

STUDY



EUROPEAN PARLIAMENT  
Directorate-General for Internal Policies of the Union

Policy Department  
Structural and Cohesion Policies

THE POSSIBILITIES FOR SUCCESS  
OF THE SUSTAINABLE COMMUNITIES APPROACH  
AND ITS IMPLEMENTATION

Volume II: Annexes

REGIONAL DEVELOPMENT

March 2007

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The synergy between EU cohesion policy and European Investment Bank activities – Volume II: Annexes





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**VOLUME 2: ANNEXES**

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**Content:**

The context for this study is the Bristol Accord that was agreed at the European Ministerial Informal (EU) meeting in Bristol, United Kingdom, on 6<sup>th</sup>-7<sup>th</sup> December 2005.

The report reviews progress across Europe, identifies a selection of case studies and suggests further work is required to elaborate the European dimension of the Sustainable Communities Agenda.

This agenda is being considered in the European Parliament, by the EU German Presidency at the Leipzig Summit in 2007 and in the European Commission, who are finalising the 2007-2013 Structural Funds programme. A better focus is required for a more coherent European programme of action if the Sustainable Communities approach is to have better chance of success across Europe's towns and cities.

**IP/B/REGI/IC/2006-152**



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### **NOTICE TO READER**

Information in the national overviews was obtained primarily from publicly available sources (e.g. Internet and literature sources) and, where possible, was supplemented through interviews with government officials. Whilst the authors recognise that the European policy environment around Sustainable Communities is dynamic and in flux, every effort was made to ensure that the information was up-to-date as of January 2007. Every effort was made to ensure that official National Sustainable Communities contacts, or equivalent, had the opportunity to contact and feedback on the research, but such contacts were not in place in all Member States.

The national overviews are made publicly available to add to the National Sustainable Development Strategies and Sustainable Communities knowledge base. The views expressed in this document do not necessarily represent the views of the European Parliament.

We would like to acknowledge the contributions made by ESPON Project 2.3.2 in the compilation of the National overviews in Annex 1.

Texts and maps stemming from research projects under the ESPON programme presented in this report do not necessarily reflect the opinion of the ESPON Monitoring Committee.

## **Annex 1. National overviews**

### **1.1. National overview survey template**

This template details the questions considered for the construction of the national overviews.

#### **Key challenges**

- What are the main spatial problems?
- What are the key challenges for spatial development? Particularly in the area of urban (re)development.
- What are the main economic challenges?
  - demographic challenges?
  - social challenges?
  - environmental challenges?
  - housing challenges?

#### **National Planning Context**

- Is the country federal or unitary?
- Is it centralised, decentralised, regionalised?
- Where do main spatial planning powers lie?
- What are the traditions of planning? Degree of coverage?

#### **Relevant policy initiatives**

- Is there an official government response/position on the Bristol Accord?
- Are there policies that specifically address a Sustainable Communities Agenda?
- Are there specific urban policies? From what level of government? Examples?
- Is there a national sustainable development strategy?
- Are there other policies aimed at sustainable development? At what levels of government? Agenda 21 activity?
- What is the approach to territorial integration of policies (e.g. cross-sectoral approach, policy packages, spatial visions)?
- Is there promotion of multi-disciplinary working within the area of spatial development?
- Is there an overt recognition of the need for more skills development in these areas?
- Is there evidence of horizontal integration of policy-making (i.e. between neighbouring local authorities within a metropolitan area, sub-region, region, etc)?
- Is there strategic planning for metropolitan areas / city regions?
- Is there vertical integration of policy-making (multi-level governance)?
- Is there specific support for sharing of good practice (e.g. national/regional database(s)?

#### **Conclusions**

- To what degree (does it appear) that the Sustainable Communities Agenda is applicable to the country? What are the key challenges in this respect?

## Indicator Tables

**Table A: Lisbon Targets and National Overview indicators table**

<b>The GDP per capita in PPS</b>	Gross domestic product (GDP) in purchasing power standards
<b>Labour productivity per person employed</b>	GDP in purchasing power standards per person employed relative to EU-25 (EU-25=100)
<b>Employment rate</b>	Employed persons aged 15-64 as a share of the total population of the same age group
<b>Employment rate of older workers</b>	Employed persons aged 55 to 64 as a share of the total population of the same age group
<b>Gross domestic expenditure on R &amp; D (GERD)</b>	Gross domestic expenditure on R & D as a percentage of GDP
<b>Youth education attainment level</b>	Percentage of the population aged 20 to 24 having completed at least upper secondary education
<b>Comparative price levels</b>	Comparative price levels of final consumption by private households including indirect taxes (EU-25 = 100)
<b>Business investment</b>	Gross fixed capital formation by the private sector as a percentage of GDP
<b>At-risk-of-poverty rate after social transfers</b>	Share of persons with a disposable income below the risk-of-poverty threshold, which is set at 60% of the national median disposable income
<b>Dispersion of regional employment rates</b>	Coefficient of variation of employment rates across regions (NUTS 2 level) within countries
<b>Long-term unemployment rate</b>	Long term unemployed (12 months or more) as a percentage of the total active population
<b>Total greenhouse gas emissions</b>	Index of greenhouse gas emissions and targets according to Kyoto protocol /EU Council decision for 2008-12 (actual base year = 100)
<b>Energy intensity of the economy</b>	Gross inland consumption of energy divided by GDP (at constant prices, 1995 = 100), measured in kg (kilogram of oil equivalent) per EUR 1000
<b>Volume of freight transport relative to GDP</b>	Index of inland freight transport volume relative to GDP, measured in ton-km/GDP (at constant prices, 1995 = 100)

Source: EC (2006c)

**Table B. Sustainable Communities and National Overview indicators table****Table 5.2. Definitions and Relevance of Recommended National-level Sustainable Communities Indicators**

<b>Headline indicators</b>	<b>Definition</b>	<b>Relevance to characteristics of Sustainable Communities</b>
At-risk-of-poverty after social transfers	The share of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers)	A measure of the inequality of income distribution. High rates indicate greater inequality, which is likely to lead to a greater degree of social exclusion
Number of recorded crimes per 1000 residents	All incidents that are logged by police or other official body that are considered as crimes <sup>1</sup>	A measure of the level of crime
Frequency of participation in cultural/leisure activity	Composite of other indicators indicating rates of attendance at a variety of cultural or leisure activities	Higher rates of attendance are related to greater opportunities for cultural, leisure and other related activities
Voter turnout in national parliamentary elections	The % of the registered electorate who cast a vote at national elections (includes those who cast blank or invalid votes) <sup>2</sup>	A measure of public participation and sense of civic duty
E-government on-line availability	The % of 20 basic services which are fully available online, i.e. for which it is possible to carry out full electronic case handling (based on an agreed sample of URLs of public web sites)	A measure of the setting up of governance systems to enable greater public participation
Modal split of passenger transport	The % share of three modes of transport – passenger cars, buses and coaches, and trains – in total inland transport, expressed in passenger-kilometres	The values for buses and coaches and for trains indicate the relevant importance of public transport and hence success in reducing dependence on cars
Level of internet access - households	The % of households who have internet access at home	A measure of how well connected people are in terms of access to the internet at home
Spending on human resources (education)	Total public expenditure on education as a % of GDP. Refers to both direct funding for current and capital expenses of educational instituting and indirect funding, e.g. loans, subsidies	Higher rates of public expenditure on education is likely to lead to better performing schools and other educational institutions
Lifelong learning	The % of the population aged 25 to 64 who stated in a survey that they received some form of education or training in the preceding 4 weeks	A measure of the take-up of opportunities for lifelong learning
Health care expenditure	Total direct and indirect public expenditure on health care as % of GDP	Higher rates of public expenditure on health care is likely to lead to higher quality health care services
Total greenhouse gas emissions	Emissions of the 6 greenhouse gases covered by the Kyoto Protocol are weighted by their global warming potentials and aggregated to give total emissions in CO <sub>2</sub> equivalents. The total emissions are presented as indices, with the base year (either 1990 or 1995) = 100. Targets refer to those agreed under the EU Burden Sharing Agreement in relation to the Kyoto Protocol	A measure of the success of measures to minimise climate change and of protecting the environment in general. Lower values indicate greater success in reducing greenhouse gas emissions, but values also need to be compared to targets
Share of electricity generated from renewables	The % of gross national electricity consumption that is produced from renewable energy sources (i.e. hydro-electric, wind, solar, geothermal, biomass)	Higher rates of electricity generated from renewables will help to minimise climate change

<sup>(1)</sup> Reliability is considered to be low as there are large variations in the share of crimes that are recorded in different Member States.

<sup>(2)</sup> In some countries, e.g. viz. Belgium, Luxembourg, Greece and Italy, voting is compulsory or a civic obligation.

<b>Table 5.2. (Continued) Definitions and Relevance of Recommended National-level Sustainable Communities Indicators</b>		
Domestic material consumption	Defined as the total amount of material used in an economy, with the base year of 1995 = 100	Lower rates indicate more efficient use of resources (after taking into account rate of GDP growth)
Municipal waste treatment, by type of treatment method	Gives the amount of municipal waste collected by or on behalf of municipal authorities and disposed of through landfill or incinerated, in kilograms per capita	Lower rates of disposal through landfill indicate greater use of more sustainable forms of waste management (and/or greater success in waste minimisation)
Protected Areas for biodiversity	Defined as the % of total land area that is proposed under the Habitats Directive of 1992	A measure of protection of bio-diversity
Growth rate of real GDP per capita	GDP is defined as the value of all goods and services produced less the value of any goods or services used in their creation. The growth rate is calculated from figures at constant prices	A measure of the growth of the economy
Total employment growth	Annual rate of growth of the employed population, consisting of those persons aged 15-64 doing any work for pay or profit for at least 1 hour a week (or temporarily absent)	A measure of the dynamism of job creation
Business demography – birth rate	Defined as the number of real enterprise births as a % of the population of active enterprises in a year. A birth amounts to the creation of a combination of product factors where no other enterprises are involved	A measure of the dynamism of business creation
Dwellings lacking basic amenities	Defined as the proportion of dwellings lacking 1 or more basic amenities, such as piped water, flush toilet, bath/shower, etc	A measure of the quality of housing. Lower rates indicate higher quality
Green space to which public has access	Defined as the vegetated area per person in m <sup>2</sup> within the total urban area to which the public has access	A measure of the amount of user-friendly (accessible) public and green space

*Source: Authors*

## 1.2. Austria



Source: Authors

Headline Indicators	Austria			EU-25		
	2004		2010 National Target	2004		2010 EU Target
GDP per capita (PPS)	123.20			100.00		
Labour productivity per person employed	105.90			100.00		
Employment rate	67.80	<sup>1</sup>		63.30		<b>70.00</b>
Employment rate for older workers	28.80	<sup>1</sup>		41.00		
Gross domestic expenditure on R&D	2.26	<sup>e</sup>	<b>3.00</b>	1.90	<sup>2e</sup>	<b>3.00</b>
Youth education attainment level	86.30	<sup>1</sup>		76.60		
Comparative price levels	103.60	<sup>2</sup>		100.00	<sup>2</sup>	
Business investment	19.90			16.90		
At-risk-of-poverty rate after social transfers	13.00			16.00		
Dispersion of regional employment rates	3.50			12.20		
Long-term unemployment rate	1.30	<sup>1</sup>		4.10		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	117.00	<sup>1</sup>		104.70	<sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## Key Challenges

*Österreichische Raumordnungskonferenz* (ÖROK), the Austrian Conference on Spatial Planning considers the main spatial pressures and problems in the Austrian urban regions are related to increasing suburbanisation and the land requirements of the business sector.

ÖROK lists six priority themes for Austrian spatial development policy:

- Promoting Austria as a central European location for business
- Sustainable use of natural resources
- Balanced regional development and social integration
- Issues related to mobility and traffic
- Urban regions: dynamic development, but there is a need for guidance
- Rural regions: a variety of challenges and development opportunities

The urban system in Austria has been relatively stable in recent decades. There has not been a large inter-urban movement of population, although this may change in the context of the integration of the New Member States of the Czech Republic, Slovakia, Hungary and Slovenia, all of whom border Austria.

In terms of intra-regional population movements, the main trends have been increasing suburbanisation in all the main urban regions, and some degree of rural depopulation and ageing particularly in south-eastern parts of the country, such as Burgenland.

Austria is one of the wealthiest countries in the European Union. In the mid-1990s only Luxembourg had a higher GDP per capita measured in PPS. However, in recent years it has fallen behind and in 2004 its relative GDP per capita stood at 123.2% of the EU-25 level (equivalent to 112.3% of EU-15) which was below Ireland and the Netherlands. Unemployment is well below the European average, in 2004 long-term unemployment stood at 1.3% compared to 4.1% for the EU-25.

As elsewhere in Europe, fertility rates are low – 1.41 in 2005.

## National Planning Context

Austria has a federal system of government, with 10 provinces (*Länder*). As well as devolution to the provinces (as a federal state), there is a considerable degree of decentralisation with the municipalities enjoying a relatively high degree of independence based on the constitutional right to self-governance. This high degree of decentralisation, however, often results in poor policy coordination between the municipalities.

