative fragmentation have experienced stronger gross domestic product (GDP) per capita growth than those with high fragmentation (OECD, 2019[17]). Fragmentation is particularly detrimental to growth in and around urban areas, where the suboptimal provision of public transport infrastructure is often observed due to administrative boundaries. Research often concludes that the negative effects of administrative fragmentation can be addressed by creating co-ordination and co-operation mechanisms, both vertical and horizontal, across the local, regional as well as metropolitan levels. As will be seen below, metropolitan governance bodies exist in approximately two-thirds of the metropolitan areas in the OECD (OECD, 2019[17]).

However, in the Brussels-Capital Region, the ways to simplify the institutional architecture vary widely across the different governments and stakeholders, including the various political party representatives (Dodeigne et al., 2022[18]). Different stakeholders in Belgium and the Brussels-Capital Region have put

forward various proposals for new institutions. So have the 11 000 citizens participating in the survey above. Although all ideas concur that simplification should be a priority, the ways in which this should be achieved are very diverse, ranging from more unitarist to more devolutionist reform proposals.

In particular, considerable attention has been directed towards two divergent propositions: refederalisation and regionalisation. On the one hand, some believe that, after the experience of the COVID-19 pandemic, some competencies should be transferred from subnational levels of government to the Federal Authority, particularly in those domains where co-ordination must be ensured and where quick responses may be needed (Van Overbeke and Stadig, 2020[19]). In this case, the recentralisation process must be collaboratively developed but this is not always simple since this reorganisation affects the core and sometimes even the existence of certain institutions or levels of government. On the other hand, an alternative perspective advocates for further decentralising the country into a "four-region Belgium", whereby competencies would be transferred to four regions – the Flemish Region, the Walloon Region, the Brussels-Capital Region and the German-speaking Community – mainly from the communities and the Federal Authority, with a view to act more autonomously and consistently. Proponents argue that this could induce a reduction in the number of institutions and clarify competency allocation. Said reform may, however, run into complications due to the Brussels-Capital Region's bilingual nature, as this may in practice loosen or cut the link between the linguistic communities in the Flemish Region and the Walloon Region with those in the Brussels-Capital Region. Although these changes so far remain unclear in the details, stakeholders generally agree that a change in the governance structure is needed (Faniel et al., 2021[14]).

In spite of the institutional complexity, no governance arrangement covers the metropolitan area of Brussels

Paradoxically, despite the wide array of institutions involved in policy making in the Brussels-Capital Region, there is no governance arrangement at the metropolitan level. Although the relevance of the Brussels metropolitan area is widely recognised, this consensus breaks down when it comes to the management of this territory and its resources. This is why the Metropolitan Community, a formalised body included in the legal agreement of the sixth state reform, has never become a reality (Box 3.4). Therefore, the existing administrative boundaries of the Brussels-Capital Region often fail to accurately reflect the functional relationships that exist between people and activities across different areas (Bisciari and El Joueidi, 2022[20]; Kitagawa and Vidmar, 2023[21]). For example, one out of two workers in the Brussels-Capital Region is a commuter who lives outside the borders of the region, a situation that may exert a negative impact on regional public finance (Actiris, 2023[22]).

The metropolitan phenomenon is not new in OECD countries. Over the last 60 years, the world has increasingly urbanised, driven by population growth, economic development, improved transportation and widespread communication technologies. Metropolitan areas, defined as urban agglomerations with more than 500 000 inhabitants, account for only 4% of land but house about half of the world's population and contribute to nearly 55% of GDP in OECD countries (OECD, 2015[23]; UNDESA, 2019[24]). The number of metropolitan governance authorities has quadrupled from 38 to 165 between 1970 and 2018, with many countries such as France, Italy and the Republic of Türkiye (hereafter Türkiye) adopting asymmetric arrangements to accommodate the specificities of metropolitan areas and city-regions, acknowledging their pivotal role in driving economic progress (OECD, 2022[25]). This expansion positions metropolitan areas and dynamic medium-sized cities as powerful engines for job creation, innovation and green growth.

Discussions surrounding the Brussels metropolitan area have been a recurrent topic in Belgium on numerous occasions. However, as is often the case in other countries, the negotiations regarding the establishment of a metropolitan governance arrangement have encountered significant obstacles due to their inherent political sensitivity. On the one hand, these discussions have arisen from the imperative need to enhance the fair and equitable financing of services and infrastructure in areas where commuters work

but do not reside. Past studies have quantified the costs and revenue losses stemming from the substantial commuter population, estimating approximately EUR 490 million per year in 2003 (Van Wynsberghe et al., 2009[26]). On the other hand, the urgency for metropolitan-scale discussions is also evident in contentious issues such as the Drogenbos incinerator and noise nuisances from flights passing over Brussels, both of which impact the broader territory of the Brussels Metropolitan Area rather than being confined to the Brussels-Capital Region alone.

The lack of a metropolitan governance structure covering the Brussels metropolitan area prevents Brussels from exploiting its full economic potential, with policy fields that would potentially fall under the purview of a metropolitan governance body currently being legislated on by the regions, communities, 138 municipalities and the Federal Authority. With a population of 3 322 000 in 2020, the metropolitan area of Brussels stands out as an anomaly as it does not have any supra-municipal and/or supra-regional authority at the metropolitan level, nor does it have a special status as a metropolitan city. While good examples of ad hoc co-operation at the metropolitan scale exist in fields such as transport and mobility (see Chapter 2), these are rather scattered instances of co-operation and fall short of the formal arrangement that the Metropolitan Community sought to be. Since the metropolitan scale is becoming gradually more relevant for policy making, the absence of a stable metropolitan co-operation mechanism – from informal to more formal ones – that reflects the unique reality of the Brussels metropolitan area is in contradiction with well-established OECD decentralisation guidelines, which acknowledge that, due to the constant evolution of multi-level governance systems, co-operation arrangements must be stable and flexible to accommodate changes in economic activity and be best suited to achieving specific policy goals (OECD, 2019[27]).

Box 3.4. The Metropolitan Community, so far only on paper

The sixth state reform recognised the Brussels metropolitan area to be of crucial development for Brussels itself. As a result, the amended Special Law of 1980 on Institutional Reforms proposes in its Article 92bis the establishment of a Metropolitan Community with the main aim of facilitating consultation on regional matters of cross-regional importance, particularly in the areas of mobility, road safety and roadworks in, to and around the Brussels-Capital Region. The legal text provides that the governments of the three regions are members of the Metropolitan Community. Similarly, the Federal Authority and all municipalities in the Brussels-Capital Region, as well as the municipalities of Flemish Brabant and Walloon Brabant – totalling 111 municipalities –, are also automatic members of the Metropolitan Community. The provinces of Flemish Brabant and Walloon Brabant have the freedom to join. Therefore, the Metropolitan Community is not solely a Brussels institution since the Brussels-Capital Region is just one of its members, along with the other two regions and the Federal Authority.

Albeit regulated by law, the Metropolitan Community has never become a reality. Indeed, the legal provisions only establish its members and some of the policy areas that the Metropolitan Community may discuss. However, Article 92bis clearly states that a co-operation agreement to "set the modalities and the purpose of this consultation" is required. Since the three regions and other governments involved have not reached a consensus, the absence of a co-operation agreement prevents any Metropolitan Community from existing. Among the reasons why it has not yet come to fruition may be the fact that the idea of the Metropolitan Community was primarily conceived as a full-fledged formal institution instead of building on existing co-operation, which may have contributed to its challenges (Van Wynsberghe, 2013[28]). Although the text specified the members of the Metropolitan Community, it fell short in providing details about the institutional structure and governance of this new entity as well as its competencies. As a result, crucial aspects were left to be addressed in the co-operation agreement, which has yet to materialise. Instead of gradually building trust and support through smaller

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joint projects, the agreed text directly proposed the most formalised type of governance arrangement, establishing a metropolitan body. This approach might have unnerved the various institutions involved, which were concerned about the potential loss of competencies. This may have instilled hesitation in regard to signing the co-operation agreement.

In the meantime, pending the conclusion of this agreement, consultations regarding metropolitan-scale affairs are conducted outside of the Metropolitan Community, although this remains scattered and dependent on political will (Peiffer, 2021[4]). Most institutions that cover a part of the Brussels-Capital Region's functional urban area operate in silos and only co-operate ad hoc, usually using co-operation agreements. Relying mostly on co-operation agreements at the metropolitan scale has at least two main caveats. First, co-operation agreements are concluded on a voluntary basis, which means that if there is no political will to co-operate, there is no formal channel at the metropolitan level to do so, including at the administrative level. Second, the lack of an overarching framework at the metropolitan level leads to a proliferation of co-operation agreements of different natures and various entities that make the institutional context even more complex and risk lowering transparency and accountability.

Source: Van Wynsberghe, C. (2013[28]), "Brussels and Washington: Two federal capital cities with two similar metropolitan experiences?", https://doi.org/10.4000/brussels.1142; Peiffer, Q. (2021[4]), "Les spécificités institutionnelles de la région bruxelloise", https://doi.org/10.3917/CRIS.2510.0005.

Co-operation mechanisms within and among levels of government are numerous but sometimes inefficient

As described earlier, the institutional evolution of the Brussels-Capital Region has resulted in the creation of a highly complex governance structure. In this context, various forms of co-operation mechanisms have been established to foster collaboration among different levels of government and jurisdictions. These mechanisms can be horizontal (co-operation among institutions at the same level of government) and vertical (co-operation across levels of government) and they take a variety of shapes, ranging from soft or informal arrangements to harder or more formalised depending on the issue on which governments choose to co-operate, as well as the institutional and political context. Different policy areas and issues may require varying degrees of co-operation, ranging from informal knowledge sharing to more robust and legally binding arrangements.

- Following Figure 3.3, at the soft or informal end of the continuum, different levels of government engage in voluntary co-operation through various means. This includes sharing best practices, exchanging information and data and reaching or attempting to reach a consensus on topics that may concern all parties involved. These activities foster dialogue and knowledge sharing among participants, enabling them to learn from each other's experiences and improve their own policies and practices. In the Brussels-Capital Region, the Conference of Mayors is a horizontal co-operation mechanism which remains highly informal.

- Moving along the continuum, the framework also encompasses medium-level co-operation mechanisms that involve more structured engagements, usually via the signature of a contract for a specific issue or responsibility. Non-profit associations and inter-municipal companies are used in the Brussels-Capital Region to provide a shared platform for municipalities, public and private actors to collaborate. Contracts, referred to as co-operation agreements in Belgium, are used in countries such as Australia, Ireland, New Zealand and the United Kingdom. In addition, the Brussels-Capital Region is one of the regions participating in the Concertation Committee, which, albeit not constitutionally recognised, has formal procedures and serves as a common space to co-operate.

- Lastly, towards the harder or more formalised end of the continuum, co-operation is formally institutionalised through binding agreements that set the obligations and responsibilities of newly

created institutions, along with their structures and legal procedures. In the Brussels-Capital Region, this is the case of the Co-operation Committee, even if it only covers a very specific policy area.

Figure 3.3. A continuum from soft to more formalised forms of co-operation in the Brussels-Capital Region
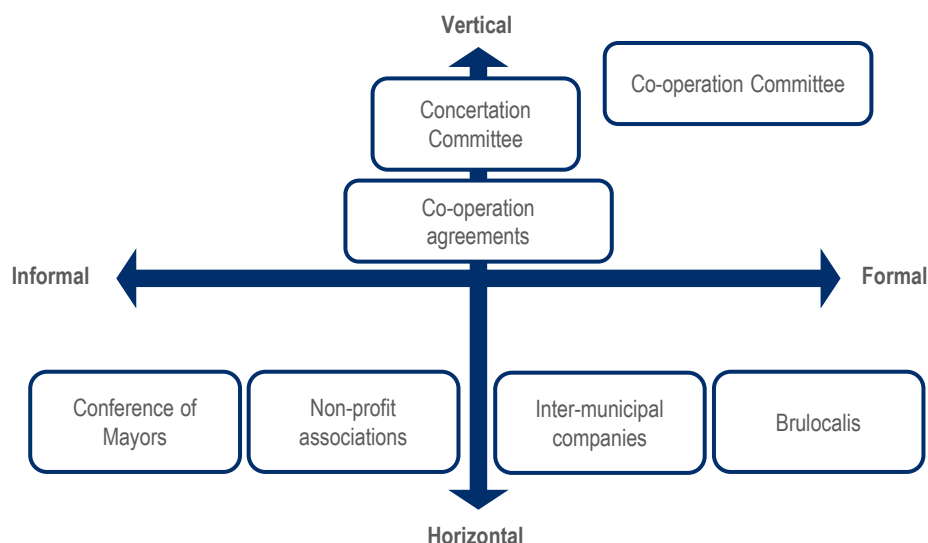
Note: This is a stylised, non-exhaustive diagram of co-operation mechanisms.

This section examines the current co-operation mechanisms in place, which notably encompass the Conference of Mayors, the association Brulocalis, co-operation agreements, the Co-operation Committee and the Concertation Committee (Figure 3.3). It presents their advantages and drawbacks as well as opportunities for their improvement.

> *The Conference of Mayors provides a flexible setting for informal co-ordination and co-operation, albeit outside the legal framework*

The Conference of Mayors in the Brussels-Capital Region is a platform that brings together the mayors of the 19 municipalities within the region. The conference lacks a legal framework explicitly defined in legislation and thus remains an informal association without legal personality. As a result, it acts as an informal, horizontal co-ordination and co-operation mechanism that meets with varying frequency, aiming to achieve a bi-monthly schedule.