Spatial planning powers exist at all levels, but are mostly at the regional (province) and local levels. The national government is responsible for much sectoral planning. To compensate for a lack of formal coordination at the national level in the field of regional and spatial planning ÖROK was established in 1971. It serves as a platform for cooperation between the federal government (*Bund*) and the state governments (*Länder*), as well as representatives of the local authorities and the social and economic partners. For operational purposes it is set up within the Federal Chancellery. The specific tasks of ÖROK include:

- Publishing the Austrian Spatial Development Concept, first produced in 1981 and usually revised every 10 years. The Spatial Development Concept is non-binding, however, and hence has relatively little influence.
- Providing research on spatial development through analysis and forecasts
- Since 2003, serving as a platform for the territorial authorities for the formulation and implementation of an Austrian policy on spatial data infrastructure
- Acting as the coordinating body between the national and European levels in the context of European regional and spatial development policies
- Acting as the National Contact Point for ESPON and INTERREG IIIB projects

The provinces regulate spatial planning, with each province having its own legislation. As a consequence there is much variation from province to province. The practice of spatial planning, however, is primarily carried out at the level of the municipalities.

ESPON Project 2.3.2 (ESPON 2006e) assessed Austria as a country with a ‘comprehensive integrated approach’ in terms of its spatial planning style.

### **Relevant Policy Initiatives**

Austria does not have specific urban policies at the federal or provincial level. Urban policy is not specified as a field of activity and competence for the federal state within the constitution. Although the state governments have competence in spatial planning, development policy is directed at the weaker peripheral areas.

In relation to the urban system as a whole ÖROK promotes the goal of polycentric development, which would mean all main urban regions would need to be further developed, resulting in higher density and more functionally diverse localities. ÖROK considers that urban regions need to be defined as priority areas for public transport, with planning for housing development harmonised with existing and planned infrastructure. Green areas and open spaces need to be preserved to maintain the quality of life in urban regions, especially in the core cities. To keep core cities attractive, ÖROK promotes an agenda of a mixture of urban renewal instruments (improvement of apartments, buildings, the living environment, infrastructure and conditions for business).

Cooperation exists at the sub-regional level in the form of regional management bodies, which are new bodies that exist between the levels of the states and the municipalities that have been established to strengthen strategic thinking and cooperation across administrative borders. The driver has been the EU Structural Funds Programme and integrated programmes. Other regional agencies are involved, including social partners.

There is no ready evidence of participation on the part of civil society within the process of spatial planning at the national level, other than in ÖROK. There is an element of citizen participation, however, within the EIA (Environmental Impact Assessment) process at the individual project level and in the process of establishing local-level land use plans.

Austria is not a member of the European Urban Knowledge Network (EUKN)<sup>(3)</sup>.

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<sup>(3)</sup> The European Urban Knowledge Network (EUKN) shares knowledge and experience on tackling urban issues. Fifteen EU Member States, EUROCITIES, the URBACT Programme and the European Commission participate

### Sustainable Communities in Austria: 2007

There has been no official government response to the Bristol Accord. However, this is perhaps not surprising as urban policy and spatial planning is not dealt with at the federal level. The delegation for the Bristol EU Informal was headed by the Secretary of State for Transport, Innovation and Technology, and the team was made up of delegates from different bodies including lower levels of government.

Austria published *A Sustainable Future for Austria: The Austrian Strategy for Sustainable Development* in 2002 <sup>(4)</sup>. There was stakeholder involvement in its development, e.g. the Forum for a Sustainable Austria (OECD 2006, p.26). At the national level, Austria was one of the first countries in Europe to establish an Environment Ministry; this has now been subsumed within the Agriculture Ministry. At the locality level there has been a great deal of Local Agenda 21 activity. The cities of Vienna and Graz were participants in the URBAN II initiative aimed at promoting sustainable urban development.

Generally, there is weak cross-sectoral policy development, and policy integration in terms of integrating social, economic, environmental and spatial challenges is still in need of development. However, policies vary from state to state, and examples of cross-sectoral policy integration can be found. For example, the Styrian Business Promotion Agency in the province of Styria in South-East Austria seeks to integrate four themes within its work – skills development; entrepreneurship; technology and innovation, research and development; regional development and inter-regional networking.

There are recent examples of integrated territorial planning at the local level, where several municipalities have cooperated, mainly on economic strategies and plans. One example is GU 8, a cooperation initiative in South-East Austria centred on the city of Graz and comprising eight municipalities, which aims to enhance sustainable economic and spatial development and to prevent suburban sprawl. In some provinces, municipalities participate in sub-regional plans together with the state government.

Although some communities in Austria already incorporate aspects of the Sustainable Communities Agenda, there are areas where future development work is required. As ESPON Project 2.3.2 recognised, Austria has weak horizontal coordination in governance terms; policy development involves too little integration of social, economic, environmental and spatial challenges; sustainable development could be more directly integrated into policy-making.

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in this European initiative. The main component of EUKN is the on-line database, the European urban e-library. For more information see: <http://www.eukn.org/eukn/>.

<sup>(4)</sup> Federal Ministry of Agriculture, Forestry, Environment and Water Management (2002) *A Sustainable Future for Austria: The Austrian Strategy for Sustainable Development* Federal Ministry of Agriculture, Forestry, Environment and Water Management. Text available at [http://www.nachhaltigkeit.at/strategie/pdf/strategie020709\\_en.pdf](http://www.nachhaltigkeit.at/strategie/pdf/strategie020709_en.pdf).

The table below gives the values for Austria and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Austria (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	13.0		16.0	E
Well run	Voter turnout in national elections (%)	84.3	<sup>3</sup>	70.0	E
	E-government availability (%)	74.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	76.3		84.9	<sup>1</sup>
		14.7		8.6	<sup>1</sup>
		9.1		6.5	<sup>1</sup>
	Level of internet access (%)	45.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.6		5.2	<sup>2</sup> E
	Lifelong learning (%)	11.6		9.3	<sup>2</sup>
	Health care expenditure (%)	7.1		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	115.7 target 87.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	58.7		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	97.2		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	126.0	<sup>e</sup>	243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	10.6		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	1.9		2.3	<sup>2</sup>
	Total employment growth (%)	0.0		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	NA		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005 E=Eurostat estimate, e= estimated value, NA=Not available

Source: Eurostat, 2007



### 1.3. Belgium



Source: Authors

Headline Indicators	2004		2010		EU-25	
	2004		National Target		2004	2010 EU Target
GDP per capita (PPS)	118.9				100.0	
Labour productivity per person employed	129.6				100.0	
Employment rate	60.3		<b>70.0</b>		63.3	<b>70.0</b>
Employment rate for older workers	30.0				41.0	
Gross domestic expenditure on R&D	1.93	<sup>3</sup>	<b>3.0</b>		1.90	<sup>2e</sup> <b>3.0</b>
Youth education attainment level	82.1				76.6	
Comparative price levels	104.2	<sup>2</sup>			100.0	<sup>2</sup>
Business investment	17.3				16.9	
At-risk-of-poverty rate after social transfers	15.0				16.0	
Dispersion of regional employment rates	8.7				12.2	
Long-term unemployment rate	3.9				4.1	
Total greenhouse gas emissions	-				-	
Energy intensity of the economy	-				-	
Volume of freight transport relative to GDP	89.7				104.7	<sup>e</sup>

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## Key Challenges

Belgium is Europe's most urbanised nation. Of its ten million people some 1 million live in the capital Brussels, and nine cities have populations of more than 90 000. In 2004 Belgium's GDP per capita stood at 118.9% of the EU-25 average. Belgium's three regions are characterised by predominantly different cultural roots and languages: Flanders in the North is Dutch-speaking; Wallonia in the south is largely French-speaking region; with a German-speaking community on the eastern part; the city region of *Bruxelles Capitale* is bilingual.

Flanders is relatively prosperous, despite suffering manufacturing decline for some decades. Urban problems persist due to suburbanisation, areas of high unemployment and poor housing, and there is conflict between incoming migrant and indigenous populations. *Bruxelles Capitale* is characterised physically by much new development in the core, half of the city's jobs are filled by workers commuting from outside the region and unemployment levels amongst the city's resident population are high. Wallonia has experienced severe industrial decline, particularly in coal and steel, leaving problems of industrial restructuring, social and economic deprivation and poor urban environments in places.

The key challenges for urban development are the need for strategic planning and vision and the need to tackle issues of poverty. Middle class abandonment of the cities has occurred such that rural areas are suffering development pressure and inner cities are appearing abandoned. Insufficient public resources for wholesale regeneration are holding back recovery and regeneration.

In *Bruxelles Capitale* the unemployment rate of the city's indigenous population was as high as 22% in 2004. The wealthier sections of the population are also moving away from the region into the two other main regions, causing significant financial problems for the Brussels City Region. The Brussels region is relatively small and concentrated and it has been particularly vulnerable to population movement to the suburbs and out-migration of earners which has left it with a lower tax base.

Flanders is characterised by growing suburbanisation, and as wealthier communities desert the inner-city areas, this has isolated poorer communities and created tensions between poorer communities and migrant populations, particularly apparent in Antwerp. In Wallonia factories and production plants have historically been located close to workers' homes, and the decline in traditional industry has meant that the traditional relationship between living and working is now being disrupted.

The Flemish Region has many small and medium-sized towns in close proximity to each other and one major challenge is to maintain open space and non-developed areas between them. This region also has significant pollution and land degradation from its historical intensive industrialisation, which also affects parts of Wallonia.

In addition to the problems of quality and supply of housing stock there has also been a particular problem of a shortage of affordable housing.

## National Planning Context

Belgium has had a federal system since 1993 which influences the way policy is structured. Policy is determined at a range of political and administrative levels based on the constitutional recognition of the three Regions and their different language-differentiated *Communautés*.

The federal state has devolved wide-ranging powers including those for housing, urban planning, urban renewal (including Structural Funds delivery), economic development and the environment to the regions, and education, health, linguistic matters and cultural development to the *Communautés*. The three Regions and three *Communautés* are, however, not equal and are specifically represented in the two federal parliamentary assemblies, the Chamber and the Senate, unlike the situation in most federal states. They have financial autonomy, but not fiscal autonomy.

Belgium's regionalisation is complex. The fact that conflicts exist between the different Regions and 'Communautés' produces a lively political environment. Whilst cooperation and dialogue processes are mandatory on different subjects, decisions can rarely be imposed and have to be agreed by all the different partners. This means that there is a complex structure of intergovernmental committees, cooperation agreements and legal and statutory advisors and courts.

In relation to spatial planning powers, although a *plans de secteur* remains as a national statutory land allocation plan, (except in the *Region de Bruxelles-Capitale*, where a new Plan *Régional d'Affectation du Sol* [PRAS] was adopted in 2001), one of the major powers given to the Regions in 1993 was spatial planning. Once empowered, the three Regions progressively adopted their own legislation in this domain, primarily through the elaboration of strategic plans.

Spatial planning is the responsibility of the regional governments and to a lesser extent the municipalities (and sometimes inter-regional, *communauté*, or commune bodies), where there are areas of discrete intervention or influence. For example, due to public protests against major building projects in Brussels since the 1960s, different practices of planning dialogue and participation have been introduced. One such, the *Comité de concertation* or 'dialogue Committee', operates at municipal level and is a forum for the public to express their opinion on projects dealing with spatial planning and the environment. It is mandatory to have the opinion of this committee in planning decisions.

In Wallonia there is also a strong link between the European Spatial Development Planning (ESDP) and the Regional Spatial Development Plan. This is due to the fact that the Walloon Region has received substantial funding from Objective 1 and 2 EU Structural programmes and Hainaut currently has phasing-out status.

Since-1993 the regional structure has created problems for strategic planning. For example, the *Bruxelles Capitale* Region is very small compared to its functional area (it needs to transport some 350,000 people into work from outside the region), and completely surrounded by the Flemish Region. Thus, all transport and communication strategies depend on inter-regional governmental planning and cooperation.

## Relevant Policy Initiatives

A federal support programme is in place for large cities, devoted specifically to housing. Beginning in 2005, contracts have been agreed and seventeen cities and boroughs are to implement an investment programme to provide affordable accommodation.

There has been an Urban Fund since January 2003 to provide Flemish towns and cities with financial support for conducting sustainable urban policies. In conjunction with these towns and

cities and the Flemish Community Commission, the Flemish government intends to use the Urban Fund to achieve the following objectives:

- increase the quality of life in cities, both at the urban and local level;
- combat the separation of powers;
- increase the quality of democratic government.

District Contracts are revitalisation programmes put in place by the Brussels Capital Region. These are implemented in four districts each year together with the local borough authorities, providing several different initiatives within a single district over a four-year period. Issues covered include housing and redesigning public spaces, as well as the creation of local infrastructures and amenities (social, cultural and sport). Special attention is devoted to the introduction of participative activities. In some cases the District Contracts have been combined with URBAN and Objective 2 funding. This has enabled support for projects on a greater scale, such as the refurbishment or creation of areas reserved for crafts or industrial activities.

In Wallonia, urban revitalisation programmes are designed to provide the improvement and integrated development of housing, including commercial and service functions, through the introduction of agreements bringing together the boroughs and the private sector.

The main objective of urban policy at all levels is to develop liveable cities, to strengthen social cohesion and support the economic development of urban areas. The federal urban policy seeks to ensure that specific urban issues are considered in various federal policy areas: fiscal, sustainable development, security, employment and social integration.

### **Sustainable Communities in Belgium: 2007**

The territorial integration of policies raises complex issues, and tends to be subject to negotiation between regions, *Communautés* and communes and creates complexity when it comes to the Sustainable Communities Agenda.

The Flemish Region has made urban policy one of its priorities – described as sustainable policy which must provide structural solutions. The principal challenge is halting the migration of residents from the cities. The Brussels Capital Region has a strategic Regional Development Plan (RDP). This is the driving force for the region's future development, but within this the region has also developed specific urban policies within a perspective of integrated development of deprived districts. The main objectives are to maintain or bring back inhabitants to the city and to improve its economic development and employment strategy. In the Walloon Region, the policy of urban renovation has always been considered part of the trend towards regional development and spatial planning.

A federal support programme was established in 2000, focusing on those cities confronted most by the problems of deprived neighbourhoods. Federal authorities earmarked €128 million for 15 cities and boroughs for the period 2005-2007, designed to implement an urban development programme that meets thematic objectives which include: integrated neighbourhood development, a vigorous economy and sustainable employment for the neighbourhood, strong social cohesion, a sound city in a sound environment and a better housing supply.

Such policies fit with the developing European Sustainable Communities Agenda.

The table below gives the values for Belgium and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Belgium (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	15.0		16.0	E
Well run	Voter turnout in national elections (%)	94.0	<sup>4</sup>	70.0	E
	E-government availability (%)	60.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	83.3		84.9	<sup>1</sup>
		10.4		8.6	<sup>1</sup>
		6.3		6.5	<sup>1</sup>
	Level of internet access (%)	50.0	<sup>6</sup>	42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	6.06		5.2	<sup>2</sup> E
	Lifelong learning (%)	8.6		9.3	<sup>2</sup>
	Health care expenditure (%)	7.7		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	100.7 target 92.5		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	2.1		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	97.6		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	47.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	10.0		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	2.4		2.3	<sup>2</sup>
	Total employment growth (%)	0.6		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	7.0	<sup>7</sup>	NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005 E=Eurostat estimate, e= estimated value, NA= Not available

Source: Eurostat, 2007

## 1.4. Bulgaria



Source: Authors

Headline Indicators	Bulgaria				EU-25	
	2004		2010 National Target		2004	2010 Target
GDP per capita (PPS)	31.8				100.0	
Labour productivity per person employed	33.4	<sup>3</sup>			100.0	
Employment rate	54.2				63.3	<b>70</b>
Employment rate for older workers	32.5				41.0	
Gross domestic expenditure on R&D	0.51				1.90	<sup>2e</sup> <b>3.0</b>
Youth education attainment level	76.1				76.6	
Comparative price levels	41.2				100.0	<sup>2</sup>
Business investment	17.7				16.9	
At-risk-of-poverty rate after social transfers	15				16.0	
Dispersion of regional employment rates	7.0				12.2	
Long-term unemployment rate	7.2				4.1	
Total greenhouse gas emissions	51.0				-	
Energy intensity of the economy	1628.16				-	
Volume of freight transport relative to GDP	38.5				104.7	<sup>e</sup>

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## **Key Challenges**

Bulgaria became an EU member on the 1<sup>st</sup> January 2007. The country's transition towards democratisation and a market-oriented economy began in the early 1990s with the anticipated accession into the EU. This has generated the need to respond to EU principles of governance, management and planning. Bulgaria has been a recipient of EU pre-accession funds.

A key spatial problem for Bulgaria is the large number of underdeveloped urbanised areas in rural, mountainous and border area settings as identified in the 2004 Regional Development Act. These currently account for 70-80% of the national territory, with very low population densities. Urbanised areas account for 15-20% of the national territory. The largest cities (above 150,000 inhabitants) are the capital Sofia, Plovdiv, Varna, Bourgas, Rousse and Stara Zagora.

Currently Bulgaria stands as the least developed member state with the lowest GDP per capita at 33% of EU-25 average in 2005, according to Eurostat.

The 2001 Bulgarian Census indicates that the country's population comprises significant ethnic Turkish (9.4%) and Gypsy minorities (4.7%).

## **National Planning Context**

Bulgaria is a unitary country with a three-tier system. Territorial governance in Bulgaria comprises 28 district administrations (NUTS 3 level) and 264 municipal self-governments. District administrations represent central government at the district level and are not currently elected. The Greater Sofia municipality has the status of a district. There are six planning regions at NUTS 2 level, solely for the purpose of responding to the requirements of implementing the new EU regional policy for 2007-2013.

The current system of governance is the result of a challenging and ongoing process of reform where significant progress has been made in: administrative and decentralisation reforms, local self-government reforms and economic and structural reforms. The EU/PHARE programme played a significant role in this process.

In Bulgaria the two key governmental institutions with responsibility on spatial planning and regional development are the Council of Ministers at a national level and the Ministry of Regional Development and Public Works operating at national and regional levels. For strategic planning of the six NUTS 2 regions, the Ministry is aided by a consultative body, the Regional Council for Development, under the Vice-Minister of Regional Development and Public Works and with delegated representatives of all key Ministries, respective regional district governors and representatives of municipalities.

## **Relevant Policy Initiatives**

At the time of publication of this report there was no comprehensive national urban policy framework to report in Bulgaria. To date there have been a number of systematic thematic strategies, pilot projects and initiatives integrating some fields of activity pertinent to urban development and renewal. A key such project is *Beautiful Bulgaria* (EC, 2006g), a temporary employment and vocational training project of the Bulgarian Ministry of Labour and Social Policy implemented with the support of UNDP. The primary focus areas of the programme are in : urban environment regeneration, social infrastructure and tourism as a family business.

Its aim is to alleviate the unemployment of transition until conditions for sustainable growth are established and the Bulgarian economy is in a situation to provide jobs to those that are out of work. In 2005 the *Beautiful Bulgaria* programme had activities in 89 municipalities (inc. in the capital Sofia).

<b>Sustainable Communities in Bulgaria: 2007</b>
Bulgaria's delegation to the Bristol EU Informal was from the Ministry of Finance. In December 2006, Bulgaria inaugurated the new Sofia airport which was co-financed by the EU. This was one of the first ISPA projects approved in July 2000 and is the first major ISPA project to be completed to date in Bulgaria. Discussions on the Sustainable Communities Agenda are at an early stage of development.

The table below gives the values for Bulgaria and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Bulgaria (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	15.0		16.0	E
Well run	Voter turnout in national elections (%)	55.8	<sup>6</sup>	70.0	E
	E-government availability (%)	38.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	NA		84.9 8.6 6.5	<sup>1</sup> <sup>1</sup> <sup>1</sup>
	Level of internet access (%)	10.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	4.2		5.2	<sup>2</sup> E
	Lifelong learning (%)	1.3		9.3	<sup>2</sup>
	Health care expenditure (%)	NA		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	51.0 target 92.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	8.9		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	396.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	NA		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	7.1		2.3	<sup>2</sup>
	Total employment growth (%)	2.2		0.7	<sup>2</sup>
	Business demography – birth rate (%)	10.5	<sup>p</sup>	NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005 E=Eurostat estimate, e= estimated value, NA=Not available  
Source: Eurostat, 2007



## 1.5. Cyprus



Source: Authors

Headline Indicators	2004		2010 National Target	EU-25		2010 EU Target
				2004		
GDP per capita (PPS)	83.6			100.0		
Labour productivity per person employed	74.5	<sup>3</sup>		100.0		
Employment rate	68.9		<b>71.0</b>	63.3		<b>70</b>
Employment rate for older workers	49.9			41.0		
Gross domestic expenditure on R&D	0.37	<sup>2</sup>	<b>0.65 (2008)</b>	1.90	<sup>2e</sup>	<b>3.0</b>
Youth education attainment level	77.6			76.6		
Comparative price levels	93.3	<sup>2</sup>		100.0	<sup>2</sup>	
Business investment	15.3			16.9		
At-risk-of-poverty rate after social transfers	-			16.0		
Dispersion of regional employment rates	-			12.2		
Long-term unemployment rate	1.4			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	76.5			104.7	<sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
 Source: EC (European Commission) (2006b)

## Key Challenges

The case of Cyprus is unique in Europe. 35% of the country, including part of its capital Nicosia, has remained occupied since 1974 and is not currently under the control of the government.

Some of the most notable territorial challenges facing Cyprus include the continued physical division of the island due to the occupation, the decline of historic urban centres, the gradual abandonment of mountain villages, continued urban dispersal and associated peri-urban sprawl, lagging implementation of environmental legislation and insufficient agricultural restructuring. Such problems are especially evident in the countryside and on the urban fringe, where new development continually encroaches on prime agricultural land and areas rich in natural and cultural resources.

Although relatively cosmopolitan and with a thriving market economy, Cyprus faces major challenges of accessibility. The lack of physical connections to the mainland hinders transport links and influences full integration with the internal market, while at the same time, this unique form of isolation creates a need for strengthening cultural ties and the exchange of ideas with the rest of the Union.

In 2004, Cyprus's GDP per capita stood at 83.6% of the EU average, the highest of the 10 new Member States. With an average annual GDP growth rate of 4.1% between 1995 and 2004, Cyprus was among the best performers in Europe. Since the mid-1990s real wage growth has outpaced productivity increases, even though productivity growth has been slightly above the EU average, leading to some loss of price competitiveness. Nevertheless, unemployment was low at 5.2% in 2004 and long-term unemployment stood at 1.4%. The total employment rate at 68.9% is close to the Lisbon target.

The National Reform Programme (NRP) for Cyprus provides a clear and comprehensive overview of measures and links them well to final objectives. It includes an ambitious and challenging target for investment in research and development, 0.65% of GDP for 2008, and an ambitious target of an employment rate of 71% by 2010.

The historic development of the urban areas in the government-controlled part of Cyprus was disrupted by the sudden expansion that followed the influx of internally displaced refugees in the aftermath of the 1974 Turkish invasion, especially in coastal towns. This further intensified existing centrifugal tendencies that manifested themselves through the location of important urban uses along main road arteries away from the centre and into the suburbs. Until 1990, the absence of town planning legislation and an ineffective development control system permitted the mixing of incompatible uses and activities, giving rise to conditions that still contribute to the downgrading of the quality of life in most urban areas. Additionally, the country is to a great extent dependant on the tourism sector, which between 1990 and 2002 accounted for 15% and 20% of the national GDP respectively. Tourism accounts for approximately 25% of the jobs of the working population.

In occupied areas, there has been a sudden and intense deterioration of urban problems which accelerated existing tendencies. In some urban areas, partly due to the influx of settlers from Turkey, population increased by 30% within very short time spans with far-reaching consequences.

In the part of the island under government control the effects of the 1974 surge of 200,000 refugees (a third of the island's population at the time) is still being felt within social structures. The location of most refugee housing estates, established through public housing programmes and self-build schemes in the outskirts of urban areas where cheap land was readily available, created a new planning reality. This further contributed to urban sprawl. In 2002, the population composition for the whole of Cyprus in 2005 was constituted by 77% Greek Cypriots, 10% Turkish Cypriots and 13% foreign residents. Pressures on land development for holiday homes further complicate the policy environment as there is a high demand for the acquisition of holiday homes by overseas owners, including retired population from northern European countries.

In the case of the capital city of Nicosia, located at the centre of the island, its forced division creates development problems for large tracts of urban land located in the vicinity of the demarcation line, including the historic urban core. The situation aggravates pressures for the continuous unbalanced southward expansion of the greater Nicosia urban complex in hilly land towards the island's main coastal towns and tourist resorts in the government-controlled areas, and away from the central plains and the UN Buffer Zone.

The mountain villages of Cyprus are the most isolated and disadvantaged areas of the countryside. Although better transport and telecommunications connections have recently improved the overall situation, these areas continue to experience depopulation, in spite of their clear advantages in terms of climate, environment and community ties. Villages still lag behind urban and peri-urban areas in terms of employment opportunities and adequate service provision as a result of the vicious cycle of de-population which results in populations too low to support sustainable growth of the local economy.

Problems of sustainable development also relate to the tourism sector and manifest themselves through the deterioration of the quality of landscapes in intensely developed areas; the faster pace of private sector development in relation to a slower development of the necessary physical infrastructure (e.g. transport, sewerage etc.), particularly in coastal areas; excessive pressures on natural resources, especially water supply; as well as coastal erosion and seawater pollution in certain cases.

### **National Planning Context**

Cyprus is a unitary country but currently 35% of its territory to the north and east remains outside government control.

Cyprus has two major metropolitan areas: Nicosia, the capital, which is at present divided by the UN Buffer Zone, with a population of up to 225,000 in government-controlled areas, as well as the Limassol urban area, which has a population of almost 177,000. In addition, there are two smaller urban complexes of national and regional significance: Larnaca, with a population of about 79,000, and Paphos, with approximately 53,000 inhabitants.