With its informal status, the Conference of Mayors acts as a collaborative forum that facilitates co-ordination among the mayors and allows them to align their efforts and work together on common issues, mostly related to governance, public services and local development. The platform also encourages the exchange of best practices and learning from each other. Additionally, the conference helps to build consensus around key regional issues and allows the mayors to advocate for the interests and concerns of their communities in a more concerted manner in front of the Brussels-Capital Region and other institutions where municipalities may be represented.

Despite the flexibility offered by the status of the conference, this informality may also raise some important issues. The lack of a formal legal framework and binding authority results in decisions and recommendations not being legally enforceable. The informal setting also gives equal weight to each mayor, irrespective of the size, population and other factors that may be very disparate across

municipalities. Moreover, the ability to hold each of the members of the Conference of Mayors accountable may be hindered inasmuch as the lack of legal framework reduces transparency in the topics discussed and decision-making processes. Finally, different political affiliations and rivalries among mayors may impact the objectivity and impartiality of the discussions, as well as limit the scope of the compromises reached.

Across the OECD, similar bodies could be compared to the Conference of Mayors in the Brussels-Capital Region, especially in the United States. For instance, the Metropolitan Mayors Caucus brings together the principal elected officials of metropolitan Chicago to work together on shared challenges. The caucus convenes every quarter and operates under the governance of an executive board that holds bi-monthly meetings. Additionally, the caucus currently oversees 12 committees and taskforces that regularly convene to tackle specific regional concerns. Consensus remains the basis for any decisions the caucus takes as a whole (Metropolitan Mayors Caucus, 2021[29]). Another example is the Metropolitan Mayors Coalition in metropolitan Boston, which brings city and town leaders together to address common challenges affecting urban core communities. The coalition promotes collaborative approaches through working groups, reports, legislation advocacy, joint projects to access state and federal funds, and undertaking co-operative actions to achieve cost savings and efficiencies (MAPC, 2023[30]).

Although the scale of these OECD examples is metropolitan, the critical difference between these international examples and that of the Conference of Mayors is that the latter lacks a clear legal status and thus operates under a legal vacuum that can raise some concerns regarding its transparency, despite the numerous advantages listed above related to knowledge sharing, co-ordination and consensus-building.

Finally, it is important to note that the Conference of Mayors offers little co-ordination beyond executive personnel. In other words, administrative staff do not seem to have a platform and a systematic reflex to exchange their views and lessons learnt. Research shows that knowing staff members in other municipalities, especially in those that are closer geographically or in terms of the challenges they face, can improve co-ordination and co-operation. However, OECD interviewees acknowledge that there is barely a culture of co-operation among administrative staff members in different local authorities. For example, even if most of the municipalities of the Brussels-Capital Region have initiated citizen participation exercises, this does not necessarily mean that they exchange on good practices as well as areas to be improved. Nurturing a culture of co-operation at the administrative level would allow for information sharing, less policy duplication and better co-ordination and co-operation (van Haute et al., 2018[31]).

Brulocalis acts as a formal platform for horizontal co-operation, albeit unrelated to the Conference of Mayors

Brulocalis is a non-profit organisation created in 1993, serving the local authorities of the Brussels-Capital Region, established and managed by them. It is composed of the constituent members and the 19 municipalities of the Brussels-Capital Region, as well as the so-called affiliated members, comprising the 19 PSCWs and associations formed among them and inter-municipal entities headquartered in one of the 19 municipalities. Member municipalities and the PCSWs pay an annual contribution based on their population to fund the activities and operational expenses of Brulocalis.

Brulocalis is administered by its different governing bodies: the General Assembly, the Board of Directors and the Bureau. The General Assembly comprises all active members of Brulocalis, with each municipality holding a single voting right. Adherent members are also invited to participate in an advisory capacity. The General Assembly appoints the Board of Directors and serves for a term of six years. This body consists of 19 to 39 administrators, a position that is reserved for mayors, municipal executives or municipal councillors of the Brussels-Capital Region. One of these administrators represents the equivalent of Brulocalis for the PCSW, the Federation of the PCSW of the Brussels-Capital Region, which has its own

set of governing bodies. Lastly, the Board of Directors appoints a Bureau of up to ten administrators, including the president and three vice-presidents.

Each of Brulocalis' governing bodies handles specific responsibilities. Through the different governing bodies, Brulocalis' main mission is to assist the 19 municipalities in fulfilling their role as public service providers to their citizens. This often involves helping to improve the general functioning conditions, encompassing financial matters, personnel management and competency allocation, as well as providing timely assistance to local powers while ensuring their long-term capacity to tackle issues independently is built through various capacity-building activities. In this sense, Brulocalis formulates proposals for laws, decrees, ordinances and amendments to various projects on which it is regularly consulted. Brulocalis' advisors lead various working groups consisting of officials and local representatives who examine concrete problems municipalities and PCSWs face.

One of the largest assets of Brulocalis is that it acts as a communication channel for local governments with other levels of government. Indeed, Brulocalis participates in both formal and informal discussions with governments, parliaments and administrations at all levels of governance: local, regional, community and federal. It is also active at the international level by being a member of the Council of European Municipalities and Regions, United Cities and Local Governments, and other international associations of national associations of municipalities. Brulocalis also represents all of the Brussels-Capital Region's municipalities by actively participating in the board of directors of the Association of Belgian Cities and Municipalities, whose main objectives are to facilitate consultation and co-ordination between the three regional associations of cities and municipalities on any matter of common interest. While resource-intensive, this network of contacts and interactions makes Brulocalis' technical advice notably valuable and can serve, when effectively used, as a swift channel of communication among the municipalities and across other levels of government.

Given the mission to co-ordinate the policies of the 19 municipalities and in light of its structure, a closer collaboration with the Conference of Mayors seems beneficial, most importantly to ensure that these two bodies act in a co-ordinated manner, especially when liaising with other levels of government.

Inter-municipal companies and non-profit associations offer an alternative to provide services but may pose issues of democratic legitimacy

An inter-municipal company adopts the legal form of a limited liability co-operative company. It can operate within the administrative boundaries of specific municipalities or extend its activities to the entire regional territory. These entities are active in various sectors, such as water, energy, hygiene, funeral services, telecommunications and cable television. These inter-municipal companies are all overseen by the Brussels-Capital Region.

Non-profit associations can also serve communal interests. Municipalities can delegate various missions to these bodies as long as they do not fall within the specific competencies reserved for municipalities by law, such as public order maintenance or civil status record-keeping. This delegation is contingent upon the belief that the non-profit association can efficiently fulfil these missions better than municipal administration services or autonomous municipal agencies. Moreover, when over 50% of the municipal non-profit association's budget is covered by municipal subsidies, a convention must be established outlining the missions, resources, control mechanisms and performance indicators, ensuring effective oversight and evaluation of the non-profit association's activities in serving communal welfare.

While both forms of inter-municipal co-operation arrangements have the potential to enhance service efficiency, it is crucial to uphold democratic standards throughout their operations. Although these entities include representatives from municipal executives, the inclusion of municipal representatives outside the executive branch and other non-governmental actors in decision-making processes is not always guaranteed and transparency, particularly for citizens, may be lacking. Moreover, the sheer number of

these organisations, such as the roughly 100 non-profit associations in the City of Brussels, further compounds the complexity and transparency issues despite their numerous benefits in terms of service delivery.

Co-operation agreements or contracts are the most widely used mechanisms for vertical co-operation between the Brussels-Capital Region and the rest of the regions and the Federal Authority

Overlapping areas of responsibility in fields create an intricate allocation network of competencies (Dumont, 2006[32]). This means that collaboration among federated entities and/or with the Federal Authority is frequently necessary to pursue coherent public policies, especially in cross-cutting domains. Examples in Belgium include water management, transport or urban planning, among others (Lowies and Schrobiltgen, 2016[33]).

Co-operation agreements are a key tool of co-operative federalism in Belgium, located at the centre of the formalisation continuum. They are negotiated and concluded by the federated entities themselves, in contrast to imposed law, which originates from the federal level of power. These agreements can involve "the joint creation and management of common services and institutions, the joint exercise of specific competencies or the development of joint initiatives".[6] Co-operation agreements can be either vertical (between the Federal Authority and one or more federated entities) or horizontal (between two or more federated entities). This co-operation can involve the entire territory of federated entities or a part of them only, apply to federated entities of the same or different nature, and can be formed with or without the Federal Authority. Such co-operation agreements also exist in other federal countries under different denominations, such as *ententes* in Canada, *Staatsverträgen* in Germany or inter-cantonal agreements in Switzerland. In Germany, state treaties between *Länder* must be ratified by their parliaments to attach the highest possible solid and transparent legal basis to them.

In Belgium, co-operation agreements are mostly optional and based on the consent of the parties involved. They can cover a wide range of domains since the list provided by law is not exhaustive, thereby allowing for greater flexibility for institutional partners, with the only legal limit that they must adhere to matters within their respective competencies. Exceptionally, the law also mentions several cases where it is mandatory to enter into a co-operation agreement, for example the maintenance, operation and development of telecommunication and remote-control networks that extend beyond the boundaries of a region.

Co-operation agreements that could affect the institutional partners or bind Belgian individuals require approval from the relevant parliaments. Most agreements fall under these conditions, which ensures that parliaments have the opportunity to oversee agreements that are most often initiated by the executive bodies of the relevant institutions. Therefore, the executives propose, negotiate and sign the agreement, which is then presented to the parliaments for approval by decree of assent. Nevertheless, parliamentary assemblies have limited power in this process as they can only accept or reject the agreement as a whole without the ability to make amendments. Rejection of agreements is rare and, in cases where there is a risk of non-approval, decision makers may opt for a simple political agreement instead. In such cases, the benefits that a co-operation agreement provides in terms of formal legal status and higher visibility in the public sphere are lost and the diversion from parliamentary control prompts concerns about the ceremonial role of parliament in the co-operation agreement approval process.

Over the different institutional reforms, co-operation agreements have gained significance in Belgium's co-operative federal system. In fact, the Constitutional Court and the legislative section of the Council of State regularly recommend using this instrument as a way to avoid potential conflicts of interest or lengthy disputes (Cour constitutionnelle de Belgique, 2004[34]; Dumont, 2006[32]; Lowies and Schrobiltgen, 2016[33]). One of these areas is environmental policy, often inspired by European directives and international conventions in different EU member states. The Brussels-Capital Region legislates on environmental matters through different pieces of legislation relating to housing, energy, waste management and

biodiversity, among others. Certain special laws provide for mandatory concertation procedures among different levels of government, as is the case for co-operation agreements. For example, there are several co-operation agreements between the Federal Authority and the three regions on the co-ordination of cross-border waste transfers (2021), the integration of aviation activities into the community system for greenhouse gas emission allowance trading as per European Commission directives (2020), or the prevention and management of the spread of invasive exotic species (2019) (Environnement Wallonie, 2022[35]).

As will be seen in Chapter 4, co-operation agreements are crucial instruments for public finance, too. For example, the Beliris fund, which aims to finance the promotion of the international role and the capital function of Brussels, as well as the 2013 co-operation agreement on budgetary co-ordination across levels of government, are two such examples (EC, 2023[36]).

Co-operation agreements have a wide array of virtues but also face some challenges (Table 3.2). On the positive side, it provides the legal framework to co-ordinate policy actions effectively among diverse actors and avoid policy duplication and inconsistencies, which may lead to more coherent and efficient governance. It may also lead to improved service delivery as it results in the pooling of resources, expertise and knowledge to address complex challenges that all parties involved may be facing. Co-operation agreements are also flexible, customisable devices, as they can be established between two or more parties regarding a specific matter. Moreover, following the sixth state reform, once a decree of assent is issued for a specific co-operation agreement, any additional conclusion of co-operation agreements for implementation no longer requires a new decree of assent, simplifying the implementation of co-operation agreements (Lowies and Schrobiltgen, 2016[33]). Finally, co-operating within agreed contractual boundaries promotes visibility in the public sphere and can, when the agreement is considered to have attained its objectives, boost trust among governments, potentially encouraging them to co-operate further in the same or other domains.

Table 3.2. Benefits and challenges of co-operation agreements in Belgium

Benefits	Challenges
It provides a **legal framework** to co-ordinate policy actions effectively among levels of government, based on Article 92bis of the Special Law of 8 August 1988 on Institutional Reforms.	Inter-governmental co-operation via this instrument is subject to **political will**.
It encourages **pooling human and financial resources** to address common and complex challenges, potentially generating efficiency gains.	The added complexity to co-operate is often **resource-intensive**, for which sufficient resources may not always be in place unless clearly defined in the agreement. **Lack of clarity** may hamper accountability.
It offers **flexibility** to establish the terms and modalities of co-operation preferred by the parties to the agreement. Most of them are optional.	Where political will exists, governments still have the possibility to **avoid the parliamentary approval process** by signing a simple political agreement for non-mandatory co-operation areas.
Implementation co-operation agreements no longer require **decrees of assent** if one was already issued for the initial co-operation agreement.	The flexible and ad hoc character of co-operation agreements, as well as the need for signing a new one instead of amending it, can lead to a proliferation of these agreements, potentially creating issues of **administrative burden**, duplication, delays or even lack of implementation, and institutional and legal complexity.
It raises **visibility** in the public sphere and can foster **trust** among governments, especially when co-operation is deemed successful.	Co-operation agreements can only foster **trust** where some level thereof already exists. If parties do not trust each other from the beginning, it is hard for co-operation agreements to come to fruition.

However, co-operation agreements also face some challenges. First, these agreements are subject to the political will of all parties represented, implying that a change in government may lead to modifications or suppression of said co-operation agreement or that co-operation may simply not follow if governments do not see a political incentive to co-operate. Second, co-operation agreements are also resource-intensive, requiring sufficient financial resources and skilled personnel that can manage the additional administrative

burden. If not clearly defined in the agreement, the added complexity can also blur lines of accountability and make it difficult to assign responsibility for outcomes. In addition, the executive bodies initiating a co-operation agreement may decide to avoid parliamentary control and sign a simple political agreement, which raises democratic issues of transparency and accountability. When co-operation agreements are the chosen legal format, there is no regulatory limit to the number of co-operation agreements that can be concluded. In practice, this can lead to a proliferation of co-operation agreements that involve different parties and staff representatives thereof and that could potentially run the risk of having contradictory provisions among each other, creating policy duplication and placing a heavy and complex burden on institutions and administrative staff. Finally, co-operation agreements do not have the possibility of fostering trust where there is not any in the first place: if parties do not trust each other, co-operation agreements are not concluded, and this instrument is not put to use.

Even if these challenges were successfully overcome, it is imperative to shift the focus beyond the mere design and approval of co-operation agreements, directing attention towards their actual implementation (OECD, 2022[25]) – an aspect that has not always been adequately addressed within the Brussels-Capital Region. A prominent example of this can be seen in the unachieved full implementation of the 2013 co-operation agreement seeking to ensure effective budgetary co-ordination between federated entities and the Federal Authority (EC, 2023[36]). Much like previous years, the Consultative Committee's actions in 2022 merely involved taking note of the overall fiscal trajectory outlined in the stability programme without securing its formal approval. This lack of agreement on targets at each level of government presents a significant hurdle in effectively monitoring compliance with these objectives, rendering the "Public sector borrowing requirement" section of the High Council of Finance unable to fulfil its monitoring responsibilities. Consequently, ensuring the proper implementation of co-operation agreements becomes paramount, with rigorous monitoring mechanisms in place to safeguard their success.

The Concertation Committee serves as an instance where conflicts of interest and competency are discussed but not always resolved

Apart from instruments such as co-operation agreements, the Brussels-Capital Region has different and more formal co-operation structures at its disposal to co-operate with the Flemish or Walloon Regions, as well as with the Federal Authority. These include the Concertation Committee for the prevention or resolution of conflicts and the Co-operation Committee for the collaboration among institutions on the international role of the Brussels-Capital Region (Box 3.5).

In 1980, the Belgian system established by law the Concertation Committee, an institution that, while still not constitutionally recognised, aims to prevent or resolve conflicts of interest and competency that may arise between the Federal Authority and a federal entity (i.e. a region or a community), or between two federal entities due to the overlapping, unclear allocation of competencies. It is made up of 12 representatives from the different levels of government (including the prime minister, who chairs the committee) in a way that maintains a double parity between the linguistic communities and the members designated by the Federal Authority and those designated by the federal entities (Crisp, 2020[37]; Cossement, 2015[38]).

The Concertation Committee can mediate in competency and interest conflicts. If a draft law surpasses a federal entity's jurisdiction, the Council of State may consult the committee. If the committee agrees, it urges the relevant government to revise the draft or propose amendments to resolve the competency conflict. If the committee does not agree, the legislative procedure may continue. For interest conflicts, if one parliamentary assembly opposes a draft law in another assembly, it can ask the committee – with strong support – to halt the procedure. Opinions from the Senate and Concertation Committee are needed. If consensus is not reached, the suspension ends and the concerned parliament or government proceeds.

The topics for which the Concertation Committee has met range from institutional reforms and public health to culture or the environment and include subjects related to urban policy. For example, the Concertation

Committee has brought the federal and federated entities together several times to discuss different restrictions on flight traffic over Brussels. In 2017, the Flemish government initiated a conflict-of-interest procedure against the Brussels-Capital Region's decision to no longer grant a tolerance margin on noise standards, a decision that the Flemish government argued would result in job loss, affecting Flemish inhabitants. However, no consensus has yet been found. A similar case is that of non-cumulation of roles, where the Flemish government also initiated a conflict-of-interest procedure against an ordonnance proposal by the Brussels-Capital Region that sought to prohibit one person from holding the functions of assembly representative and a local executive representative simultaneously (see Box 3.7 below).

It is important to note that the Concertation Committee is not a jurisdictional body. Its decisions are not binding and the committee's role is to advise governments and parliamentary assemblies on a solution, without imposing it on them in any way. The Concertation Committee may also establish inter-ministerial conferences, which are specialised committees composed of federal government members and the governments of the regions and communities. These inter-ministerial conferences work on specific topics to provide more information and advice on specific questions prior to the committee in order to promote consultation and co-operation between the Federal Authority and the federated entities. Following the sixth state reform, the role and functioning of the Concertation Committee were somewhat clarified, making agendas accessible to the parliament and formalising operating procedures to enable governments to prepare their positions to be presented before the Concertation Committee.

Box 3.5. The Cooperation Committee: A collaborative platform restricted to international affairs

Established by Articles 43-45 of the Special Law of 1989 on the Brussels-Capital Region's institutions, the Cooperation Committee in the Brussels-Capital Region is a body composed of four federal ministers and four members of the Brussels-Capital Region's government, respecting linguistic parity within each group of representatives (Peiffer, 2021[4]).

The Cooperation Committee serves as a meeting body between the federal and regional levels regarding matters – exclusively – linked to the Brussels-Capital Region's international role and its functions as the capital of Brussels. Specifically, the Cooperation Committee is involved in joint initiatives that the Federal Authority and the Brussels-Capital Region may take to promote and enhance Brussels' international role and function as a capital. These initiatives may be fully financed by the federal budget or only partially, in which case the Brussels-Capital Region also provides a financial contribution. In 2021, the Cooperation Committee decided on projects funded by Beliris I and II, a co-operation agreement and fund between the Federal Authority and the Brussels-Capital Region (see Chapter 4). Lastly, the Cooperation Committee plays a consultative role when the federal government submits measures which, in its opinion, the Brussels-Capital Region should take to develop the international role or capital function of Brussels.

The Cooperation Committee is, hence, an example of co-operation across levels of government in a very specific and determined field of action. It acts as an instance of consultation, inasmuch as the Federal Authority must engage with the Brussels-Capital Region when it wants to propose an initiative, and an instance co-operation, when it decides jointly among the Federal Authority and the Brussels-Capital Region on important decisions, such as those related to Beliris. Following the same principles, the Brussels-Capital Region could envisage similar co-operation formats with other regions, communities and the local levels on issues such as mobility, urban planning and housing. In fact, the Cooperation Committee could, broadly speaking, be defined as a sectoral co-ordination group mentioned in the policy recommendations section of this chapter.

Source: Peiffer, Q. (2021[4]), "Les spécificités institutionnelles de la région bruxelloise", https://doi.org/10.3917/CRIS.2510.0005.

Citizen engagement initiatives are on the rise in the Brussels-Capital Region and its municipalities but best practices are not always shared

Deliberative processes and citizen engagement play a crucial role in achieving effective policy outcomes, facilitating difficult decision making by policy makers and fostering trust between citizens and the government (OECD, 2020[39]). As seen in Chapter 2, the Brussels-Capital Region has engaged with the public on several occasions, such as the renovation of the Gaucheret neighbourhood in the municipality of Schaerbeek or the construction of the House of Citizens. Indeed, institutionalising deliberative processes has several benefits, including enabling governments to make difficult decisions more effectively and at a lower cost. It also fosters collective learning and experimentation, and has the potential to increase trust in government, strengthen democracy and enhance society's democratic fitness by providing more opportunities for people to shape public decisions. However, there is no one-size-fits-all approach to institutionalisation, as it depends on the context, purpose and process.

Effective citizen engagement is essential for successful policy and investment processes as it involves citizens in establishing and realising a shared vision and strategy for local development (OECD, 2019[40]). Citizens have a direct interest in the outcomes as they are directly affected by subnational public investment, which often involves significant infrastructure projects with social implications. Engaging citizens, together with local authorities, public boards, private enterprises, academia and civil society organisations, at the right time, for the right reasons and in the right ways can improve the quality of investment projects and policy outcomes. However, citizens are often not engaged early enough in the policy or investment cycle (OECD, 2020[41]). This could be due to inertia, superficial engagement that merely fulfils formal requirements or inappropriate consultation processes and mechanisms that do not align with the objectives at hand.

Furthermore, citizen engagement, when properly implemented, has the potential to cultivate trust in government. The European Quality of Government Index indicates that trust is a significant concern for the Brussels-Capital Region (EC, 2021[42]). In terms of trust in government, the Brussels-Capital Region remains below the EU average and lags behind both Flanders and Wallonia, both of which exceed the EU average by a significant margin. This aligns with the findings of the National Bank of Belgium, which highlight the Brussels-Capital Region's lower performance in terms of the quality and accountability of government services, the absence of corruption and the impartiality of government services (Bisciari and El Joueidi, 2022[20]).

Similar to other OECD countries, the Brussels-Capital Region is taking part in a deliberative wave, both at the regional and local levels, to improve its scores in trust and citizen engagement. Deliberative commissions have been established in the Parliament of the Brussels-Capital Region as well as in the Joint Community Commission. A deliberative commission is a forum for debate between randomly selected parliamentarians and citizens (one-quarter parliamentarians, three-quarters citizens) (Vrydagh et al., 2021[43]). This commission is established to address a specific theme that can be proposed by the residents of Brussels (using the "citizen suggestion" mechanism) or by the parliamentarians. After several meetings of the deliberative commission, parliamentarians and citizens jointly propose recommendations that will be discussed within the parliament. Ultimately, these recommendations can lead to legislation or at least questions posed to the government and, therefore, influence political decisions. Topics discussed through this procedure range from mobility, housing and environment to finances, security and animal welfare. For example, on 17 February 2023, the Parliament of the Brussels-Capital Region decided to establish a deliberative commission tasked with formulating recommendations on urban noise. This deliberative commission was formed following a citizen's suggestion regarding noise pollution caused by motorcycles and scooters. The deliberations, preceded by a presentation and an overview of the "quiet.brussels plan", will primarily focus on matters within the Brussels jurisdiction and will be limited to the noise resulting from collective urban life (excluding domestic noise).

Box 3.6. The Brussels-Capital Region's Sustainable Citizen Neighbourhoods

The Brussels-Capital Region's Brussels Environment is responsible for the Sustainable Citizen Neighbourhood (*Quartiers Durables Citoyens*/*Participatieve duurzame wijken*, SCN) project since 2008, now part of the Inspire the Neighbourhood project call. SCNs are comprised of over 80 citizen-led initiatives that work to develop projects on various themes aimed at improving their environment with a focus on community building. The Participatory Budget of Sustainable Citizen Neighbourhoods aims to encourage and support residents who engage in their neighbourhoods by developing environmental and sustainable development projects. The projects should promote diversity within the neighbourhood and aim to reach out to more challenging target audiences. Lastly, the actions should, as much as possible, be concrete, easily replicable and sustainable in the long term.

The participatory budget operates in cycles. Its operation is reviewed annually during an assembly that brings together all of the SCNs and individuals interested in the theme, whether closely or remotely. For 2022, a budget of EUR 85 000 was available. There is no limit to the number of projects. However, the total amount of subsidy granted per neighbourhood cannot exceed EUR 15 000, including value added tax.

The Council of SCNs meets once a year, at the initiative of Brussels Environment and is composed of at least one representative from the Brussels Environment administration, one from the minister's cabinet as an observer, one from the support team and representatives from the SCNs, provided that they do not submit a funding request. At least 50% of the people represented in the council must come from a minimum of 5 SCNs. Neighbourhoods submitting a subsidy request may be invited to present their group dynamics to the council members on the day of the council. Decisions are made by consensus, by voting when no consensus can be reached. The council aims to improve projects and neighbourhood dynamics to strengthen them.

Source: Bruxelles Environnement (2022[44]), *Le budget participatif des Quartiers Durables Citoyens*, https://inspironslequartier.brussels/budget-participatif/.

In turn, almost all municipalities have started implementing some form of participatory budgeting initiatives. As a result, the Brussels-Capital Region has adapted its New Municipal Law to provide a legal framework for all municipalities. Among other provisions, the Brussels-Capital Region's legal framework underlines that citizens can be entrusted with the management of a portion of the municipal budget but that the responsibility can only be assumed by the municipal council. Moreover, no member of the municipal council can sit on the jury. The selection of jury members must be clear and transparent, although it is left to the discretion of the municipality (e.g. volunteer recruitment, random selection, etc.). The projects can be implemented either by municipal services or by project holders.

For example, the Haren neighbourhood in the City of Brussels started a participatory budget initiative in May 2021. It provided a brochure with all of the information needed to propose ideas as well as clear examples to guide applicants across the different stages of participation. After a vote in October 2021, nine projects were selected, amounting to a total value of EUR 400 000 and relating to fields such as urban planning, environment and community building. Some projects include the redevelopment and modernisation of a kitchen in the Haren community centre to organise cooking workshops, the installation of a covered kiosk in an underutilised area of the Sleutelgatpark to allow for small performances and storytelling sessions, and the construction of the small flower and vegetable HA-lo garden of which residents collectively take care (Bruxelles Participation, 2023[45]).

Despite the multitude of examples in the 19 different municipalities, experts indicate that municipalities do not systematically exchange good practices and lessons learnt on citizen engagement initiatives among each other (van Haute et al., 2018[31]). The absence of a formal information-sharing platform at the administrative level impedes enhancing citizen engagement mechanisms with which the municipalities are experimenting and which they are tailoring to their specificities. Apart from further collaboration among municipalities, the Brussels-Capital Region's department for citizen engagement and democracy, hosted by perspective.brussels (*Service de la Participation en Région Bruxelloise/Dienst Participatie in het Brussels Gewest*), could play a major role in co-ordinating the different experiences and sharing lessons learnt across municipalities. This newly created department acts as a resource and method centre for public participation. Its action plan includes the creation of an online platform, participation.brussels, which will make its resources available to the public actors in the Brussels-Capital Region.