The 1972 Town and Planning Law, which was enacted in 1990, stipulates three tiers of development plans: the *Island Plan*, which refers to the national territory and the regional distribution of resources and development opportunities; the *Local Plan*, for major urban areas or regions undergoing intensive development pressures; and the *Area Scheme*, at the lower end of the hierarchy. The inability to formulate and implement an Island Plan due to the military occupation

of a substantial part of Cyprus and the forced division of the island, led to the preparation and publication in the 1980s of the Policy Statement for the Countryside (PSC), which refers to all government-controlled territory, except areas where a Local Plan or Area Scheme is in place. The PSC is a legally binding document in the form of an adapted regional plan for development control and environmental protection in villages and rural areas. Issues of sustainability are broadly addressed by Local Plans in the country's four main urban complexes and several small-town municipalities in quasi-rural settings, while these have been enriched and strengthened through the introduction of provisions for the implementation of their strategies and policies. Area Schemes refer to areas of a smaller scale and are more detailed and specifically project-oriented, gradually becoming indispensable tools for addressing sustainability issues and enabling the implementation of planning policy.

Responsibility for spatial planning at regional and local levels rests with the Ministry of the Interior, which has delegated certain of its responsibilities to the larger municipalities, the Department of Town Planning and Housing, as well as the Planning Board, an independent body with advisory power over large areas of planning policy. Economic and regional development policy in Cyprus is based on indicative planning, exercised through the Planning Bureau, an independent directorate under the authority of the Minister of Finance, who also has the overall responsibility for the preparation of the Island Plan. The Planning Bureau formulates long-term development policy at the strategic level and exercises control over the implementation of the state budget. Although at a national level a system of indicative economic planning has been adopted, implementation of the spatially-oriented Island Plan has been indefinitely postponed as it cannot be implemented for the country as a whole.

The protection afforded by the Constitution with regard to personal property rights stipulates the provision of adequate compensation at current market prices through compulsory acquisition in cases where the implementation of planning measures and limitations substantially diminishes the value of real estate or when development rights are fully suspended. The high cost of possible compensation has consequently become a considerable factor discouraging effective planning and policy implementation.

With the implementation of the EU environmental *acquis* in recent years, priority has been given to the introduction of more stringent environmental considerations into spatial planning and urban policy, including the implementation of Environmental Impact Assessment and, since 2006, the introduction of Strategic Environmental Assessment.

ESPON Project 2.3.2 (ESPON, 2006e) assessed the Cypriot planning system as following in general the British system with the main legal instruments closely aligned to United Kingdom Town and Country Planning legislation. This is true in the sense that the 1972 Town and Country Planning Law had been largely based on the British planning system of the 1960s.

### **Relevant Policy Initiatives**

*A Report on some priority issues concerning sustainable development and the environment in Cyprus* was published in December 2001 <sup>(5)</sup> in preparation for the Johannesburg summit. The *Action Plan for the Protection of the Environment* (EAP) <sup>(6)</sup> was adopted in 1996.

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<sup>(5)</sup> Text available at: [http://www.johannesburgsummit.org/html/prep\\_process/national\\_reports/cyprusreport.pdf](http://www.johannesburgsummit.org/html/prep_process/national_reports/cyprusreport.pdf).

<sup>(6)</sup> Republic of Cyprus (1996), *Action Plan for the Protection of the Environment*.

This is the formal environmental policy document of the Government. Its main aim is to integrate environmental concerns into other sectors. The Plan is based on an environmental review and action plan prepared by the World Bank in 1993. There is a 1995 report comparing the country's environmental policy with that of the EU, as well as on the outcome of the Barbados and Tunis Conferences on the Sustainable Development of Small Island States and Mediterranean countries respectively, and on EU environmental legislation. In 2000 this Plan was reformulated and expanded to become the National Programme for the Adoption of the EU environmental *acquis* <sup>(7)</sup>.

The second set of policy documents that incorporate the major sustainable development goals for Cyprus are the *Strategic Development Plans* (SDP) for 1994-1998, 1999-2003 and 2004-2006 <sup>(8)</sup>. The latest published Strategic Development Plan incorporates sustainability into social and economic policies, and is based on the following priorities:

- Expansion and upgrading of basic infrastructures
- Enhancement of competitiveness
- Development of human capital, promotion of equal opportunities and strengthening of social cohesion
- Balanced regional and rural development
- Protection of the environment and upgrading of the quality of life

Landscape policy is the newest in a spectrum of thematic policies addressing issues of natural and cultural heritage. Although a landscape protection policy had been included in the Policy Statement for the Countryside (PSC) since the early 1990s, an updated policy on the protection, management and planning of landscapes, based on the Florence Convention, is under preparation. With the forthcoming implementation of the Convention, landscape policies are to be included in all Development Plans.

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<sup>(7)</sup> ESPON project 2.3.2, *National Overview for Cyprus*.

<sup>(8)</sup> Planning Bureau (PB) (Republic of Cyprus) (2004), *Strategic Development Plan 2004-2006*.

### **Sustainable Communities in Cyprus: 2007**

A significant example of planning arrangements and joint programmes for the development of disadvantaged urban areas is a joint programme that is the result of cooperation between the Greek and Turkish Cypriot communities of the divided municipality of Nicosia, the Department of Town Planning and Housing, and United Nations Office for Projects Services (UNOPS). This concerns the development and implementation of the *Nicosia Master Plan*. The cooperation established for this programme is constant and involves the public through their relevant organizations and associations. The growing pressure for more direct access between the two parts of Nicosia, the need to reunite the commercial and business areas of the two parts of the city so that they could eventually function as an integrated business activity centre for the whole of the urban conglomeration, is a factor which serves to drive social and economic cohesion in the city.

Another example is the Marina Development programme. In view of the general objective to diversify the tourist product and promote the attractiveness and efficiency of the island as a tourist destination, a national programme for the development of Marinas has been introduced.

The Sustainable Communities agenda is important for Cyprus. With a strong British tradition in the operation of its planning system and significant efforts in the areas of environmental protection and investment for social cohesion and integration, Cyprus has scope for further development of the Sustainable Communities Agenda. Through its Single Programming Document for Objective 2 of the EU Structural Funds for the period 2004-2006<sup>(9)</sup>, Cyprus has recently been implementing several projects related to the development of “infrastructure for sustainable communities” (measure 1.3) and “integrated urban regeneration plans” (measure 2.1). These activities are planned to continue through the current programming period, 2007-2013.

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<sup>(9)</sup> Planning Bureau (PB), Republic of Cyprus, 2004, Strategic Development Plan 2004-2006.

The table below gives the values for Cyprus and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Cyprus (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	16.0	<sup>6</sup>	16.0	E
Well run	Voter turnout in national elections (%)	91.8	<sup>5</sup>	70.0	E
	E-government availability (%)	35.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	NA		84.9 8.6 6.5	<sup>1</sup> <sup>1</sup> <sup>1</sup>
	Level of internet access (%)	53.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	7.3		5.2	<sup>2</sup> E
	Lifelong learning (%)	9.3		9.3	<sup>2</sup>
	Health care expenditure (%)	4.2		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	148.2 no target		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	0.0		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	659.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	5.0	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	2.4		2.3	<sup>2</sup>
	Total employment growth (%)	3.8		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	NA		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005 E=Eurostat estimate, e= estimated value, NA= Not available

Source: Eurostat, 2007



## 1.6. Czech Republic



Source: Authors

Headline Indicators	2004		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	70.6		100.0	
Labour productivity per person employed	64.8		100.0	
Employment rate	64.2	<b>66.4 (2008)</b>	63.3	<b>70</b>
Employment rate for older workers	42.7		41.0	
Gross domestic expenditure on R&D	1.28		1.90	<sup>2e</sup> <b>3.0</b>
Youth education attainment level	90.9		76.6	
Comparative price levels	55.0	<sup>2</sup>	100.0	<sup>2</sup>
Business investment	22.6		16.9	
At-risk-of-poverty rate after social transfers	-		16.0	
Dispersion of regional employment rates	5.6		12.2	
Long-term unemployment rate	4.2		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	93.3		104.7	<sup>e</sup>

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## Key Challenges

The settlement structure in the Czech Republic is characterized by a high density and dispersed settlement pattern. A large proportion of the population lives in urban settlements; 70.9% in municipalities which have the status of a town. Since the early 1990s the settlement structure has been influenced by the transition to a market economy and accelerated suburbanization. In terms of in-migration the largest increases were experienced by settlements with over 10,000 inhabitants. An important spatial problem in the Czech Republic is the atomized and fragmented settlement structure. The main spatial problem is the over-dominance of Prague within the Czech urban system.

The strongest feature of the Czech labour market is a high employment rate. Even though some Accession economies, for example Hungary, have lower unemployment rates, these occur in the context of much lower labour market participation rates. The structure and level of Czech employment and unemployment is similar to that of a typical EU-15 economy. There is a high incidence of:

- long-term unemployment as about one half of Czech unemployed have been searching for a job for over a year while the relevant fraction in the EU-15 economies is below 40%,

Dynamic economic growth has had a positive, but limited, impact on unemployment

There are environmental legacies from the past related to the dependency on energy-intensive economic activities, the unsustainable extraction of raw materials and military de-commissioning. The Czech Republic has brownfield <sup>(10)</sup> sites in industrial cities such as Ostrava, Pilsen (Plzeň), Brno and towns in North Bohemia and the Northern Moravian region which were dependent on mining, metallurgy, chemical production and mechanical engineering.

## National Planning Context

The Czech Republic is a unitary state, characterized by a decentralized system of government. Since 2000, in Czech regional policy a major issue has been the definition of the “region”, in relation to the context of the Czech regional structure. Fourteen Higher Territorial Self-Governing Units <sup>(11)</sup> or ‘regions’ were established on the 1<sup>st</sup> January 2000 (NUTS III) and on the other hand eight “cohesion regions” (NUTS II). It was necessary to group regions into ‘cohesion regions’, in order to implement EU cohesion policy (with the exception of the City of Prague, and the Moravian-Silesian and Central Bohemian regions, which are both on NUTS II and NUTS III levels respectively). Therefore, so far these ‘cohesion regions’ have only had a statistical role to play, and they are not active as they do not have any legal powers or competencies in delivering a role in regional policy. In the case of the implementation of the new Regional Operational Plans (ROPs) in the period 2007 – 2013, it will now be necessary to renegotiate the Act for the development of new regional support structures (248/2000).

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<sup>(10)</sup> ‘Brownfield sites are sites that have been affected by the former uses of the site and surrounding land, are derelict or underused, may have real or perceived contamination problems, are mainly in developed urban areas and require intervention to bring them back to beneficial use.’ Definition from EUGRIS web portal at: <http://www.eugris.info/FurtherDescription.asp?e=93&Ca=1&Cy=9&T=Brownfields>.

<sup>(11)</sup> The Basic Territorial Self-Governing Unit is the municipality. In the Czech Republic there are three types of municipalities varying according to competencies transferred from central Government.

This absence is now compensated by intensive activity and involvement of regions at the NUTS III level (Koutsoukos et al, 2006).

The main spatial planning powers lie at the regional and local levels, but with the coordination of the Ministry for Regional Development at the national level. The planning authorities are at municipal and regional level.

The municipalities, on the basis of delegated powers, draw up the local plan, regulatory plans and non-statutory plans. The functions of the regional government are to draw up regional plans.

The functions of the Ministry for Regional Development are: draw up those regional plans the approvals of which have been reserved by the government; draw up any non-statutory planning materials that are necessary for its activities; draw up the area technical materials for the entire territory of the Czech Republic; operate as the superior planning authority to the capital of Prague and to the administrative regions.

### **Relevant Policy Initiatives**

There are no specific urban policies for the Czech Republic. Urban policy is an integral part of economic policy. Policies relating to urban areas are covered by the Ministry for Regional Development's sectoral policy responsibilities. The Ministry manages the financial resources provided by the Government in the areas of housing and regional policy. It also provides information and technical help for counties, cities and municipalities and their associations and supervises the activities associated with the process of integrating regions into the new European regional structures.

Current regional policy and regional development is based on the *National Developmental Plan* and on the *Strategy of Regional Development of the Czech Republic*. This is intended to contribute to the achievement of sustainable development and improvements in the quality of life based on environment protection and improvement. The main target in the National Developmental Plan is defined as 'Sustainable development based on competitiveness of the economy'. One of the specific targets also aims to achieve EU environmental standards. The Czech Republic participated in the UN Commission on Sustainable Development (UNCSD) testing of the comprehensive set of Sustainable Development Indicators in 1997-2000.

### **Sustainable Communities in the Czech Republic: 2007**

The last decade has brought more dynamic and radical changes to the Czech Republic and the need for understanding of a modern urban and regional policy. The economic transformation raised the unemployment rate and highlighted its regional dimension, for example, in the Moravia-Silesian region and the North West regions which were characterized by the rationalisation of the steel industry, coal mining and textile industries).

There are three key strategic and planning documents for the Czech Republic. These are the Economic Growth Strategy, Sustainable Development Strategy, and Regional Development Strategy.

*The Sustainable Development Strategy of the Czech Republic (November 2004)*, represents the long-term framework for sustaining basic civic virtues and quality of societal life. The basic timeframe for the sustainable development strategy is 2014. Objectives relate beyond this to the year 2030. Policies aim to:

- protect suburban land
- stimulate inner city regeneration
- dispose of the ecological burdens and achieve sustainable development

*The Czech Republic Economic Growth Strategy (July 2005)*, coordinates economic growth and improving the competitiveness of the Czech Republic. The major objectives of this strategy are to establish the best possible conditions for economic strategy and the effective utilization of public resources. The strategy sets priorities for economic policy coordination to 2013 and directs resources from the EU Structural Funds and Cohesion Fund for 2007 – 2013.

*The Czech Regional Development Strategy (2005)*, formalises the approach of the state to regional development support, development objectives, and rules for elaboration of the regional development programmes. The development activities proposed by the strategy follow the subsidiarity principle, at local, regional, or urban levels.

Regional and district development strategy documents along with district development programmes have been elaborated for all regions on NUTS 3 level and Czech cities are bringing forward their own strategic plans. There are new plans for city centres; for example, in the case of Ostrava, which are developing with public consultation.

The Czech institutional structures and political governance remain unresolved issues and impact on the capacity for delivery and implementation, frequently making it more difficult to establish clear strategies and priorities. If Sustainable Communities are to be advanced in the Czech cities there will need to be further capacity building, particularly at municipal and regional levels.

The table below gives the values for the Czech Republic and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

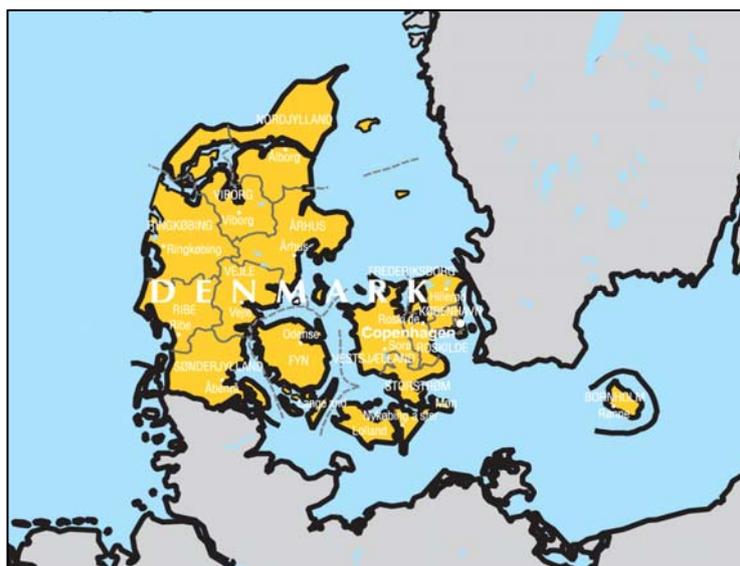
Theme	Available Sustainable Communities headline indicators	Czech Republic (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	10.0	<sup>6</sup>	16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	57.9	<sup>3</sup>	70.0	<sup>E</sup>
	E-government availability (%)	75.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	80.0		84.9	<sup>1</sup>
		11.9		8.6	<sup>1</sup>
		8.1		6.5	<sup>1</sup>
	Level of internet access (%)	19.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	4.5		5.2	<sup>2E</sup>
	Lifelong learning (%)	5.8		9.3	<sup>2</sup>
	Health care expenditure (%)	6.7	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	74.9 target 92.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	4.0		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	222.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	9.2	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	4.2		2.3	<sup>2</sup>
	Total employment growth (%)	0.1		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	10.1		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available

Source: Eurostat, 2007



## 1.7. Denmark



Source: Authors

Headline Indicators	Denmark		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	121.7		100.0	
Labour productivity per person employed	104.3		100.0	
Employment rate	75.7		63.3	<b>70</b>
Employment rate for older workers	60.3		41.0	
Gross domestic expenditure on R&D	2.63 <sup>2</sup>	<b>3.0</b>	1.90 <sup>2e</sup>	<b>3.0</b>
Youth education attainment level	74.8		76.6	
Comparative price levels	137.0 <sup>2</sup>		100.0 <sup>2</sup>	
Business investment	17.5		16.9	
At-risk-of-poverty rate after social transfers	11.0		16.0	
Dispersion of regional employment rates	-		12.2	
Long-term unemployment rate	1.2		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	86.8		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## **Key Challenges**

The main spatial problem is the dominance of Copenhagen in the Danish urban system. With 26% of Denmark's population and an even greater proportion of its economic wealth, Copenhagen disrupts the balance of population and development in the country. Consequently, the key spatial challenge is the development of the smaller town regions to achieve a more balanced regional growth. This is clearly stated in the Danish government's 2003 *The Danish Regional Strategy for Growth* (Danish Government, 2003).

The economic position of Denmark is strong. In 2004, Denmark's ratio of GDP per capita in PPS was 121.7% of the EU-25 average (equivalent to 112% of EU-15), the fifth highest in the European Union. Unemployment, well below average European levels, has fallen further in recent years to 3.5% in September 2006, the lowest in Europe. However, some of the smaller and more peripheral urban areas find it difficult to attract new industry and investment.

Many of the smaller islands and rural areas are suffering from depopulation. This is because of economic structural changes and because young people move away for educational opportunities and do not return. Fertility rates, though low at 1.80 in 2005, are exceeded in the EU only by Ireland and France.

Social exclusion is a key problem in some disadvantaged urban communities. In particular, the challenge of integrating immigrant communities into Danish society and avoiding segregation is now high on the Danish urban agenda. Since 2001 there has been a Ministry for Refugee, Immigration and Integration Affairs, to which responsibility for urban policy and housing was moved from the earlier Ministry of Housing and Urban Affairs.

## **National Planning Context**

Denmark is a unitary country, but highly decentralised, with powers also devolved to the regional level. Municipalities and regions have tax-raising powers. The administrative system is currently undergoing restructuring and reorganisation. From 2007 the 275 municipalities will be merged into 98 new municipalities, and 14 counties will become five new regions.

The Spatial Planning Department within the National Ministry of the Environment is responsible for regional physical planning and also produces national planning reports and initiatives. The new Danish regions are tasked to produce regional development plans, but will lose their power as land use planning authorities. Most planning responsibilities will move to the municipalities. The municipalities are tasked to establish municipal plans as well as more locally specific plans. Municipal plans must now be harmonised with regional plans.

ESPON Project 2.3.2 (ESPON, 2006e) assessed Denmark as a country with a 'comprehensive integrated approach' in terms of its spatial planning style.

## **Relevant Policy Initiatives**

The Danish delegation to the Bristol EU Informal was represented by the Ministry for Refugees, Immigration and Integration Affairs (who are also the Danish Focal Point for the EUKN). This illustrates the importance placed in Denmark on integration issues and social inclusion in the Sustainable Communities Agenda.

There appears to have been no official response yet to the Sustainable Communities Agenda. The government (at least the Housing Division of the Ministry for Refugees, Immigration and Integration Affairs) prioritises the integrated urban regeneration programme ('area renewal'), which touches on all the characteristics of the Sustainable Communities Agenda identified within the Bristol Accord, as Denmark's most relevant programme.

Urban policy is concerned to promote balanced and polycentric development throughout the country, with the European Spatial Development Perspective a significant influence. At the level of individual cities, urban renewal, sustainable development, promotion of public transport and combating ethnic and social segregation, are all areas of major concern for urban policy.

Denmark's *National Strategy for Sustainable Development: A Shared Future – Balanced Development* was published by the Ministry of the Environment in 2002 (Danish Government, 2002). Denmark coordinates national and local implementation of sustainable development strategies through Local Agenda 21 processes (OECD, 2006). Denmark also participates in the Nordic Strategy for Sustainable Development which was revised in 2005.

The Danish Urban Regeneration Programme represents a specifically integrated approach to urban regeneration. There have been twelve projects since 1997 (five of which are in Copenhagen). Initially, the focus was on combating social isolation and segregation, but this has now broadened to include economic and environmental issues. There are multiple actors involved - from central government, such as the National Secretariat for Urban Regeneration, from a variety of different agencies of local government, from a wide variety of local voluntary and community bodies, and from the private sector.

<b>Sustainable Communities in Denmark: 2007</b>
<p>The Sustainable Communities Agenda is recognised in Denmark and compared to most other countries in Europe, Denmark is already pursuing the principles of the Sustainable Communities Agenda.</p> <p>The Greater Copenhagen Authority works to integrate policy in 6 core policy areas: public transport, regional and transportation planning, Øresund coordination and development, industrial policy, tourism and culture. It has long been Danish national policy for urban development and the use of transport infrastructure to be coordinated in the Copenhagen Region.</p> <p>Many local authorities cooperate with each other to promote sub-regional and regional economic development. In recent years, there are examples of 5 to 10 municipalities voluntarily coming together to cooperate on constructing a common vision and future strategy for a wider area, without any transfer of power to a joint body.</p> <p>The Øresund Committee was established in 1993 to provide a forum for cooperation between the local and regional authorities in the Copenhagen and Malmo city region in Sweden. The Danish and Swedish Universities on either side of the Øresund have cooperated voluntarily to form Øresund University, creating a research and learning centre across geographical and institutional barriers.</p> <p>Public participation and engagement in the planning and development process at all spatial levels have been established principles since the 1970s.</p> <p>Multi-level governance is well established, and vertical coordination is ensured within the spatial planning system by the so-called 'framework guidance principle' whereby a plan at one level may not contradict one at a higher level.</p> <p>Denmark is a partner in the European Urban Knowledge Network (EUKN).</p>

The table below gives the values for Denmark and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Denmark (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	11.0		16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	84.5	<sup>6</sup>	70.0	<sup>E</sup>
	E-government availability (%)	85.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	80.3		84.9	<sup>1</sup>
		12.0		8.6	<sup>1</sup>
		7.7		6.5	<sup>1</sup>
	Level of internet access (%)	69.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	8.3		5.2	<sup>2E</sup>
	Lifelong learning (%)	25.6		9.3	<sup>2</sup>
	Health care expenditure (%)	6.1		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	98.2 target 79.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	27.1		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	103.3		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	31.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	7.4		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	2.0		2.3	<sup>2</sup>
	Total employment growth (%)	0.0		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	9.3	<sup>5</sup>	NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available.

Source: Eurostat, 2007.

## 1.8. Estonia



Source: Authors

Headline Indicators			EU-25			
	2004	2010 National Target	2004		2010 EU Target	
GDP per capita (PPS)	51.5		100.0			
Labour productivity per person employed	51.3		100.0			
Employment rate	63.0	<b>67.2</b>	63.3		<b>70</b>	
Employment rate for older workers	52.4		41.0			
Gross domestic expenditure on R&D	0.91 <sup>1</sup>	<b>1.9</b>	1.90 <sup>2e</sup>		<b>3.0</b>	
Youth education attainment level	82.3		76.6			
Comparative price levels	62.9 <sup>1</sup>		100.0 <sup>2</sup>			
Business investment	25.2		16.9			
At-risk-of-poverty rate after social transfers	-		16.0			
Dispersion of regional employment rates	-		12.2			
Long-term unemployment rate	4.8		4.1			
Total greenhouse gas emissions	-		-			
Energy intensity of the economy	-		-			
Volume of freight transport relative to GDP	167.9		104.7 <sup>e</sup>			

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## Key Challenges

The most important factor dominating the situation in Estonia relates to the economic and political transition that it has gone through following independence, and its small size. There are only 1.4 million inhabitants, sparsely distributed and the population is decreasing.

The current spatial situation and associated challenges can be summarised as an unbalanced settlement structure with economic activity concentrated in the capital city, Tallin. There are large suburban settlements with poorly-built and maintained housing stock in need of renovation, much of it unaffordable for many residents. Some industrial areas are also in need of restructuring. In rural areas, some large, previously cultivated but economically poor, zones have deteriorated. The situation with respect to the coastal and island areas is unique, as Estonia was a closed territory under Soviet rule and most normal activities connected with coastal areas had thus ceased to exist. Consequently, these areas are largely unexploited, neglected and depopulated. Environmental concerns about the possible destruction now of fragile coast ecosystems through new second home and recreational development have been voiced. A substantial part of the country is forested.

The rail network is run-down and land communications to Central and Western Europe are insufficient. There is a rapidly increasing use of private cars with growing demands for road development and parking.

ICT (Information and Communication Technology) developments are relatively very well advanced and there is much complementary activity connecting the metropolitan capital region of Tallinn with Helsinki.

## National Planning Context

Estonia is a unitary state. The county governor (*maavanem*) is an appointed representative of the central government and implements central government policy at regional level. County administration (*maavalitsus*) serves as the administrative apparatus of the county governor. All local government units – towns (*linn*) and rural municipalities (*vald*) – are equal in their legal status. As a result of the one-tier local government system there is no directly elected representation of people at the regional level. However, in each county a regional association of local authorities may be formed. At national level there are two associations that represent common interests of local authorities: the Association of Estonian Cities and the Association of Municipalities of Estonia.

The Territory of Estonia Administrative Division Act sets out the administrative division of the territory of Estonia and the procedure for any changes to it. The country is divided into 15 counties and 227 local government units, among which there are 33 towns and 194 rural municipalities. All local authorities are part of a county. The size of local government units varies. Of the 227 local authorities, there are 32 with a population of under 1,000 and only three with a population above 50,000. Half of the local authorities have less than 2,000 inhabitants.

The new system of local government was introduced in 1994, after years of reforming and restructuring the legal and financial basis for local self-governments. One of the most important principles of local self-government is the right of the residents to participate in the exercise of local government.

## Relevant Policy Initiatives

Responsibility for national and spatial planning lies ultimately with the Planning Division of the Environmental Policy Department (Ministry of Environment). They co-ordinate and guide the elaboration of county and local planning. County planning, carried out by the County Governments Planning Department, should be a basis for general planning at the municipal level.