Enhancing multi-level governance in the Brussels-Capital Region

Numerous institutions with different competencies coexist within the Brussels-Capital Region, resulting in a complex landscape whose potential reform triggers a highly sensitive debate. This section starts describing the base scenario, where no change occurs and the status quo prevails and outlines the major risks of inaction. It then presents three major and broad policy recommendations with suggestions for concrete policy actions. Their benefits and pitfalls are carefully explained, considering the context of the Brussels-Capital Region. Concrete policy actions that can resolve the issues identified in previous sections are presented, explaining their main rationale. It is important to recognise that the policy actions suggested in each policy recommendation are not mutually exclusive; rather, they can be combined with policy actions located under the umbrella of the other policy recommendations to achieve a more comprehensive and integrated approach.

Base scenario: Maintaining the status quo

In earlier sections, this report has shown the peculiarities of the institutional architecture in the Brussels-Capital Region. Although its institutional structure is largely a result of a compromise between the different linguistic communities in Belgium, the ensuing complexity, informal co-ordination mechanisms and the lack of a metropolitan governance arrangement pose serious challenges to the effective and efficient governance of the Brussels-Capital Region.

This base scenario takes the current situation and expands it over time, assuming no change occurs from now on. Certainly, this is an oversimplification of reality as shocks and crises have taken place very frequently over the last decade and because multi-level governance systems need to be intrinsically flexible and adaptive to change (OECD, 2019[27]).

What are the main risks for the Brussels-Capital Region if its governance system stays as it is today?

- **The lack of clarity in the distribution of competencies may pose issues of policy inaction as well as a lack of transparency and accountability**. In situations where competencies are shared, as is the case of multiple functions in the Brussels-Capital Region, the ambiguity of competency allocation may promote a "pass the buck" behaviour whereby various institutions sharing a responsibility may not deliver. The absence of clear transparency regarding responsibilities may result in a lack of accountability, with citizens being unable to trace inaction back to the responsible institution.

- **Co-ordination among levels of government may suffer from ineffectiveness and inefficiency issues**. Indeed, co-ordination among levels of government, particularly the Brussels-Capital Region and the municipalities, currently happens in an informal manner. While this type of co-ordination importantly allows for the involved actors to share knowledge, it may be subject to

political will and may suffer from a lack of transparency. If co-ordination does not take place in a systematic way, there is a risk that different departments at the same or different levels of government operate in silos, resulting in different sectoral policies with unaligned objectives as well as a potential policy duplication.

- **Duplication of co-ordination mechanisms may promote fragmentation and policy coherence**. For example, if the Conference of Mayors as well as Brulocalis remain unmerged, this may hinder speaking with one voice at the regional level.

- **Implementation of joint policy interventions may be severely impaired**. If co-operation agreements are not better monitored and enforced, they may be seriously delayed or even not implemented.

- **Unclear competency allocation and the absence of well-functioning co-ordination and co-operation mechanisms may slow the response to crises and emergencies**. For example, if during the outbreak of a pandemic, it is unclear which institution must procure medical supplies to each medical facility; this may delay the speed of a response that could save lives.

- **A lack of metropolitan governance arrangements may compromise essential infrastructure investments and jeopardise the state of public finances, limiting economic development in the region**. Being unable to co-ordinate metropolitan affairs systematically may place additional pressure on regional finances, limit capital investment crucial to accelerating and consolidating the digital and green transitions, and leave a portion of the economic potential of the region untapped.

Policy recommendations for governance reform in the Brussels-Capital Region

After careful assessment of the institutional framework in the Brussels-Capital Region, the OECD developed three main policy recommendations: streamlining the governance framework, strengthening co-ordination and co-operation mechanisms, and fostering incremental collaboration at the metropolitan level. For each of these recommendations, an explanation of their potential benefits and pitfalls to avoid, as well as a list of detailed and concrete policy actions, are provided in the sub-sections below.

Policy recommendation 1: Streamline the governance framework

In earlier sections, this report has shown the peculiarities of the institutional architecture in the Brussels-Capital Region. Complex systems may suffer from issues of duplication, incoherence, inefficiency and lack of transparency and accountability, resulting in lower citizen trust in institutions. Streamlining the governance framework could help to avoid these issues. This could be undertaken through two main groups of policy action: i) clarifying competency allocation; and ii) simplifying competency allocation.

Benefits

Streamlining the governance framework in the Brussels-Capital Region can entail several benefits. First, it can promote a principled and transparent division of powers, which is crucial for governments to fulfil their mandates and be held accountable by their citizens. This transparency is especially desirable in cases where functions are jointly responsible for several levels of government, as is the case in the Brussels-Capital Region in many fields, including education, health and social welfare. Clarity in the division of powers not only ensures accountability but also helps in avoiding government failures, inefficiencies and inequities in public service provision, ultimately leading to improved service delivery.

Furthermore, a streamlined governance framework provides additional benefits, such as the ability to respond promptly to critical infrastructure needs. In the event of emergencies, it becomes clear what actor is responsible for what task, enabling a swift response. This added clarity also mitigates the risk of unfunded or underfunded mandates, as it aids in the division of spending powers, tax assignment and the design of higher-order transfers. Additionally, a well-defined governance framework supports the

development of subnational government capacities and facilitates mechanisms for inter-governmental and cross-sectoral partnerships and co-ordination.

Pitfalls to avoid

Policy makers need to pay attention to the incentives that a particular separation of competencies may create. Importantly, separating operating and capital expenditures can lead to service failures, as there may not be adequate funding for the upkeep of critical infrastructure facilities or the maintenance of infrastructure that has been built without sufficient financing for ongoing maintenance. This situation can result in the creation of "white elephants" – projects or facilities that become unsustainable in the long run, posing significant challenges for the region's finances.

Another potential pitfall to avoid is the creation of silos between departments when pursuing a clear-cut allocation of responsibilities. While reaching clarity of responsibilities is essential, an overly rigid division can lead to the isolation of different government departments and hinder collaboration and information sharing, both within the same level of government or among them. This siloed approach can impede effective governance and co-ordination, potentially resulting in inefficiencies and wasteful duplication across various functions and sectors.

How could the governance framework be streamlined?

Establishing a **transparent division of powers** involves codifying responsibilities in detail within legal and regulatory frameworks, inter-governmental agreements, etc. Apart from allocating functions (e.g. education, health, public safety, etc.) to different levels of governments, each sub-function must be clearly defined, specifying the roles of various levels of government in policy development, legislation, standard setting, oversight, financing, provision/administration, performance monitoring and evaluation and citizen engagement mechanisms. This codification should aim to eliminate ambiguity, making it easier for all stakeholders to navigate the governance framework. A systematic review of competencies and a concerted effort to provide clear legislation on who is responsible for each subfunction are vital steps to achieve this.

Moreover, when implementing streamlining measures, it is important to consider **transferring competencies to other levels of government**. This can simplify governance by reducing duplication and fragmentation of efforts, making the overall governance framework more efficient and effective. In principle, policy makers could consider three transfers of competencies to simplify the institutional architecture of the territory covered by the Brussels-Capital Region.

- **Transfer of competencies from the Joint Community Commission (JCC) to the Brussels-Capital Region**. The rationale behind this transfer is rooted in several key considerations. First, the JCC is composed of the same representatives present in the Parliament of the Brussels-Capital Region. As a result, removing this institution would not alter the representatives responsible for legislating in the fields currently under the JCC's purview. Additionally, the sixth state reform introduced the concept of "bicultural affairs of regional interest", indicating that the Brussels-Capital Region has already begun assuming some responsibilities previously held by the JCC. Expanding this coverage to include the remaining competencies, particularly those related to other person-related issues such as healthcare and social welfare, could further simplify the governance structure within the Brussels-Capital Region. However, it is essential to acknowledge the financial implications of this transfer. The Special Financing Act of the Regions and the Communities would need to be modified to account for the increased expenses and higher deficit that would be transferred to the Brussels-Capital Region. Careful planning and financial adjustments should accompany this transition to ensure the region's fiscal stability while simplifying its governance framework.

- **Transfer of competencies from the Flemish and French Community Commissions to the Brussels-Capital Region**. The Flemish Community Commission could potentially be dismantled as it acts as a representative of the Flemish Community and lacks legislative autonomy. Instead, the Dutch-speaking representatives of the Brussels-Capital Region could handle their responsibilities within the Parliament of the Brussels-Capital Region. This would not cut the link with the Flemish Community as several members of the Parliament of the Brussels-Capital Region have a seat in the Flemish Community. As for the French Community Commission, the competencies currently under its responsibility and those for which the French Community is responsible could be transferred in a similar vein to the French-speaking representatives of the Brussels-Capital Region. Again, this would not cut the link with the French Community since several French-speaking representatives of the Brussels-Capital Region are members of the French Community. Of course, this policy action would require extensive negotiations, involving not only the Brussels-Capital Region and the community commissions but also the Flemish and French Communities of Belgium as well as the Federal Authority. These transfers could make the Brussels-Capital Region's institutional structure easier to navigate as four institutions (the region and the three community commissions) could become integrated. This would mean that education, culture and other person-related matters in the Brussels-Capital Region would be decided inside the Brussels-Capital Region. It would require the representatives of each linguistic group within the Brussels-Capital Region to collaborate with the Flemish and French Communities through the Brussels-Capital Region's representatives holding seats in each of these institutions or an alternative co-ordination mechanism that may be envisaged for this purpose. These representatives would assume a co-ordination role, while the Brussels-Capital Region itself would retain full agency. As seen earlier, this could allow the Brussels-Capital Region to develop a solid regional vision that overcomes the complexity and duplication of institutional structures due to linguistic reasons.

- **Transfer of competencies from the Public Centres for Social Welfare (PCSWs) to the Brussels-Capital Region**. This transfer could consolidate social welfare responsibilities at the regional level, leading to streamlined administrative processes, reduced duplication and lower administrative costs. This consolidation could also simplify decision making and resource allocation, making it more efficient. Second, the transfer of competencies may enhance accountability by establishing clearer lines of responsibility for social welfare services in the region. Citizens would have a better understanding of a single social welfare system instead of 19, leading to improved transparency and responsiveness in service provision. However, this transfer is not without its challenges. It would necessitate significant administrative and legal changes, including modifications to the PCSW Law. It would also require establishing a new department at the regional level to handle social welfare responsibilities. Some personnel from the PCSWs could be integrated into this new department at the regional level while others are incorporated into the municipality as liaison officers with the regional level, thereby ensuring continuity as well as tailoring social welfare policy interventions to the local conditions. Engaging with key stakeholders, such as service providers, social workers and civil society organisations, is vital to consider their insights and expertise during the transition. Additionally, the regional government would need to establish robust mechanisms for monitoring and evaluating the effectiveness of social welfare programmes to ensure that they align with their intended goals (OECD, 2022[25]).

- **Transfer of specific competencies from the municipalities to the Brussels-Capital Region**. In order to promote policy coherence, some responsibilities that may have a regional scope could, in essence, be regionalised. For example, this would be the case for mobility and transport, parking and urban planning. This transfer would put an end to administrative duplication and could increase policy coherence by having only 1 instead of 19 different legislative actors. This could follow the model of the cities of Antwerp, Belgium, or Paris, France, whose districts/*arrondissements* have limited managing and administrative competencies while the municipal council concentrates the

primary powers and responsibilities to undertake more comprehensive actions (Van Dooren and Sinardet, 2013[46]). These models, which could be replicated at least for some competencies in the Brussels-Capital Region and its municipalities, have the benefit of striking a balance by remaining in close proximity to citizens through the district councils (which would be the municipalities in the case of the Brussels-Capital Region) while promoting policy coherence and streamlining governance through the municipal council (which would refer to the Brussels-Capital Region itself).

The implementation of one or more policy actions included in this policy intervention has the potential to streamline the complex governance framework in the Brussels-Capital Region if executed with transparency and active stakeholder engagement.

Policy recommendation 2: Strengthen co-ordination and co-operation mechanisms

Even though a clear allocation of responsibilities contributes to the effectiveness and efficiency of public policies, in practice, the question is not reaching a perfectly clear-cut allocation of responsibilities but rather how to manage these shared responsibilities. Indeed, multi-level governance implies managing mutual dependence among levels of government and a series of gaps or co-ordination failures that may occur among them. Such co-ordination failures may be overcome by governance tools such as dialogue platforms, partnerships/contracts across levels of government, co-financing arrangements, etc.

Benefits

Strengthening co-ordination and co-operation mechanisms among different levels of government in the Brussels-Capital Region can yield a multitude of benefits that contribute to more efficient and effective governance. First, such mechanisms provide a platform for executive and legislative agreements with relatively low transaction costs. These instruments, particularly when used in regards to constitutional matters, can ensure the durability and wider political acceptance of policies, fostering greater coherence and stability in the governance framework. Another primary advantage of strengthening co-ordination and co-operation is the avoidance of policy duplication and the promotion of policy coherence. Policy alignment brings together the strategies and actions of diverse policy sectors across different levels of government, enhancing the implementation of policies and resulting in gains in efficiency. Additionally, collaboration enables better policy design and implementation by allowing different levels of government to work together comprehensively to address complex issues.

Resource optimisation is another notable benefit, as co-operation can enable the efficient allocation of financial and human resources by pooling them across different levels of government. This approach minimises duplication of efforts and spending, with resources being used more effectively. Moreover, close co-operation fosters innovation by bringing together diverse perspectives and expertise, allowing for the exchange of ideas and best practices. This can lead to policy experimentation that provides innovative solutions to complex problems. Added to this, during crises such as natural disasters or public health emergencies, co-ordinated efforts between levels of government are essential for a swift and effective response, saving lives and mitigating economic damage. Lastly, enhanced co-ordination and co-operation can increase public trust in the government's ability to address complex issues and improve the quality of life for citizens, ultimately strengthening the overall governance framework in the Brussels-Capital Region.