The two major spatial planning documents are the *Regional Development Strategy* <sup>(12)</sup> and the national planning guidelines, *Estonia 2010* (Estonian Ministry of the Interior, 2002). Both deal with spatial development in a trans-national as well as the national context. The concept of 'decentralised concentration' in the Strategy recommends specialisation and further development of local advantages based on, technological, industrial, educational or recreational strengths. International co-operation to 'by-pass' the current national settlement hierarchy is considered to promote future development. Other ideas support balanced settlement development and suggest co-operation in the development of complementary functions in small towns located far from the main urban centres, but within commuting distance of each other. A third line of development proposes cross-border co-operation, for example for the border towns of Narva and Valga, and extending the Tallinn-Helsinki metropolitan co-operation which is already well established.

The regional development strategy has been revised in the light of increasing regional differences. The Estonian Regional Development Agency has the role of co-ordinating responses with representatives from other ministries (Internal Affairs, Economy, Environment, Agriculture, and Counties and Local Government). Eight regional development programmes now focus on target areas (peripheral, rural, mono-functional settlements, the north-east, border regions, the south-east, Setumaa region, islands). Two principles guide regional policy: innovativeness (promoting business and SMEs) and self-sufficiency (decentralization). Estonian policy stresses the need to attach equal importance to the three main pillars of: the economic, the social and the environmental.

In Estonia there is much already in place which is in tune with the Sustainable Communities approach. It was one of the first countries to introduce legislation regarding sustainable development in 1995 <sup>(13)</sup> and the National Strategy on Sustainable Development (SE 21) <sup>(14)</sup> is a meta-level plan for the long-term sustainable development of the Estonian state and society until 2030. Furthermore, public participation in decision making at the local level, co-operation between local authorities and trans-national co-operation is prioritised, and national planning seeks a sustainable, long-term perspective. There are challenges to be faced concerning integration and co-ordination, especially with regard to different plans regarding infrastructure, land consolidation and land use. The relevance of the Accord is clear, but its effect needs to be adapted to Estonian conditions.

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<sup>(12)</sup> Ministry of Internal Affairs (1999), Estonia. *Regional Policy in Estonia*. Tallin, Estonia, 1999.

<sup>(13)</sup> Riigikogu (Parliament of Estonia) (1995), *The Sustainable Development Act (1995)*. Riigi Teataja (RT)I 1995, 31, 384. ductions: RT I 1997, 48, 772; RT I 1999, 29, 398; RT I 2000, 54, 348.

<sup>(14)</sup> Estonian Ministry of the Environment (Website: <http://www.envir.ee>) (2005), *Sustainable Estonia 21. Estonia National Strategy on Sustainable Development*. Approved by Riggikogu (Parliament of Estonia) on Septmenber 14, 2005.

<b>Sustainable Communities in Estonia: 2007</b>
<p>Estonian environmental policy integrates issues of socio-economic development, human resources, economy, and rural and local development with the environment. The Estonian Parliament, <i>Riigikogu</i>, recently adopted a resolution approving the Estonian National Sustainable Development Strategy ‘Sustainable Estonia 21’ up to 2030.</p> <p>In addition, there is an Estonian <i>Action Plan for Growth and Jobs 2005-2007</i> (2005) and other initiatives relating to improving coastal and forest management. The main state principles for regional policy are the de-concentration of industries, the diversification of rural settlements, and border and cross-border co-operation. Balanced development is defined as a condition in which a compromise is reached between regions allowing for ‘social justice, economic efficiency and realistic development opportunities’. There is a need to build up capacity and local initiatives and co-ordination in sectoral policies. Particular attention is given to the dominant position of Tallinn and its influence in promoting urban development.</p>

The table below gives the values for Estonia and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Estonia (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	20.0		16.0	E
Well run	Voter turnout in national elections (%)	57.9	<sup>4</sup>	70.0	E
	E-government availability (%)	84.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	NA		84.9	<sup>1</sup>
				8.6	<sup>1</sup>
				6.5	<sup>1</sup>
	Level of internet access (%)	31.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.4		5.2	<sup>2</sup> E
	Lifelong learning (%)	6.4		9.3	<sup>2</sup>
	Health care expenditure (%)	4.2		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	50.0 target 92.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	0.6		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	283.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	15.9	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	5.6		2.3	<sup>2</sup>
	Total employment growth (%)	0.0		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	15.5		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available  
Source: Eurostat, 200

## 1.9. Finland



Source: Authors

Headline Indicators			EU-25			
	2004	2010 National Target	2004		2010 EU Target	
GDP per capita (PPS)	112.8		100.0			
Labour productivity per person employed	105.5		100.0			
Employment rate	67.6	<b>70.0 (2007)</b>	63.3		<b>70</b>	
Employment rate for older workers	50.9		41.0			
Gross domestic expenditure on R&D	3.51	<b>4.0</b>	1.90	<sup>2e</sup>	<b>3.0</b>	
Youth education attainment level	84.6		76.6			
Comparative price levels	122.9	<sup>2</sup>	100.0	<sup>2</sup>		
Business investment	15.8		16.9			
At-risk-of-poverty rate after social transfers	11.0	<sup>1</sup>	16.0			
Dispersion of regional employment rates	5.5		12.2			
Long-term unemployment rate	2.1		4.1			
Total greenhouse gas emissions	-		-			
Energy intensity of the economy	-		-			
Volume of freight transport relative to GDP	91.3		104.7	<sup>e</sup>		

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available

Source: EC (European Commission) (2006b)

## Key Challenges

Finland has one of Europe's most dynamic and competitive economies, with a GDP per capita rate at 112.8% of the EU-25 average in 2004 and an ambitious employment rate national target of 70.0% by 2007.

The key spatial problem in Finland is the regional imbalance in population and development between north and south, typical for a Nordic country. Migration in recent years has increased concentration in certain urban areas, most particularly in the Helsinki metropolitan region. There is increasing depopulation in declining peripheral and rural areas and the scattered nature of the urban structure is a strategic issue. Networks are wide with a small population base leading to a wasteful use of natural resources due to excessive traffic relative to population.

Urbanisation started late in Finland – mainly after the Second World War. A national goal has been to keep the country evenly populated. The main focus for spatial development in recent years has been to promote polycentric and balanced regional development.

Following the recession of the 1990s, Finland recovered and its economy is now one of the strongest in Europe, with high levels of innovation. GDP per capita was 112.2% of EU-25 average in 2004 (equivalent to 103.3% of EU-15). After experiencing high levels of unemployment in the 1990s (18% in 1993, and the 2nd highest in EU-15 from 1993-1999), unemployment has fallen to 7.9% by November 2006 – almost exactly the European average.

Finland's demographic problems are the declining and ageing population of many rural and peripheral areas and, common to all European countries, a low fertility rate, although at 1.80 this is exceeded in EU-25 only by Ireland and France.

Recently, social problems related to urban segregation have become apparent, albeit at relatively low levels, these in turn often related to long-term unemployment.

There are environmental challenges in relation to the use of resources as a consequence of the scattered urban structure. Environmental indicators for Finland give mixed messages. In a recently published study by Yale and Columbia Universities entitled *2005 Environmental Sustainability Index* (Yale Center for Environmental Law and Policy, 2005), Finland was ranked number 1 in the world in terms of environmental sustainability. However, in the *Living Planet Report 2006*, issued by the World Wildlife Fund for Nature in October 2006 (World Wildlife Fund for Nature, 2006), Finland's ecological footprint (<sup>15</sup>) per person was the third largest in the world.

The main housing challenge is housing provision in the main urban cores. Increasing housing demand and prices have driven the in-migration process further and further from the city centres dispersing urban areas and increasing traffic flows.

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(<sup>15</sup>) Ecological footprint refers to the amount of land and water area hypothetically needed by a population to provide the resources required to support itself and absorb its wastes. It is increasingly used as an indicator of environmental sustainability.

## **National Planning Context**

Finland is a decentralised unitary state, with strong municipal autonomy and tax-raising powers. There is a well-defined regional administration, but the 19 Regional Councils (which are comprised of representatives from the municipalities) lack powers. The state and the 432 local municipalities are responsible for regional and local development. The number of municipalities will be reduced to 416 in 2007.

Responsibility for spatial planning lies within all three administrative levels. The statutory framework and guidance for planning is established by the national government. The Ministry of Environment is responsible for land-use planning and environmental policies (including sustainable development), while regional development (and urban policy) is under the Ministry of the Interior.

Land-use planning is one of the responsibilities of the municipalities, both at the local level where municipalities prepare local master plans and local detailed plans, and are part of the Regional Councils which are responsible for preparing regional land use plans. The Land Use and Building Act 2000 further extended municipal power in this field, giving local authorities more extensive powers to make independent decisions in land-use planning matters.

The dominant tradition of spatial planning using the European Compendium on Spatial Planning (European Commission, 1997) terminology is ‘comprehensive integrated planning’, with ‘land-use planning’ at the local level.

## **Relevant Policy Initiatives**

The Bristol Accord and Sustainable Communities Agenda has been dealt with by the Ministry of the Interior, although there was also Ministry of the Environment representation at the Bristol Informal.

Finland held the Presidency of the European Union in the second half of 2006, which fell in the period between the Bristol Informal and the German summit review in May 2007. The Accord was discussed in the Finnish Parliament. Its holistic approach was praised, but it was felt that the broadness of the Sustainable Communities Agenda diluted its potential. In that sense Finnish representatives reported that the more focussed approach of the Rotterdam Urban *Acquis* was more useful, at least from Finland’s perspective.

There is no overall urban policy agenda in Finland. Coordination of urban policy rests with the national Ministry of the Interior. Urban policy at the national level is based on maintaining a polycentric urban system and a network of strong cities and towns. The recent nature of urbanisation meant that there was little need for urban policy until the 1990s when the recession led to high rates of unemployment in cities. The concept of ‘cities as engines of growth’ has become a guiding principle in national urban policy. The Centre of Expertise (CoE) Programme launched in 1994 <sup>(16)</sup> was very successful (more than 20 urban regions by 2004), and the major city regions in Finland (in particular, Helsinki, Tampere and Oulu) experienced very strong growth in knowledge-intensive industries.

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<sup>(16)</sup> See [http://www.oske.net/in\\_english/](http://www.oske.net/in_english/).

In 2000, the Regional Centre Programme (RCP) <sup>(17)</sup> was launched. The aim of the RCP is to develop a network of regional centres in all regions, based on the particular strengths, expertise and specialisations of urban regions. The 2004-2006 Programme included 34 urban regions, covering 260 municipalities. The next programming period is set to run from 2007-2010, with the Creative Finland project promoting bottom-up initiatives in 34 cities, based on networking, cooperation and the desire to build social capital.

EU Structural funding has only played a minor role in urban policy in Finland. There is currently one URBAN II project in Helsinki/Vantaa.

Finland has long promoted sustainable development at the national and local levels. The Finnish National Commission on Sustainable Development (NCSD) was established in 1993 to promote cooperation for this purpose and is currently chaired by the Prime Minister. *A Finnish Government Framework Policy on Sustainable Development* (Finnish Government, 1998) was established in 1998 to promote ecological sustainability as well as the economic, social and cultural preconditions for achieving this target. In November 2001 the NCSD and the parliamentary environmental and future committees jointly established a new national sustainable development partnership process. Finland is a key partner in the Nordic Strategy for Sustainable Development which was revised in 2005. At the local level, sustainable development is a guiding principle of the Local Government Act.

The promotion of public and private sector partnerships on various administrative levels is one of the explicit foci of the RCP. Cooperation between neighbouring municipalities and between the public and private sector is becoming increasingly common, usually involving issues related to service provision, but in some urban regions it has resulted in joint business strategies. During the current EU Presidency, Finland has been promoting a 'triple helix' approach to connecting the public sector, private sector and universities.

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<sup>(17)</sup> See <http://www.intermin.fi/intermin/hankkeet/aky/home.nsf/pages/indexeng>.

### **Sustainable Communities in Finland 2007 - 2013**

Finland has a relatively integrated approach to policy development. The Centre of Expertise programme has sought to promote cross-sectoral innovation policies in the Finnish regions. The 2002 Regional Development Act has a requirement for cross-sector co-ordination and this is generally perceived as an improvement in policy co-ordination. However, the recession of the 1990s has meant that creating economic growth has been very much the priority in recent years.

There has been recognition in Finland that new and different skills are needed to advance regional development and place-making. However, the main skill that has been sought is leadership.

An Advisory Committee for Large Urban Regions was set up in 2004 to devise a policy mix for larger urban regions. This policy mix is based on the existing tools of the RCP and CoE. Development policy is diversified according to the strengths of different urban regions. The function of the Advisory Committee for the Helsinki Region is to monitor the development of the Greater Helsinki Region, Finland's only metropolitan region, and to monitor the content of urban policies implemented by the state in the region. The aim is also to promote cooperation between municipalities in the region and to improve cooperation between the region and central government. The Programme is also concerned with developing a sustainable housing policy and urban structure, and promoting social cohesion.

In the Helsinki region, the Helsinki Metropolitan Area Council (YTV) has been set up as a joint organisation for common matters in transport, development planning and waste management, covering the cities of Helsinki, Espoo, Vantaa and Kauniainen. It is responsible for preparing the Helsinki Metropolitan Area Vision 2025.