Pitfalls to avoid

While strengthening co-ordination and co-operation mechanisms among different levels of government in the Brussels-Capital Region can yield substantial benefits, it is crucial to be aware of potential pitfalls that should be avoided to ensure effective and efficient governance. First, one must exercise caution in multiplying co-ordination mechanisms without clear roles in the decision-making process. Creating excessive co-ordination bodies can lead to confusion and significant transaction and opportunity costs, which can hinder rather than enhance governance.

Second, an open and transparent system of inter-governmental co-ordination with broad legislative and civil society participation, while desirable in principle, can have downsides. Depending on its design, it may prove to be expensive, time-consuming and susceptible to gridlock or a "joint decision trap". This occurs when the inclusion of numerous stakeholders leads to difficulty in reaching decisions or, worse, results in decision-making paralysis. Striking the right balance between inclusivity and efficiency is essential.

Lastly, it is crucial to avoid that one level of government perceives itself as the primary institution of inter-governmental co-ordination: if one level of government becomes dominant, it can lead to political resistance from other levels of government. Such resistance can undermine inter-governmental effectiveness, particularly if they are seen as serving the interests of a single level of government rather than facilitating co-operative decision making. Balancing power and interests among all levels of government is essential to avoid these pitfalls and ensure successful co-operation and co-ordination mechanisms in the Brussels-Capital Region.

How could the co-ordination and co-operation mechanisms be strengthened?

Following the assessment of the existing co-ordination and co-operation mechanisms in the Brussels-Capital Region, several policy actions can be considered to strengthen them.

To begin, **formalising the Conference of Mayors and integrating it within the governing structure of Brulocalis** could ensure a stronger foundation for co-operation at the local level. This would eliminate potential duplication between these bodies and could enhance co-ordination among municipal executives as well as municipal staff. Various approaches could be considered for integrating the Conference of Mayors into Brulocalis' governing structure. For instance, it could be established as a fourth governing body alongside the General Assembly, the Board of Directors and the Bureau. However, to prevent an excessive proliferation of governing bodies, a more effective approach could be to integrate the Conference of Mayors directly into the General Assembly, whose voting members consist of the 19 municipalities. By doing so, the General Assembly's agenda could encompass not only issues related to Brulocalis' operational functioning but also policy discussions that regularly take place within the Conference of Mayors. This integration would necessitate the development and formal approval of a new statute for the association, considering factors such as the financial resources required to support the organisation of the conferences, which occur more frequently than the General Assembly at present. Doing so would provide a stable platform for co-ordination, information exchange and policy alignment among local governments. Alternatively, if the Conference of Mayors remains separate from Brulocalis, formal co-operation channels should be put in place within the conference. A developed statute outlining the main goals, composition and procedures of the conference for agenda setting and voting would be essential. In any case, this policy option on its own is unlikely to strengthen co-ordination and co-operation at the local level as the members of the Conference of Mayors, even if integrated within Brulocalis, could still meet informally outside this potentially formalised structure.

Co-ordination mechanisms at the local level should also play a proactive role in promoting discussions on inter-municipal co-operation in the Brussels-Capital Region. These platforms are not only useful tools for municipalities to co-ordinate their municipal policies with each other but they can also encourage municipalities to explore opportunities for sharing resources and jointly delivering public services and infrastructure projects, which is particularly important when subnational capacities are lacking or when financial resources are scarce.

Granting a more formal and systematic role to the Conference of Mayors, Brulocalis or an eventual merger of these entities in regional policy-making procedures could enhance trust among institutions and promote better implementation of regional policies at the local level, apart from strengthening horizontal co-ordination at the local level. Consultation procedures could either be mentioned in the constitution or lower-rank laws and regulations. Moreover, the Brussels-Capital Region's obligation to seek input from municipalities could take two possible forms. It could be a general requirement applicable in all

cases where local authorities may be affected, thereby allowing for extensive participation from local government associations. On the other hand, it could be more specific, resulting in a clearly defined list of instances in which municipalities should be consulted. This latter approach would effectively restrict their involvement to only those scenarios outlined in the list. In the OECD, Germany shows a wide variety of approaches through which consultation mechanisms are integrated into the various legal frameworks of its *Länder*. Alternatively, the Brussels-Capital Region could create a new instance where the region and the 19 municipalities meet on a regular basis but it should not be limited to a conversation among political representatives and also include the relevant public civil servants. However, creating a new body would risk duplicating the missions of already existing institutions such as Brulocalis. Be it as it may, better formalising the exchanges among the representatives at the regional and local levels would serve to compensate for any losses of communication and co-ordination that may occur as a result of the non-cumulation of mandates (Box 3.7).

Box 3.7. The non-cumulation of mandates

On 27 June 2018, the Flemish parliament triggered the conflict-of-interest procedure in the Concertation Committee, following the vote that took place on 8 June in the Parliament of the Brussels-Capital Region regarding the proposal for full non-cumulation of mandates (*décumul intégral*/*volledige decumul*), which did not achieve the required majority within the Dutch-speaking group. However, both parties were unable to reach a consensus on a resolution of the conflict-of-interest procedure regarding Brussels-Capital Region's ordinance proposal on the non-cumulation of functions as a member of parliament with those of mayor, municipal executive or president of a PCSW. They had gathered for the second time since the Flemish Community initiated the conflict-of-interest procedure.

After extensive deliberations, the ordinance amending the New Municipal Law as part of the local governance reform was officially adopted and published on 25 August 2022. This marks a significant milestone as the upcoming 2024 elections, encompassing both regional and local contests, will be the inaugural implementation of the non-cumulation of mandates. Nevertheless, there are differing viewpoints on this matter, with some advocating for the substantial advantages of non-cumulation while others draw attention to the potential challenges it could bring about.

Proponents of the non-cumulation of mandates at the subnational level underlined several advantages. First, prohibiting dual mandates ensures that regional parliamentarians and municipality representatives can fully focus on the specific needs and concerns of their constituencies. Regional parliamentarians can concentrate solely on regional affairs, such as large-scale infrastructure projects, economic development and regional policies, while municipality representatives can focus on local matters like public services, local development and community engagement. Second, with politicians unable to hold simultaneous roles at both the regional and local levels, potential conflicts of interest are minimised, in contrast to a situation with dual mandates creating situations where elected officials prioritise one level of government over the other, leading to neglect or insufficient attention to the needs of one constituency. Lastly, prohibiting dual mandates can lead to a more diverse and representative political landscape. With separate elected officials at the regional and local levels, a wider range of voices can be heard, as different individuals may have varying expertise, experiences and perspectives. This can result in better representation of the interests and concerns of citizens at both levels of government.

On the other hand, there are those who question and contest these purported advantages. In fact, the prohibition of dual mandates can create challenges in co-ordinating and collaborating between regional and local governments. With elected officials no longer holding roles in both levels of government, the direct connection and understanding of issues between the two may be affected. Therefore, there is a

risk that communication gaps between regional and local authorities may emerge. In addition, having elected representatives with dual mandates could provide a more holistic perspective on governance, leading to more integrated and comprehensive approaches to problem solving.

Similar to the Brussels-Capital Region, discussions on whether or not to prohibit dual mandates are ongoing in several OECD member countries and some have opted to proceed. France is a notable example of a country that has enforced a prohibition on dual mandates. The 2014 law on the non-cumulation of mandates (*Loi sur le non-cumul des mandats*) aimed to prevent elected officials from holding multiple political positions simultaneously. It restricted parliamentary representatives and senators from also serving as mayors or regional presidents, and vice versa (Ministère de l'Intérieur et des Outre-mer, 2023[47]).

With politicians unable to hold dual roles, establishing effective communication channels and vertical co-operation mechanisms becomes crucial. As from 2024, effective co-ordination mechanisms need to be established or improved to ensure smooth communication and co-operation, especially when dealing with matters that require joint efforts and resources. Establishing clear communication channels and platforms for sharing information and exchanging ideas is essential to prevent misunderstandings and ensure a cohesive approach to governance.

Source: Grandjean, G. (2015[48]), "La limitation du cumul de mandats par les députés wallons" , https://doi.org/10.3917/cris.2255.0005; Ministère de l'Intérieur et des Outre-mer (2023[47]), *Comment le cumul des mandats est-il limité ?*, https://www.elections.interieur.gouv.fr/comprendre-elections/pour-qui-je-vote/comment-cumul-des-mandats-est-il-limite.

Establishing flexible sectoral co-ordination groups could help to further encourage the conclusion and implementation of co-operation agreements. These groups, which would gather civil servants responsible for a particular policy field at different levels of government, could facilitate discussions and agreements on specific topics before translating them into legislation. For instance, there could be a sectoral co-ordination group on the topic of urban planning, bringing together civil servants responsible for this area at the level of the region(s) and the municipalities. These meetings would be an occasion to co-ordinate but also to share knowledge and best practices, something that does not always happen, as evidenced in the field of citizen engagement above. Moreover, apart from meetings with policy makers at different levels of government within the same sector, cross-sectoral co-ordination meetings across levels of government could also be organised, thereby avoiding silos among departments and governments (OECD, 2022[25]). For example, once or twice per year, the sectoral co-ordination groups on urban planning, housing, mobility and environment could meet to discuss and co-ordinate their policies across sectors. Sectoral co-ordination groups could have a flexible membership and structure but should ensure that meetings are held on a regular basis. A specific rank of civil servants could organise the organisation of the meetings of each of the sectoral co-ordination group, while an overarching department (such as the Department of Public Administration or similar) could take on the responsibility of organising the larger cross-sectoral co-ordination group meetings. Ultimately, these flexible and interconnected co-ordination mechanisms could limit the proliferation of co-operation agreements and foster a culture of collaboration and co-ordination across different levels of government within the region, potentially leading to more effective governance and better policy outcomes (van Haute et al., 2018[31]).

Contracts are one of the most widely used co-operation instruments in the Brussels-Capital Region. **Making co-operation agreements more explicit in detailing how the co-operation will unfold** could enhance their use and ensure implementation. This would include clearly defining which entities are involved, specifying their mutual duties and establishing enforcement and dispute resolution mechanisms. Without such clarity, ambiguity or misunderstandings can lead to delays or conflicts during implementation. Additionally, **creating a repository of co-operation agreements** is essential for monitoring progress and preventing non-implementation. This repository should also allow for tracking the outputs and milestones

of each agreement, making it possible to promptly identify and address any delays or deadlocks in projects. This could not only foster greater accountability and transparency but also help in identifying areas where adjustments or interventions may be needed.

Municipal mergers can be considered as one of many policy actions to strengthen co-operation at the local level but their impact goes beyond this aspect. Indeed, territorial reforms are the most formal co-operation mechanism as two or more municipalities effectively become one. Territorial reforms can, under specific circumstances, be a solution to reap economies of scale, improve efficiency and increase cost savings. National and regional governments can, in turn, provide either positive or negative financial incentives to encourage mergers. This has been the case in Euro-Asian and European countries such as Armenia and Ukraine, which have drastically reduced the number of municipalities. Even in Belgium, the Flemish Region further shrank its number of municipalities from 308 to 300 in 2019 and is continuing to support voluntary mergers by guiding local councils in their implementation. However, while mergers can potentially reduce per capita expenditure and increase efficiency, such an outcome is not assured and depends on various factors, such as the fragmentation of local government systems, the size of merged territories and the technical capacity of local administration, among others. In other words, empirical evidence shows that, while they are an effective tool to reduce fragmentation, territorial mergers may have unintended effects on both efficiency and democratic indicators. Additionally, mergers do not necessarily solve other issues, such as the unclear allocation of competencies. For the Brussels-Capital Region, territorial mergers could be considered as a policy option after examining the findings of an *ex ante* assessment of the effects of territorial mergers on a set of economic and political indicators. In any case, since these territorial reforms are highly politically sensitive, significant changes to institutional structures required for two or more municipalities to merge should only take place if local government decision makers and all local stakeholders are actively involved from the beginning of the process, as opposed to imposing mergers in a top-down fashion. Therefore, before resorting to municipal mergers, it is pivotal to consider strengthening co-ordination and co-operation mechanisms through the policy actions proposed above and drawing inspiration from international examples (Box 3.8).

Box 3.8. Inter-governmental co-operation across OECD federal countries

OECD countries, particularly federal ones, have established a series of mechanisms to co-operate across levels of government. In **Canada**, numerous instruments and mechanisms are involved in inter-governmental relations that focus on federal-provincial/territorial relations. These mechanisms can be vertical or horizontal. Unlike in other federations – but similar to the Conference of Mayors in the Brussels-Capital Region –, they are not anchored in the constitution and do not have any basis in law or statute. The mechanisms allowing for the exchange of information and negotiation are the Federal/Provincial/Territorial First Ministers Conferences or Meetings, the ministerial meetings in specific policy sectors, the Canadian Inter-governmental Conference Secretariat and Federal/Provincial/Territorial Agreements. They constitute an important element of Canadian federal governance to strengthen the economic and social union. On the other hand, horizontal co-ordination between provinces takes place through the Council of the Federation, which comprises Canada's 13 provincial and territorial premiers to provide a forum to discuss and work together on issues of mutual interest or concern. Through its Annual Premiers' Conferences, it develops common positions, providing a "united front" when interacting with the federal government, fostering a "constructive relationship" with the federal government.

In **Germany**, maintaining inter-governmental relations is a constitutional principle (*Bundestreue*): the federation-*Länder* relationship is based on the principle of co-operative federalism and loyalty to the federation. Apart from the participation rights of the *Bundesrat* representing the *Länder*, there are few formal inter-governmental co-ordination arrangements, such as Joint Planning Councils, sectoral

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Bund-Länder Co-ordination Councils or the Stability Council. Joint Planning Councils also involve the participation of local governments and experts. Horizontal co-ordination between the *Länder* is made through the Conference of the Minister-Presidents (MPK), which meets at least bi-annually as well as through "standing specialised conferences". In addition to these conferences, there are also horizontal Ministerial Conferences between the *Länder*, this time excluding the federal government. In practice, this means that the ministers of one or more *Länder* may meet to clarify any issues. For example, the Coastal Conference of Economic and Transport Ministers meets every six months to discuss agreements at both the political and technical levels among the ministers of economy and transport of five *Länder* (Bremen, Hamburg, Lower Saxony, Mecklenburg-Western Pomerania and Schleswig-Holstein). The presidency rotates annually.

In the **United States**, the Advisory Commission on Intergovernmental Relations, an official governmental forum to raise inter-governmental issues, was abolished in 1996. Today, most inter-governmental relations take place through ad hoc and short-lived inter-governmental committees, taskforces and sectoral working groups. The states lobby the federal government via their associations. Among others, the Intergovernmental Policy Advisory Committee provides advice on trade policy matters of importance to state and local governments. The National League of Cities, created in 1924, represents United States cities, towns and villages along with 49 state municipal leagues. With over 2 000 member cities, it plays a role in convening organisations, support networks and representatives in federal affairs. At the state and local levels, some states, such as Connecticut, have created Advisory Commissions on Intergovernmental Relations or a Local Government Advisory Committee, such as in Massachusetts.

Australia has several inter-governmental fora, including the National Cabinet and the Council for the Australian Federation. The National Cabinet was established on 13 March 2020 and meets regularly to collaborate on matters of national significance. The prime minister chairs the National Cabinet, which comprises all state premiers and territory chief ministers. The Council for the Australian Federation was established in October 2006 to support and enhance Australia's federal system by providing an inter-governmental forum for state and territory leaders in Australia. Membership comprises all state and territory first ministers. Other groups include the First Secretaries Group (FSG), a senior officials inter-jurisdictional forum chaired by the Secretary of the Department of the Prime Minister and Cabinet and comprising secretaries and directors-general from state and territory first ministers' departments. The multitude of formal governing bodies for co-operation has been recognised as a potential area for reform, with a focus on reducing the number of fora (Conran, 2020[49]).

Source: OECD/UCLG (2022[2]), *2022 Country Profiles of the World Observatory on Subnational Government Finance and Investment*, https://dev.mediactive-studio.com/maquettes/OCDE/menu.html; Conran, P. (2020[49]), *Review of COAG Councils and Ministerial Forums*, https://www.pmc.gov.au/sites/default/files/resource/download/final-report-review-coag-councils-ministerial-forums.pdf.

Policy recommendation 3: Foster incremental collaboration at the metropolitan level

Despite the presence of many actors in the governance framework of the Brussels-Capital Region, there is no governance arrangement covering the Brussels metropolitan area.

Benefits

Gradually building a metropolitan governance arrangement in the Brussels metropolitan area could benefit the Brussels-Capital Region in a multitude of ways. First, it is well established that metropolitan governance reduces the cost of administrative fragmentation. By promoting co-operation and co-ordination among different jurisdictions (i.e. regions, municipalities, provinces and even the Federal Authority), metropolitan arrangements can streamline administrative processes and minimise policy duplication. In times of natural

disasters or emergencies, metropolitan governance arrangements can help provide a co-ordinated response, thereby improving disaster preparedness, response and recovery efforts by breaking down jurisdictional silos and ensuring a unified approach.

Efficient service delivery is another critical advantage of metropolitan governance. Co-ordination of services such as transportation, housing and utilities across jurisdictions results in reduced redundancies and more optimal resource allocation. Particularly in the field of transport, effective transportation and infrastructure planning are essential in metropolitan areas to alleviate congestion, reduce pollution and improve mobility. Metropolitan governance allows for better co-ordination of transportation networks, including roads, public transit and other critical infrastructure, enhancing overall urban mobility.

Furthermore, rational land use planning is vital for managing urban growth and ensuring sustainable development. Metropolitan governance can help align land use policies with broader regional goals, such as affordable housing, environmental conservation and efficient land utilisation. Environmental sustainability is also a key consideration, as it requires a holistic approach to managing the environmental impact of a metropolitan area. Metropolitan governance facilitates the development of regional environmental policies and initiatives, ensuring that environmental challenges are addressed comprehensively.

Metropolitan well-governed and efficiently managed areas are often more attractive to investors and businesses, leading to increased economic opportunities for residents and a stronger local economy. Moreover, a unified governance structure promotes clearer lines of political accountability, allowing citizens to understand which level of government is responsible for particular issues and hold them accountable for their actions.

Finally, metropolitan governance encourages co-operation and collaboration among subnational governments, enabling them to pool resources, share expertise and jointly make decisions on issues of mutual concern. It also helps reduce fragmentation in metropolitan areas with numerous small municipalities, promoting a more cohesive and co-ordinated approach to regional challenges.

Pitfalls to avoid

While fostering incremental collaboration at the metropolitan level in the Brussels-Capital Region can yield numerous benefits, some potential pitfalls should be avoided to ensure the success of these initiatives. First, if parties involved in a metropolitan governance arrangement fail to understand and acknowledge the advantages of metropolitan collaboration, it may result in reluctance and resistance, hindering the progress of co-operative efforts. This would require policy makers to raise awareness about the benefits of metropolitan governance arrangements, providing evidence-based arguments.

Furthermore, metropolitan governance arrangements risk reaching a deadlock unless co-operation is voluntary. Parties to the metropolitan governance body should act as a "coalition of the willing", with each actor retaining a right to opt out of a particular project. In turn, this carries the risk of free-riding, where some parties may benefit from co-operation without contributing to its costs. To prevent this, contractual arrangements and financial transfers should be used to incentivise inter-governmental collaboration.

Another pitfall to avoid is that of rushing into formalised structures, building a metropolitan governance body from scratch without considering earlier collaboration experiences and the challenges faced in the past. Enshrining a new institution in law without real implementation capacity can lead to inefficiencies and ineffectiveness. Related to this, insufficient funding and human resources can also hinder the implementation of metropolitan governance arrangements.

Lastly, the lack of democratic legitimacy and trust can undermine metropolitan governance. Ensuring that governance structures are transparent, accountable and inclusive is essential for building trust among stakeholders and residents. This can be achieved through open and participatory decision-making processes or by ensuring that metropolitan representatives are either directly or indirectly elected.

How could metropolitan governance arrangements be incrementally fostered?

Various types of co-operation arrangements are possible, ranging from soft co-ordination, such as dialogue platforms, to inter-municipal, supra-municipal or metropolitan bodies. Based on experiences in OECD metropolitan areas, four broad categories of metropolitan governance bodies can be identified, ranging from the least institutionalised to the most stringent: informal/soft co-ordination, inter-municipal authorities, supra-municipal authorities and a special status for "metropolitan cities" (Figure 3.4).

Figure 3.4. A typology of metropolitan governance arrangements in OECD metropolitan areas
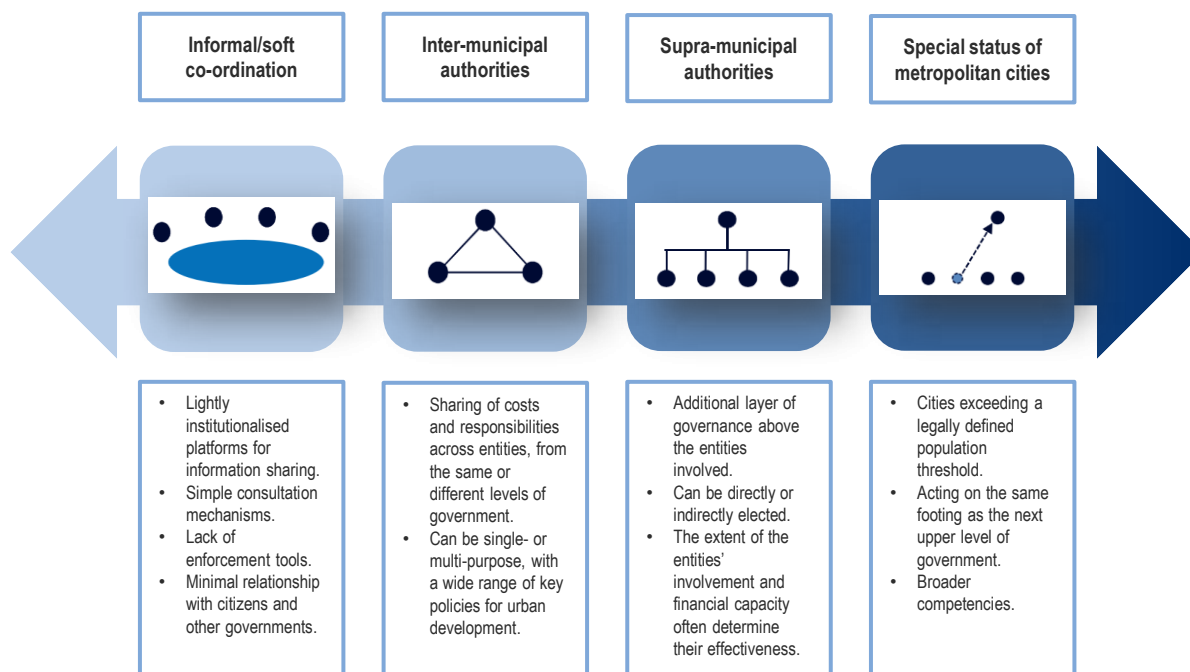
Source: OECD (2015[50]), *Governing the City*, https://doi.org/10.1787/9789264226500-en.
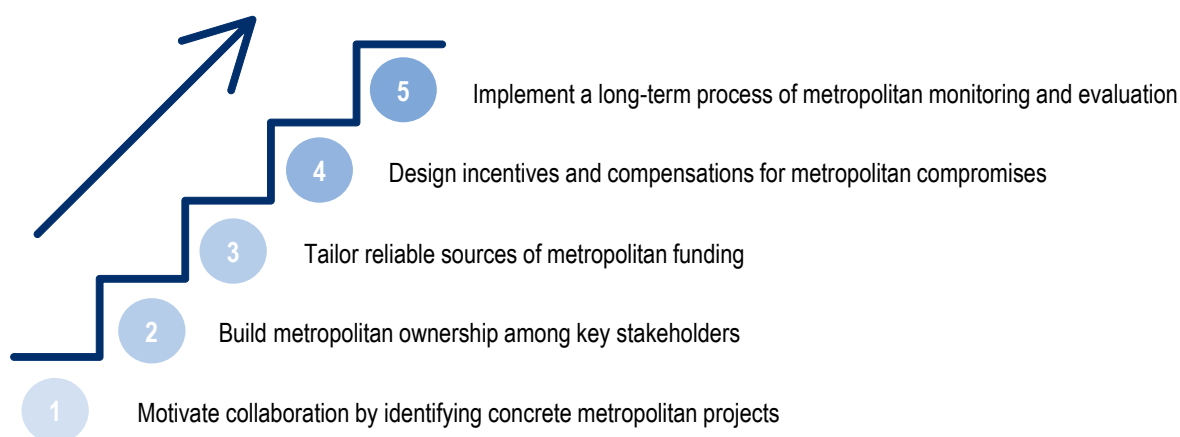
Metropolitan governance takes various forms, each with its own set of advantages and challenges. Often shaped as platforms or associations, soft co-ordination mechanisms provide spaces for stakeholder consultation and information exchange on specific projects, offering flexibility to engage relevant interlocutors. However, their effectiveness relies on member goodwill, which lacks enforcement mechanisms. Inter-municipal authorities offer a more structured approach, promoting consultation, cost-sharing and efficient project execution. Supra-municipal authorities, an intermediate layer of governance, possess regulatory or legislative powers with direct representation and varying decision-making structures. They often rely on funding mechanisms that involve contributions from their members and serve as hubs for co-operation and information exchange. Lastly, the special status of metropolitan cities grants greater administrative autonomy, enabling them to address unique challenges and lead in co-ordinating with other municipalities. These cities engage in strategic planning to align their goals with the broader objectives of the metropolitan region. Examples such as Daejeon in Korea and Türkiye's 30 metropolitan municipalities demonstrate the effectiveness of this approach, especially in areas like transport and urban planning, as shown throughout Chapter 2.

In the case of the Brussels-Capital Region, instead of immediately pursuing the establishment of a formal Metropolitan Community, which has faced implementation challenges, **a step-by-step strategy could prove to be more fruitful**, initially encouraging collaboration and co-ordination at a less formal level. This would allow stakeholders to build trust, gain confidence and witness the benefits of working together. This

incremental approach serves as a foundation for moving towards a more formal supra-municipal authority in the future. In the meantime, this bottom-up approach would ensure that **participants who are willing to collaborate on specific projects can do so freely and as smoothly as possible**. Informal agreements could be combined or transformed into a more formal co-operation agreement, similar to those concluded under Article 92bis of the Special Law on Institutional Reforms. This approach would establish a more structured framework in which parties commit to concrete actions within specific policy domains. In the end, collaboration among the different regions and municipalities could culminate in the formal establishment of the Metropolitan Community or similar.

To be more precise, metropolitan governance arrangements can be promoted in the Brussels-Capital Region following the OECD's five steps for effective metropolitan reforms (OECD, 2015[23]). A detailed analysis of these five steps is provided below (Figure 3.5).

Figure 3.5. The five steps for effective metropolitan governance reform in the Brussels metropolitan area

5 Implement a long-term process of metropolitan monitoring and evaluation

4 Design incentives and compensations for metropolitan compromises

3 Tailor reliable sources of metropolitan funding

2 Build metropolitan ownership among key stakeholders

1 Motivate collaboration by identifying concrete metropolitan projects

Source: Adapted from OECD (2015[50]), *Governing the City*, https://doi.org/10.1787/9789264226500-en.