The 2000 Land Use and Building Act aims to increase public participation in spatial development at the local level, enhance sustainable development and to delegate more decision-making to local authorities. Municipalities may also decide on cooperation for joint master plans.

Vertical and horizontal integration of policy-making or multi-level governance is particularly in evidence in the regional level institutions. The Regional Councils themselves are made up of delegates from the municipalities and regional development policy responds to both national and local interests.

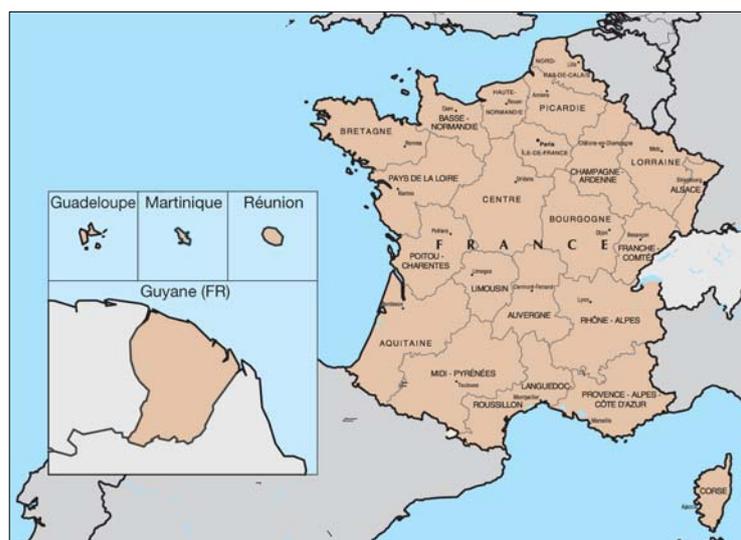
Finland is part of the EUKN network. City of Helsinki Urban Facts has been commissioned as the National Focal Point. Finland already scores highly on many aspects of the Sustainable Communities Agenda.

The table below gives the values for Finland and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Finland (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	11.0		16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	66.7	<sup>4</sup>	70.0	<sup>E</sup>
	E-government availability (%)	91.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	84.1		84.9	<sup>1</sup>
		11.1		8.6	<sup>1</sup>
		4.8		6.5	<sup>1</sup>
	Level of internet access (%)	5.1		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	641.0		5.2	<sup>2E</sup>
	Lifelong learning (%)	22.8		9.3	<sup>2</sup>
	Health care expenditure (%)	6.6		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	114.5 target 100.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	28.3		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	115.3		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	273.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	12.7		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	3.1		2.3	<sup>2</sup>
	Total employment growth (%)	0.4		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	7.8		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available  
Source: Eurostat, 2007

## 1.10. France



Source: Authors

Headline Indicators	2010		EU-25	
	2004	National Target	2004	2010 EU Target
GDP per capita (PPS)	109.8		100.0	
Labour productivity per person employed	119.6		100.0	
Employment rate	63.1		63.3	<b>70</b>
Employment rate for older workers	37.3		41.0	
Gross domestic expenditure on R&D	2.16 <sup>1</sup>		1.90 <sup>2e</sup>	<b>3.0</b>
Youth education attainment level	79.8		76.6	
Comparative price levels	108.0 <sup>2</sup>		100.0 <sup>2</sup>	
Business investment	15.9		16.9	
At-risk-of-poverty rate after social transfers	14.0 <sup>1</sup>		16.0	
Dispersion of regional employment rates	7.1		12.2	
Long-term unemployment rate	3.9		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	92.8		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
 Source: EC (European Commission) (2006b)

## Key Challenges

Since 2000, the French economy has been growing faster than the EU-25 average. GDP per capita was 109.8% of the EU average in 2004. In the last two years the employment rate (63.1% in 2004) has improved slightly, but only by one point above the 2000 level. The unemployment rate has remained high at 9.6% in 2004 with the long term unemployment rate at 3.9% for the same year. The French National Reform Programme is based on the concept of 'social growth' and identifies three main priorities: to create the necessary conditions for strong economic growth; to reduce unemployment and increase employment; to build a knowledge-based economy.

A critical spatial issue remains the dominance of Paris, which is one of the largest metropolitan areas in the EU. The dichotomy between Paris and the French Provinces, a basic feature of the national territory, has been counterbalanced by the remarkable rise of the largest regional capital cities (e.g. Lyon, Toulouse, Montpellier). The Parisian pole has made more of its advantage of integration in Europe and in the world economy than other French cities.

Urban segregation is a major spatial problem which was not originally taken into consideration in the mainstream of the '*aménagement du territoire*' policy. The main concerns are the suburban areas of medium-sized cities as well as metropolises such as Paris, and particularly the outer estates, which were built in the post-war period. Many of the initial inhabitants left the apartment blocks of the 1970s. Those who replaced them in the housing developments have not enjoyed the same employment guarantees. Particularly affected are immigrant families. For the last 20 years, a dedicated policy ('*politique de la ville*') has tried to counterbalance the accumulation of problems in these locations (urban dereliction, declining social conditions, high unemployment rates, crime and violence).

If urbanized rural areas and rural areas dedicated to tourism have benefited from positive trends, the so-called 'fragile rural areas' (mainly the ones with an older rural and/or industrial inheritance) are facing difficulties. Most of them are localized in, or nearby, the *Massif Central*, the *Aquitaine* basin, the *Pyrénées* and in the central part of *Bretagne*. Their main characteristics are: poor agricultural productivity, low density of population, lack of public services. Rural industrial areas suffer from the decline of the traditional industries (e.g. textiles, metallurgy). Most of them are located north of a line from Le Havre to Strasbourg. They are facing increases in unemployment and poverty rates and decline in population. It is also important to note that there are a large number of local authorities in France – more than 36,000 'communes'.

The 751 'more deprived urban areas' (*Zones Urbaines Sensibles (ZUS)*), which are the core target of the French *politique de la ville*, contain nearly 4.5 million inhabitants (including 1.3 million in the Parisian urban area). The unemployment rate is particularly high for women (10.3% in 2001) and young people between 15 and 24 years (male: 18.1% and female: 22.3%). There are important spatial disparities between central urban places and the 'deep rural' areas.

The population is concentrated in urban areas, but it is in the suburbs where population growth is strongest.

Social segregation in the disadvantaged and disaffected suburban communities, which increasingly make up the new working class, is the biggest social challenge. The riots of 2005, especially in Paris and cities such as Marseilles have served to highlight these problems.

### **National Planning Context**

The French urban system is a transitional one between North and South Europe: a high density network of cities in the north east of the country, urbanisation along the rivers and the coast in the south east, relatively autonomous cities with large rural areas in the west.

France is a unitary country, with a three-tier system and elected representation for each tier. There are in total 26 Regions (elected '*Conseils régionaux*' – regional councils, which today have responsibility for spatial planning and economic development), 100 'Departments' (elected '*Conseils généraux*'), and 36,667 Communes (elected local authorities). The state is also represented at each level by appointed Prefects of Regions, and Appointed Prefects and Under-Prefects of Departments. In addition, there are the Overseas Departments (Guadeloupe, Martinique, Guyane and Réunion) and Overseas Territories (Nouvelle-Calédonie, Polynésie française and Wallis-et-Futuna in the South Pacific; Saint-Pierre-et-Miquelon in the North Atlantic; Mayotte in the Indian Ocean), as well as Corsica, which are affected by isolation issues. The principle of 'territorial continuity' is applied to these spaces to compensate for the handicaps related to their insularity and/or distance from the French mainland.

There are ongoing steps towards decentralisation. However, the state has the power to participate actively in the organisation of regional and local authorities. In 1997 a new coalition placed urban governance and urban policy-making high on the political agenda. Institutional and procedural innovations were needed to better develop and implement policies to fight the most serious urban problems – economic stagnation and lack of social cohesion. The innovations are expressed in laws that allow for the creation of new area-based institutional bodies (depending on size: *communautés urbaines*, *communautés d'agglomération* and *communautés de communes*), to introduce new instruments for these new institutions such as various types of mutual agreements (*contrats*) and projects (like the *projets d'agglomération*), and the involvement of the urban population (*conseils de développement* and *conseils de quartier*). The 2002 Government launched a 'second decentralization wave'. The decentralisation of responsibilities in this second wave involves mostly the regions and the departments.

At the national level, important actors are the State Secretariat for Spatial Planning (currently within the Ministry of Transport, Territorial Planning, Tourism and the Sea), CIADT (*Comité Interministériel d'Aménagement et de Développement du Territoire*)<sup>(18)</sup>, DATAR (*Délégation à l'aménagement du territoire' et à l'action régionale*)<sup>(19)</sup>, CNADT (*Conseil national de l'aménagement et du développement du territoire*)<sup>(20)</sup>, the Ministry for Employment, Work and Social Cohesion as well as other Ministries on a thematic basis and the appointed Prefects and Under Prefects at Regional, Departmental and local levels.

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<sup>(18)</sup>France's Interministerial Committee for Planning and Urban Development.

<sup>(19)</sup>DATAR had responsibility for the regional aspects of the national economic plans France was implementing.

<sup>(20)</sup>National Spatial Planning and Development Council, France.

ESPON Project 2.3.2 (ESPON, 2006e) concluded that the French style of planning is State-run but with institutionalised interactions with local and regional authorities. It has a statutory framework that is influenced by regional and local initiatives developed out of the formal government system.

### Relevant Policy Initiatives

*Politique de la ville* does not mean, as a literal translation might suggest, the urban policy for a city as a whole, it is rather the policy for ‘disadvantaged neighbourhoods’ which have difficulties in the areas of housing and urban environment and in the socio-economic fields of employment, education, health, public order and security, and urban services. Following the 2002 general elections, the French Government decided to focus state urban policy actions on a limited number of issues that were the most urgent priorities for deprived areas, primarily: urban renovation, unemployment and educational failure. The City and Urban Renovation Act 2003 took up the challenge of reducing the gap through a five-year programme of urban renovation aimed at ‘destroying urban ghettos’. The objective is to restructure these neighbourhoods by reorganising public spaces and services and through investment in housing, the demolition and reconstruction of 200,000 dwellings and the rehabilitation of a further 200,000. More than 150 neighbourhoods are currently involved in the programme. To achieve this, an *Agence Nationale de Rénovation Urbaine* (National Agency for Urban Restoration: ANRU) has been established. The economic development of neighbourhoods is based on a new generation of 41 economic opportunity zones (*Zones Franches Urbaines – ZFU* <sup>(21)</sup>) in addition to the 44 ZFUs created in 1996. The Law for Social Cohesion of January 18<sup>th</sup> 2005 plans new measures in the field of employment, integration and new social housing construction, which are not specifically dedicated to deprived urban areas. Two important actions are focused on these neighbourhoods:

- the reform of the *Dotation de solidarité urbaine* (grant for urban solidarity) which increases the financial resources allocated by the state to the general budget of the poorest cities;
- the creation of *Equipes de réussite éducative* (educational success teams) which aims to mobilise and coordinate all the players within educational policies (teachers, social workers, psychologists, physicians, sports and culture players) to deal with children identified as experiencing educational failure.

These policies are too recent to have had a significant impact, but the next reports of the National Observatory of Sensitive Urban Zones (ONZUS <sup>(22)</sup>) are expected to detail the initial results. Policies and tools set up during the previous periods are still active in many instances, at least at the local level.

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<sup>(21)</sup>Urban Frank Zones (ZFU) are urban renewal ‘zones of urban relaunching’ (ZRU - characterized by a rate of raised unemployment, a broad proportion of non-graduate people and a low tax potential) of a size higher than 10,000 inhabitants.

<sup>(22)</sup>ONZUS: *Observatoire national des zones urbaines sensibles*.

### **Sustainable Communities in France: 2007**

The French National Strategy for sustainable development was adopted in June 2003 to apply for a period of five years. It establishes a framework for Government initiatives in the field of sustainable development and in all other policy fields. It also forms an action plan to put into practice the environmental charter to be included in France's constitution. The Inter-Ministerial Committee for Sustainable Development (ICSD) chaired by the Prime Minister and the Minister in charge of sustainable development is responsible for the definition, coordination and follow-up of the Government's sustainable development policy. It drew up the national strategy and is responsible for its implementation and regular update. It examines the coherence of the actions of all Ministries with the national sustainable development policy and France's European and international commitments. A wide participation of actors in the elaboration of the strategy was a central concern of the Government. To that end, in January 2003, the National Council for Sustainable Development (NCSD) was created. Its mission is to bring together representatives from civil society and territorial authorities to provide advice and submit proposals for the preparation, implementation and follow-up of the sustainable development policy. France is a partner in the European Urban Knowledge Network (EUKN). The Sustainable Communities Agenda is important for France, particularly in the domain of social cohesion and governance.