1. Motivate collaboration by identifying concrete metropolitan projects

OECD experience shows that gathering interest in co-operating at the metropolitan scale can be facilitated when there is a clear electoral mandate for change, approaching elections or alignment among different levels of government. For instance, in Milan (Italy), the 2011 municipal elections brought a new political majority to the core city, which was based on the same coalition as the provincial one, an alignment which helped establish metropolitan cities. In the Brussels-Capital Region, political alignment is significantly difficult due to the numerous institutions, different linguistic groups as well as the asynchronous political cycles that change the potential symmetry of government executives at the regional and local levels. The 2024 elections, both at the regional and local levels, thus provide parties with an opportunity to insert the metropolitan angle in their proposed concrete projects, thereby building momentum for co-operation among different stakeholders.

As a first step, all actors involved in the metropolitan area should seek to identify concrete metropolitan projects where they can collaborate effectively together. These need not be large-scale projects but would serve as a first instance where parties work together and build trust. Those expressing interest should first identify framework conditions outlining the responsibilities of each party involved and present how the project will be financed. Importantly, those actors who may not be willing to join a particular project should

be free to stay outside said project but should not be able to block the progress of the remaining interested actors.

To motivate potential participants and reduce the sensitivities related to metropolitan collaboration, it is crucial to carry out an *ex ante* impact assessment study on what effects are expected overall from any metropolitan co-operation agreements, most importantly on economic activity and development for all participants. An *ex post* analysis could also be conducted on the benefits and lessons learnt from existing or past co-operation agreements at the metropolitan scale. Promoting evidence-based dialogues would raise awareness about the collective gains of metropolitan collaboration and could increase trust among participants.

Fault tolerance and a realistic timeframe are essential prerequisites for the successful establishment of metropolitan collaboration. In fact, it is imperative for policy makers to embrace a certain degree of tolerance for potential setbacks, particularly during the early phases of collaboration when participants might be new to this form of co-operation. Furthermore, policy makers should exercise patience and refrain from prematurely suspending a joint project before allowing ample time for its effective implementation to yield the desired benefits.

After several collaborative initiatives around tangible projects, a broader vision at the metropolitan scale will gradually emerge. Collaborating on projects, including less successful ones, can foster trust and generate momentum. Later, major infrastructure projects, such as cross-border initiatives or flagship events like the Olympic Games, can contribute to sparking metropolitan dynamics and integration.

Over time, it becomes crucial for metropolitan projects to sustain the dynamics they generate. For example, the strategic planning process in Barcelona, Spain, initiated during Olympic preparations, gradually expanded to the metropolitan scale and led to the creation of a new metropolitan authority. Cultural projects also have the potential to drive metropolitan debate and action (OECD, 2015[50]). The European Capital of Culture designations, for which the Brussels-Capital Region has presented its candidacy for 2030, fostered co-operation among municipalities and civil society in Lille and Marseille (France), extending beyond cultural objectives. Exploiting the Brussels-Capital Region's benefits from hosting the European Union's capital could foster a sense of urgency in establishing metropolitan co-operation.

2. Build metropolitan ownership among key stakeholders

Metropolitan governance reforms require a strong advocate to serve as the driving force behind the process. The presence of a relevant personality or institution can play a crucial role in leading the change and maintaining the momentum for reform. Examples such as Barcelona (Spain), London (United Kingdom) and Lyon (France) demonstrate how the strong political will of mayors was instrumental in achieving successful reform.

The drive for reform can originate from various constituencies within the same country. For instance, in France, different actors have primarily influenced the recent governance reforms in the three largest metropolitan areas. The central government in Paris, local governments in Lyon (municipalities and *département*), the private sector and civil society all played significant roles in initiating and implementing these reforms (OECD, 2015[50]). Additionally, universities can also contribute to building and implementing metropolitan governance reforms by providing expertise, research and fostering collaboration between academia and policy makers.

Stakeholders can be widely diverse and usually comprise federal or central governments, intermediate levels of government and the private sector, civil society and universities. In federal countries, the national government may initiate metropolitan approaches and delegate implementation to state governments. In the Brussels-Capital Region, the Federal Authority holds jurisdiction over various areas that extend beyond the territorial boundaries of the Brussels-Capital Region, such as aviation or road safety. Therefore, it is imperative for the Federal Authority to actively engage in discussions and actively promote the metropolisation of its relevant competencies.

Intermediate levels of government are crucial for any metropolitan project to succeed; yet, they are often reluctant to relinquish power to a new metropolitan authority that could become a rival centre of influence, especially if it is imposed top-down by the central or federal government. This may have been the case for the Metropolitan Community inasmuch as the lack of clarity regarding its competencies may have been perceived as a threat to the rest of the institutions, most importantly at the regional and local levels. International experiences show the political sensitivity of this initial stage. In France, buy-in from intermediate levels of government was secured by reinforcing regional competencies and promoting contracts as instruments where the central government and regions included a metropolitan component to facilitate strategic co-ordination. In the Brussels-Capital Region, a metropolitan governance body could be created as a collaborative institution whose goals include the co-ordination and co-operation among various institutions at different levels of government.

Lastly, the engagement of citizens, universities and the private sector can contribute to raising awareness at a metropolitan scale. A lack of support from the private sector can pose challenges to metropolitan projects. For instance, the relocation of the pharmaceutical company AstraZeneca from the Swedish region of Skåne had a detrimental effect on the potential of the cross-border Öresund region (OECD, 2015[50]). Furthermore, engaging citizens at the early stages of decision-making processes and establishing consultation mechanisms can enhance trust in metropolitan authorities, and universities can contribute to strengthening collaborative dynamics within the metropolitan context. An example is the merger of universities in Aix-en-Provence and Marseille, which established Aix-Marseille University, the largest university in France. In the Brussels metropolitan area, there have been instances where business organisations have worked together at the metropolitan scale, as mentioned earlier. Citizen engagement is currently gaining track at the regional and especially at the local level, but this could be emulated at the metropolitan scale. Engaging with these stakeholders would clearly illustrate that, irrespective of territorial borders, many challenges are shared among the 138 municipalities conforming to the functional urban area. It would gradually build trust and foster a culture of collaboration at the metropolitan level.

3. Tailor reliable sources of metropolitan financing

The need for metropolitan reforms may also arise from financial challenges faced by municipalities and, in the Brussels-Capital Region's case, the region. Metropolitan areas typically experience significant disparities in terms of revenue generation, expenditure requirements and investment capacity.

In the early stages of metropolitan co-operation, characterised by informal collaboration on selected projects, metropolitan financing is essential to ensure the completion and the fulfilment of all objectives set forth by parties involved in the project. As stated earlier, initial collaborations should be prioritised inasmuch as they pave the way towards wider and more structured co-operation projects, ultimately calling for the establishment of a more structured governance arrangement.

Once a metropolitan body is in place, it is crucial to consider how the new governance structure can address the financial needs of the metropolitan region and ensure that no under- or unfunded mandates arise, that is, that the responsibilities of the new structure align with the available financial resources.

Addressing intra-metropolitan inequalities and financing metropolitan infrastructure is a complex and controversial issue. The provision of public services often extends beyond municipal boundaries, leading to debates on how to share costs fairly within a metropolitan area. To address these challenges, intra-metropolitan equalisation schemes can be implemented to compensate for inequalities in tax bases and negative externalities caused by urban sprawl, although these schemes may create perverse incentives for economic development, as wealthier municipalities receive fewer grants. These are often implemented in megalopolises governed by a single metropolitan government (e.g. Seoul in Korea, Tokyo in Japan). A performance-based system of grants may be well-suited to counter these incentives.

In addition to equalisation schemes, metropolitan finance reforms need to consider alternative ways to finance growing infrastructure needs and address new urban challenges. Property tax is a critical revenue source for metropolitan areas but relying solely on it limits the scope of services that can be provided. Metropolitan areas can also diversify their tax portfolio by considering income, sales and business taxes. User fees can be an appropriate source of revenue for financing infrastructure operations and maintenance while also encouraging resource conservation. Congestion charges and parking fees can help reduce road congestion, generate additional resources for public transport and discourage car use. Financing metropolitan infrastructure can also be facilitated through land-based revenue sources such as development charges and betterment levies, which require new residents and private sector beneficiaries to contribute to the costs of infrastructure. Public-private partnerships (PPPs) are utilised to build metropolitan infrastructure, especially when public resources are limited, but a robust legal framework must be in place for them to be effective in attracting private finance as well as transparent. PPPs are also being employed to fund green infrastructure projects, leveraging private sector participation and creating new markets for green products. Lastly, metropolitan governance reforms can improve municipalities' access to borrowing for infrastructure financing. Borrowing allows metropolitan areas to fund large capital expenditures but it also presents challenges such as moral hazard and constraints on fiscal flexibility.

A metropolitan governance body in Brussels should thus ensure that the appropriate sources of funding are available and stable, as well as the capacity to obtain and manage them to fulfil its allocated responsibilities. Apart from federal and regional transfers, as well as pooling some resources from municipalities, the metropolitan governance body could benefit from increased size and better access EU funds. To achieve this, it is essential to garner support from the federal and regional levels of government, emphasising the significance of the metropolitan scale for Brussels' economic development. Anchoring the metropolitan notion into all relevant legislation would reinforce the importance of metropolitan governance and facilitate the allocation of resources accordingly. Moreover, the metropolitan entity should actively pursue cross-border co-operation with other metropolitan areas, aligning with the strong focus of the European Union's Cohesion Policy (ESPON, 2021[51]).

4. Design incentives and compensations for metropolitan compromises

To successfully implement metropolitan reforms, it is crucial to effectively communicate the long-term benefits of the reforms and the potential costs of maintaining the status quo. Stakeholders must be made aware of how the current situation could impact their interests in both the short and long terms. Therefore, a clear strategy is needed to identify and manage the expectations of different groups involved.

Experience from the OECD suggests that co-operation among municipalities is most successful when it is voluntary and supported by incentives from the top. It is important to engage those who may feel threatened by the reform and find ways to gain their support or compensate them for anticipated losses. Examples of such incentives include the City Deals in the United Kingdom, where cities are granted new powers in exchange for strengthening collaborative governance, and the case of Helsinki, Finland, where the level of powers given to the Metropolitan Council is tied to municipal mergers according to the government's consolidation plan. In Lyon, France, the core city accepted a reduction in its seats in the "urban community" as compensation for other municipalities joining (OECD, 2015[50]).

To facilitate the creation of a metropolitan community in the Brussels-Capital Region, it is essential to first identify the factors that deter participation from the different institutions and stakeholders involved at the metropolitan level. After the interests of each party involved are outlined, the metropolitan governance arrangement should initially be devised as a "coalition of the willing", where actors within the body can opt out of projects if they so wish but cannot block those who wish to pursue the said project. For instance, this is the case of the Hamburg Metropolitan Region in Germany, in which Lower Saxony decided not to join a project regarding the creation of an innovation centre for automotive driving (Box 3.9). These mechanisms allow to be as inclusive as possible without the risk of reaching a deadlock.

Box 3.9. The Hamburg Metropolitan Region

The Hamburg Metropolitan Region (HMR) is one of 11 metropolitan regions in Germany, comprising the city of Hamburg and parts of 3 surrounding federal states. Co-operation within the HMR began in the 1950s with joint regional planning between Hamburg, Lower Saxony and Schleswig-Holstein, including the establishment of bilateral promotional funds for funding regional projects. After decades of collaboration, the HMR was recognised as a metropolitan region by the Council of Europe Standing Conference of Ministers responsible for Spatial Planning in 1995. A more structured and formal body, the joint Planning Hamburg Metropolitan Region, was established in 1997, with political and executive bodies such as the Regional Council, Steering Committee and thematic working groups. Over the years, the region expanded and operational programmes and administrative agreements for co-operation were established. Initially decentralised, the secretariat of the HMR was centralised in Hamburg from 2009 onwards.

Similar to the Brussels metropolitan area, the HMR has a relatively fragmented administrative structure compared to other metropolitan regions in Germany. It encompasses four federal states: Hamburg (a city-state entirely within the HMR), Lower Saxony (26% of the HMR), Mecklenburg-Western Pomerania (30% of the HMR) and Schleswig-Holstein (51% of the HMR). Additionally, the HMR consists of 20 districts. The relatively fragmented administrative structure of the HMR necessitates increased co-ordination and co-operation among its stakeholders due to variations in administrative processes implemented at the regional and local levels across different federal states.

Significantly, the projects undertaken by the HMR do not require unanimous approval from all four federal states. According to an informal rule, any member of the HMR has the option to abstain from participating in a particular project but cannot obstruct or veto projects that others are interested in pursuing. This approach effectively prevents deadlocks and promotes a co-operative spirit among those willing to collaborate, ensuring the organisation's continuous progress.

The HMR is one of the seven German metropolitan regions that have a legal mandate given to them through a state treaty, but it does not have any legal form, such as registered associations, limited companies or corporations under public law. The HMR has a central governing body composed of stakeholder representatives, determined by a general assembly. Staff numbers have increased over the years, reaching ten full-time and ten part-time employees in 2023. Regarding its budget, around EUR 0.4 million is at its disposal for material resources per year, together with EUR 3.6 million from development funds, which are often used to co-finance large infrastructure projects (e.g. Park and Ride stations), the construction of streets and tourist infrastructure. These funds can also be used to cover the co-financing contributions of certain municipalities, signalling to other funding bodies that individual projects at the municipal level coherently fit into a wider regional and metropolitan strategy.

Since 2006, the HMR has undergone several geographical expansions and increased stakeholder involvement (e.g. the federal state of Mecklenburg-Western Pomerania joined in 2012 or the capital city of Schwerin in 2017, as well as various stakeholders such as Chambers of Commerce and Industry, Chambers of Crafts, the United Business Association, the German Trade Union Confederation, etc.). All stakeholders are then involved in adopting the HMR's strategic frameworks covering four-year periods, which provide a strategic direction for the region's development and co-operation efforts.

Joint strategy planning is in place in most metropolitan regions in Germany across various policy domains. The Rhine-Neckar Metropolitan Region has strategies in all 15 key domains, followed by the Rhine-Ruhr Metropolitan Region (12 domains) and the Stuttgart Metropolitan Region (11 domains). Following the OECD Territorial Review of the HMR (2019[17]), the HMR has now adopted a joint innovation strategy, a joint international marketing strategy, a joint tourism strategy and a joint strategy

for skilled workers. Plans for jointly monitoring the housing market have been completed and are expected to be adopted in November 2023. Other strategies, such as the settlement structure strategy, will be adopted in 2024. In addition, the HMR is preparing a project to establish an innovation agency and its own innovation centre for autonomous driving, as well as a project to establish a network of innovation parks.

Source: OECD (2019[17]), *OECD Territorial Reviews: Hamburg Metropolitan Region, Germany*, https://doi.org/10.1787/29afa27f-en.

5. Implement a long-term process of metropolitan monitoring and evaluation

Independent expertise and research capacity are crucial for demonstrating the necessity for change, presenting viable solutions and establishing and maintaining credibility in advocating for reforms. In Australia, an independent panel of experts conducted a comprehensive review of local government reform, leading to a proposal for new boundaries in Perth, with extensive public consultation. Similarly, in Turin, the Metropolitan Conference and the Metropolitan Table facilitated metropolitan-level dialogue supported by independent expertise from the Piemonte Institute of Economic and Social Research. Involving independent experts to analyse options and engage stakeholders is thus essential.

Additionally, implementing robust monitoring and evaluation mechanisms is vital for continuous improvement. For instance, Toronto, Canada, regularly gathers input from citizens and stakeholders on metropolitan issues to drive collective action. Flexibility in timing, sequencing and pace of reforms is also key. Sweden's incremental experimentation through pilot experiences in metropolitan areas allowed for testing, evaluation and adjustments before extending reforms to other regions (OECD, 2015[50]). This approach ensures steady progress and the ability to adapt as needed.

In the Brussels-Capital Region, the establishment of a metropolitan governance arrangement has been a long-standing process spanning several decades. Adopting an incremental approach that allows for experimentation and gradual progress is crucial. First, all co-operation agreements with a metropolitan component should be closely monitored and evaluated to perfect any future collaborative undertakings. Once the trust is built and parties feel the need to better structure their metropolitan activities, a pilot metropolitan community could be envisaged within a defined timeframe, enabling thorough monitoring and evaluation at the conclusion of this period. Such an initiative would serve two important purposes: first, it would provide an opportunity to introduce a more formal metropolitan governance structure, even if temporary, and check how it works and how it could be improved. Second, it would create a "legal safety net" for institutions that may have reservations about implementing a metropolitan community, as it would allow for modifications to the institutional framework once the predetermined time limit is reached.

In any case, the scarcity of co-operation in the Brussels metropolitan area does not allow for it to exploit its own economic development potential. Any metropolitan governance arrangement, from more informal to more structured ones, should make sure to take into consideration the steps provided in this section and avoid pitfalls related to institutional co-ordination, the human and financial capacity of metropolitan governance arrangements, as well as democratic legitimacy and trust.

Annex 3.A. Distribution of responsibilities among levels of government in the Brussels-Capital Region

Annex Table 3.A.1. Distribution of responsibilities among levels of government in the Brussels-Capital Region

Main responsibility sectors and sub-sectors	National	Brussels-Capital Region	Community Commissions			Municipalities	PCSW	Other
			French	Flemish	Joint			
1. General public services (administration)								
Administrative services (marriage, birth, etc.)	✓					✓		
Public buildings and facilities (townhouses, etc.)		✓	✓			✓		
Administration and operation of general services (not assigned to specific functions)	✓	✓	✓	✓		✓	✓	✓
Basic research activities (not assigned to specific areas)								✓
2. Public order, safety and defence								
Police	✓	✓[1]				✓		
Firefighting		✓						
Civil protection and emergency services	✓	✓						
Road traffic control/Traffic signs and lights	✓	✓				✓		
Defence (military and civil)	✓							
3. Economic affairs/transport								
Road networks and facilities (highways, national, regional, local)	✓	✓				✓		
Parking		✓				✓		
Railway networks and facilities (national, regional, local)	✓							
Airports (international, national, local)	✓							
Ports (sea and fishing, inland waterways)		✓						
Public transport (road)	✓	✓						
Public transport (railways, tramway)	✓	✓						

Main responsibility sectors and sub-sectors	National	Brussels-Capital Region	Community Commissions			Municipalities	PCSW	Other
			French	Flemish	Joint			
Special transport services (e.g. pupil and student transport)			✓	✓[2]		✓[3]		✓
Employment policies/services	✓	✓				✓	✓	✓
Support to local enterprises and entrepreneurship		✓				✓		
Agriculture, rural development, irrigation		✓						
Telecommunications/Information technology	✓	✓						
Manufacturing and construction	✓	✓						
Mining	✓							
Tourism		✓	✓[4]	✓[5]		✓		
Commerce	✓	✓				✓		
Energy (electricity, gas, etc.)		✓[6]				✓[7]		
4. Environment protection								
Parks and green areas		✓				✓		
Nature preservation		✓						
Noise and vibration abatement		✓						
Air pollution		✓						
Soil and groundwater protection		✓						
Climate protection	✓	✓						
Waste management (collection, treatment and disposal of waste)	(Nuclear)	✓				✓[8]		
Sewerage (wastewater management)		✓						
Street cleaning		✓				✓[9]		
5. Housing and community amenities								
Drinking water distribution		✓				✓		
Public lighting	✓	✓				✓		
Urban heating		✓				✓		
Housing (subsidies)		✓						
Housing (construction/renovation)		✓				✓		
Housing (management)		✓						
Urban and land use planning		✓				✓		
Urbanism		✓				✓		

Main responsibility sectors and sub-sectors	National	Brussels-Capital Region	Community Commissions			Municipalities	PCSW	Other
			French	Flemish	Joint			
6. Health								
Pharmaceutical and medical products	✓							
General and specialised medical services and paramedical services (dental care, etc.)	✓							
Primary healthcare (medical centres)	✓		✓	✓	✓			
Hospital services (general and specialist)	✓		✓	✓	✓10	✓11		
Preventative healthcare	✓		✓	✓	✓			✓
Public health services	✓		✓	✓	✓12			
7. Culture, recreation and religion								
Sports and recreation	✓	✓13	✓	✓		✓		✓
Libraries	✓		✓	✓		✓14		
Museums	✓	✓15	✓	✓		✓16		
Cultural activities (theatres, exhibition halls, zoos, botanical gardens, etc.)	✓	✓	✓	✓		✓		✓
Cultural heritage/monuments	✓	✓	✓	✓17				✓
Media/Broadcasting and publishing services	✓		✓	✓18				
Religious affairs		✓			✓19			
8. Education								
Pre-primary education			✓	✓		✓		✓
Primary education			✓	✓		✓		✓
Secondary education			✓	✓		✓		✓
Higher education (universities, other tertiary education institutions)			✓	✓		✓20		✓
Vocational education/training			✓	✓		✓		✓
Special education			✓	✓		✓21		
Research and development	✓22	✓	✓23		✓24			
9. Social welfare								
Social care for children and youth			✓	✓	✓		✓	
Support services for families			✓	✓	✓		✓	✓
Elderly			✓	✓	✓		✓25	
Disabled people	✓		✓	✓	✓		✓	✓

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Main responsibility sectors and sub-sectors	National	Brussels-Capital Region	Community Commissions			Municipalities	PCSW	Other
			French	Flemish	Joint			
Social exclusion/poverty (benefits and policies)	✓		✓ [26]	✓ [27]	✓		✓	
Immigrants	✓							
Integration of foreigners			✓	✓	✓	✓		
Social welfare centres	✓				✓		✓	
Housing subsidies/benefits		✓				✓		
Unemployment subsidies/benefits	✓							

1. The Brussels-Capital Region has no police competencies *stricto sensu* as there is no regional police force as such. However, the Brussels-Capital Region does have co-ordinating responsibilities in terms of prevention and security policies following the sixth state reform (safe.brussels, 2023[52]).

2. The Flemish Community Commission organises special transport, including for people with impaired mobility (Flemish Community Commission, 2023[53]).

3. Some municipalities organise school transport.

4. Despite tourism competencies having been regionalised (albeit not entirely) as part of the sixth state reform, the French and Flemish Community Commissions retain an "auxiliary" competency for the financing of tourist infrastructures in the Brussels-Capital Region (van Haute et al., 2018[31]).

5. The Flemish Community Commission also supports "cultural tourism" (Flemish Community Commission, 2023[54]).

6. Brugel is the regulatory authority for electricity, gas and water pricing (brugel.brussels, 2021[55]; van Haute et al., 2018[31]).

7. Sibelga is an inter-municipal company that manages the electricity and gas distribution networks in the Brussels-Capital Region (Sibelga, 2023[56]).

8. Although the responsibility for waste management lies at the regional level both for establishing the legal framework and for implementing policies, some municipalities have their own waste collection centres (*recyparks*) or organise cumbersome waste collection (Woluwe-Saint-Pierre, 2023[57]; Brussels-Capital Region, 2023[58]).

9. Municipalities are responsible for the cleanliness of municipal roads (City of Brussels, 2023[59]).

10. Namely through the Iris network (Iris Hôpitaux, 2023[60]).

11. Several municipalities contribute to the financing of the Iris network (including Anderlecht, City of Brussels, Etterbeek, Ixelles and Saint-Gilles).

12. Source: (Joint Community Commission, 2023[61]).

13. Since the sixth state reform, the Brussels-Capital Region has become responsible for some municipal sports infrastructures and has provided grants and subsidies in this area (clerfayt.brussels, 2021[62]; van Haute et al., 2018[31]).

14. Some municipalities, such as the City of Brussels, have municipal libraries (biblio.brussels, 2023[63]).

15. Since the sixth state reform and only with regard to "bicultural affairs of regional interest" (van Haute et al., 2018[31]).

16. Several municipalities, such as Ixelles, have their own municipal museums (Ixelles-Elsene, 2023[64]).

17. The Flemish Community Commission provides some subsidies and services related to cultural heritage and monuments (Flemish Community Commission, 2023[65]).

18. The Flemish Community Commission is responsible for media productions by the Dutch-speaking media within the Brussels-Capital Region (Flemish Community Commission, 2023[66]).

19. Municipalities are represented on certain management bodies of religious institutions whose deficit they cover (be.Brussels, 2023[67]).

20. In some specific cases, higher education is also organised by municipalities, such as the City of Brussels (City of Brussels, 2023[68]).

21. Several municipalities, such as the City of Brussels also organise special education (City of Brussels, 2023[69]).

22. Belspo, the federal public service for science policy, is based within the Brussels-Capital Region (Belspo, 2023[70]).

23. The French Community Commission has an auxiliary responsibility regarding scientific research (French Community Commission, 2020[7]).

24. The Joint Community Commission also has an auxiliary responsibility regarding scientific research (Joint Community Commission, 2023[61]).

25. Some rest homes are managed by certain PCSWs (City of Brussels, 2023[71]).

26. The French Community Commission is also responsible for several social welfare matters such as elderly care, youth, social cohesion and those linked to disabled people (French Community Commission, 2020[7]).

27. The Flemish Community Commission also exercises its powers in diverse social welfare matters (Flemish Community Commission, 2023[72]).

Source (overall): OECD (2023[73]), "OECD questionnaire to the Brussels-Capital Region", OECD, Paris.

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Notes

[1] The Brussels-Capital Region was created by a Special Law of 12 January 1989.

[2] The concept of "person-related matters" was first created in Flanders to refer to matters that were intended to be transferred to the communities because it was felt that they were closely related to people's lives and should be dealt with by each community in its own language (Crisp, 2023[75]).

[3] The OECD defines decentralisation as the transfer of powers and responsibilities from the central government level to elected authorities at the subnational level (regional governments, municipalities, etc.),

having some degree of autonomy (OECD, 2019[27]). In the Belgian case, decentralisation is to be understood as a process that can affect the regional, community, provincial as well as local levels of government.

[4] Despite Article 35 of the constitution providing that regions and communities have the residual competencies, this is true as it has never come into effect.

[5] In general, municipal competencies can be divided into compulsory and optional depending on whether or not these are prescribed in the constitution (Nassaux, 2018[76]). Compulsory competencies include the organisation and co-financing of the PCSW, the organisation of primary education, the maintenance of civil status registers, public order (cleanliness, sanitation, safety, tranquillity), planning, the issuance of building licenses, management of pavements, administrative supervision of church committees and the coverage of their deficits, the establishment of electoral lists and the management and maintenance of municipal roads. On the other hand, optional competencies comprise childcare, education beyond primary level, housing, tourism, promotion of economic activity, territorial development, healthcare, sports, social and cultural activities, etc. (Bruxelles Pouvoirs Locaux, 2023[74]).

[6] Article 92bis of the Special Law of 8 August 1980 on Institutional Reforms.
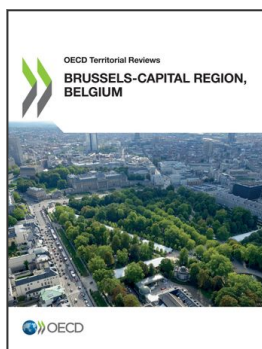
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