The table below gives the values for France and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	France (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	13.0		16.0	E
Well run	Voter turnout in national elections (%)	60.3	<sup>3</sup>	70.0	E
	E-government availability (%)	66.0	<sup>7</sup>	52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	86.6		84.9	<sup>1</sup>
		4.8		8.6	<sup>1</sup>
		8.6		6.5	<sup>1</sup>
	Level of internet access (%)	34.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.9		5.2	<sup>2</sup> E
	Lifelong learning (%)	7.1		9.3	<sup>2</sup>
	Health care expenditure (%)	8.8	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	99.2 target 100.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	14.2		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	98.5		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	203.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	6.8		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	1.3		2.3	<sup>2</sup>
	Total employment growth (%)	0.0		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	NA		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available

Source: Eurostat, 2007

### 1.11. Germany



Source: Authors

Headline Indicators	National Target		EU-25	
	2004	2010	2004	2010
GDP per capita (PPS)	109.1		100.0	
Labour productivity per person employed	100.9		100.0	
Employment rate	65.0		63.3	<b>70</b>
Employment rate for older workers	41.8		41.0	
Gross domestic expenditure on R&D	2.49 <sup>e</sup>	<b>3.0</b>	1.90 <sup>2e</sup>	<b>3.0</b>
Youth education attainment level	72.8		76.6	
Comparative price levels	106.6 <sup>2</sup>		100.0 <sup>2</sup>	
Business investment	16.0		16.9	
At-risk-of-poverty rate after social transfers	16.0		16.0	
Dispersion of regional employment rates	6.2		12.2	
Long-term unemployment rate	5.4		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	107.5		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available

Source: EC (European Commission) (2006b)

## Key challenges

In the last decade, Germany's approach to urban development and planning has changed along with economic and social conditions. German reunification at the start of the 1990s represented a unique challenge to politics and society. The Federal Government's goal since then has been to improve the general conditions for city investment, innovation, growth and social cohesion.

Since the 1990s there have been programmes for integrated urban development which have responded to the historic differences between the north-south divide, with the southern half of Germany generally being considered to be more dynamic, and disparities between east and west arising from the problems of German reunification. Against the background of European integration increasing importance is placed on metropolitan areas as future growth poles within an enlarged Europe. The emphasis is on networks of cities with a differentiated order of higher, middle and lower functions according to the German 'central place system'<sup>(23)</sup>.

German problems include a declining and ageing population and new social, economic and demographic challenges to the sustainability and competitiveness of cities brought about by increasing globalisation. Problems have been exacerbated in the east by an increasing out-migration of the young and qualified workforce from economically less prosperous regions to more dynamic agglomerations. Out-migration means that vacant housing in many locations is one of the greatest challenges for urban policy. Demographic development has had consequences for socio-economic development, the employment situation and infrastructure provision.

Thus whilst many urban agglomerations need to address the consequences of industrial decline, the more successful are facing an increasing strain on infrastructure against a backdrop of in-migration, fuelling population growth in the hinterlands and continuing suburbanisation. In these areas there is therefore a focus upon creating functioning markets for high-quality rented and owner-occupied housing in attractive locations, but a consequence is the increasing development of land and continuing conversion of open areas into settlement and transportation areas.

Whilst facing the ubiquitous problems of excessive energy use and the increasing production of waste there are particular problems of land use. Open areas are under most pressure where it is already scarce - along the borders of the successful core cities. However, the pressure on green or open spaces in central areas or the so called intermediate areas is also expected to rise in the future.

## National planning context

The emphasis on the environmental aspects of urban development has gradually shifted to social policy. This reflects both the increase in social problems in German cities caused by structural unemployment and the pressure on the welfare state due to a decline in public sector finance.

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<sup>(23)</sup> This refers to the 'decentralised concentration' of the spatial structure, which bundles together services relevant to a settlement and aims to reach the optimal distribution of infrastructure in order to ensure equal economic and social development in all parts of the country.

Local development and the management of public facilities and utilities rely on local public-private partnerships, focussing on economically profitable or culturally important flagship projects.

The erosion of public budgets has forced the federal government to change from nation-wide investment to competitive promotional programmes. Winners expect higher subsidies than others in a climate where the social dimensions of urban development increasingly add to the burden on local government. Social disparities in German cities were often cushioned and visibly hidden by a comparatively generous and balanced federal welfare programme. However, there is now evidence emerging that urban disparities are starting to grow and will become more visible, creating social segregation and growing social tensions.

The spatial planning system in Germany is organised according to the federal structure and is reflected in the interplay between supra-local spatial planning and urban policy. The Federal Government and the 16 *Länder*, in which there are 114 regions and approximately 14,000 municipalities, all share the task of spatial planning. Germany has no explicit national spatial development policy beyond Regional Planning Policy Guidelines which provide an overall framework, and an overview on spatial development and spatial planning provided by regular national Spatial Planning Reports. Responsibility for spatial planning policy therefore lies in the *Länder* and the municipalities, within the context of Germany's highly polycentric settlement structure.

Berlin, Hamburg, Munich, Cologne and Frankfurt am Main are the five largest cities, all of which are growing beyond their administrative borders and form territorial functional units with their surrounding local authorities which can be considered as linked urbanised areas or city regions. Local authorities work within a legal framework which enables them to take responsibility for their own local communities, and local self-government extends to personnel, organisation, finances, planning and jurisdiction.

### **Relevant policy initiatives**

The Federal Government supports sustainable urban development through urban development assistance programmes. In particular, it has reinforced the integration of urban development with housing policies and instruments. Existing housing policy instruments at the federal level have been reformed and new opportunities for assistance have been created to focus housing policies on the redevelopment and modernisation of the housing stock.

Spatial policy is based on the principle of the "creation of equal value living conditions" which is stated in the Basic Law for the Federal Republic of Germany. Issues of labour market development, demography, settlement structures and land use are of high priority.

In terms of sustainable development, in 2001 the Council for Sustainable Development was convened as an advisory body to the German government. In 2002 the federal government adopted a sustainable development strategy which addresses a sustainable settlement policy. Sustainable education and research is the motor for innovation, a sustainable family policy, and a sustainable climate policy and an energy policy promoting renewable energy sources and an increase in energy efficiency. The strategy included 21 indicators of sustainable development

which were first monitored in 2004 and followed by a report 'Landmark for sustainability' in 2005.

The Government subsidises the Federal *länder* to support these priorities and to supplement the core funds of the *länder* and the local authorities. However, national funding is aimed at supporting the structurally weak regions to help them to catch up with more prosperous regions. The two most important measures in this respect are investment in business and in infrastructure, as economic drivers.

The national Regional Planning Reports for 2005 highlight three main challenges for spatial policy in the future. *First*, demographic developments and restructuring of the economy pose challenges for the maintenance of public services. The provision of education and health services, social infrastructures and public transport facilities need to adjust to the shrinking capacities of many regions. Similarly, the supply of housing is affected by high pressure on the housing markets in growth regions on the one side and high vacancies in shrinking regions on the other. *Second*, growth-oriented regional development has to address the problem of high unemployment rates in East German regions and the old industrialised West German regions and the low unemployment rates in West and Southern Germany. Growth-oriented spatial policy targets funds mainly to potential growth regions. Throughout Germany these potential growth regions are the larger agglomerations, and their hinterlands possess high innovation capacity, high productivity rates and are attractive to capital investment and to skilled and qualified labour. The *third* future policy priority lies in the provision of open and recreational areas in urban, suburban or rural contexts.

Germany has used the opportunity of its EU Council Presidency in the first half of 2007 to promote key policy initiatives in the field of sustainable and integrated urban development in Europe. Very much building on the Bristol Accord (and the 2004 *Urban Acquis* and 2000 Lille Programme), a Leipzig Charter on Sustainable European Cities will be adopted at a EU Ministerial Informal meeting of the Ministers responsible for urban and spatial development to be held in Leipzig on 24-25 May 2007 (see Annex 6). This picks up the thread of the earlier European Council decisions on sustainable development and applies them in concrete terms to the spatial development of urban neighbourhoods, cities and regions. This initiative is predicated on the understanding that 'integrated urban development is a prerequisite for successful urban sustainability'.

### Sustainable Communities in Germany 2007

Germany has faced unique problems stemming from the reunification process, not least because of the disparities between the levels of development in East and West Germany. There has been a consequent and significant shift in populations, as well as significant in-migration of labour, all of which has put a range of pressures upon the planning and development process in urban areas and across regions, and upon infrastructure provision, including social and economic infrastructure.

To counteract social and spatial polarisation in cities, the Federal Government and the Federal States jointly launched the programme ‘*Districts with Special Development Needs — the Socially Integrative City (Stadtteile mit besonderem Entwicklungsbedarf – die Soziale Stadt*, usually referred to as *Soziale Stadt*’) <sup>(24)</sup>. This is an urban renewal programme pursuing a new and integrated approach where assistance programmes are combined to create synergies from different subsidies.

Housing issues specific to reunification have been addressed in the programme ‘Structural change of the housing economy in the new Federal States’ (2001). This aims at strengthening the attractiveness of East German cities and municipalities as places for living and working, and at stabilising housing markets.

Much of the activity of particular relevance to Sustainable Communities is at a local level, such as Agenda 21 processes, with at least 1,400 municipal councils supporting Local Agenda 21 process by 2000 (IFL, 2004 p.114) <sup>(25)</sup>.

In terms of sustainable urban development, the Germans prioritise:

- strengthening inner cities in preference to suburban expansion;
- developing the capacity for cities to cooperate at a regional level;
- making neighbourhoods more attractive for families, seen as an opportunity to focus upon more sustainable communities;
- creating socially stable urban neighbourhoods;
- adapting the infrastructure to the needs of the elderly;
- making mobility more compatible with city development needs and environmental imperatives;
- strengthening cities as business and innovation locations;
- diversifying and strengthening city centre retail areas;
- improving local planning for and with private investors;
- putting a different complexion on cities by developing cultural attributes;
- maintaining old historic cities and using the built heritage as economic drivers;
- modernising the existing building stock — becoming more eco-efficient

<sup>(24)</sup> See <http://www.sozialestadt.de/en/programm/>.

<sup>(25)</sup> IFL [Leibnitz Institut für Länderkunde] (Ed.) (2004): Nationalatlas Bundesrepublik Deutschland. Band Dörfer und Städte: München.

The table below gives the values for Germany and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Germany (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	16.0		16.0	E
Well run	Voter turnout in national elections (%)	77.7	<sup>6</sup>	70.0	E
	E-government availability (%)	36.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	85.5		84.9	<sup>1</sup>
		7.5		8.6	<sup>1</sup>
		7.0		6.5	<sup>1</sup>
	Level of internet access (%)	60.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	4.7		5.2	<sup>2</sup> E
	Lifelong learning (%)	7.4		9.3	<sup>2</sup>
	Health care expenditure (%)	7.7		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	82.5		99.1	<sup>1</sup>
		target 79.0		target 92.0	
	Share of electricity generated from renewables (%)	9.7		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	92.4		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	104.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	7.0		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	1.1		2.3	<sup>2</sup>
	Total employment growth (%)	-0.1		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	NA		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available

Source: Eurostat, 2007

## 1.12. Greece



Source: Authors

Headline Indicators	2004		2010		EU-25	
	2004		National Target		2004	2010 EU Target
GDP per capita (PPS)	81.8				100.0	
Labour productivity per person employed	96.3				100.0	
Employment rate	59.4		<b>62.5 (2008)</b>		63.3	<b>70</b>
Employment rate for older workers	39.4				41.0	
Gross domestic expenditure on R&D	0.58	<sup>2</sup>	<b>1.5</b>		1.90	<sup>2e</sup> <b>3.0</b>
Youth education attainment level	81.9				76.6	
Comparative price levels	85.1	<sup>2</sup>			100.0	<sup>2</sup>
Business investment	21.3				16.9	
At-risk-of-poverty rate after social transfers	20.0				16.0	
Dispersion of regional employment rates	4.1				12.2	
Long-term unemployment rate	5.6				4.1	
Total greenhouse gas emissions	-				-	
Energy intensity of the economy	-				-	
Volume of freight transport relative to GDP	-				104.7	<sup>e</sup>

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
 Source: EC (European Commission) (2006b)

## Key Challenges

A critical spatial problem remains the dominance of Athens in the Greek urban landscape and a serious deficit of medium-sized cities. With approximately 34% of the national population living in Athens (one of two metropolitan areas, the other being Thessaloniki), within Europe only Luxemburg has a greater concentration of its national population living in one city. The high degree of suburbanisation and urban sprawl is accelerating around Athens. National GDP contributions are disproportionate and dominated by the contribution of the Attica periphery<sup>(26)</sup>.

There is a high degree of territorial fragmentation in Greece due to the dominant presence of islands which account for one-fifth of the total national area. There are approximately 3,000 islands. The extensive mountain ranges and seismological conditions of the territory create costly technical infrastructures. Large disparities exist between the hinterland and coastal areas, between the mountainous terrain and plains, between the farming areas and cities, and between the mainland and the island clusters.

Greece has been experiencing strong economic growth since 1999 (4.4% annually on average) with labour productivity growth above the EU average. However, in 2004 GDP per capita was still relatively low at 81.8% of the EU-25 average. Foreign Direct Investment (FDI) is low compared to EU averages and job creation also remains low. Employment rates at 59.4% in 2004 remain well below the EU Lisbon 2010 target. Unemployment is particularly high for women, older workers and young people, especially in the periphery (the islands and North West Greece). Long-term unemployment was 5.6% in 2004.

Many of the islands and rural areas suffer from depopulation (e.g. Thrace and North West Greece). Economic structural changes and young people are moving away in search of entry into the labour market or for educational opportunities. Island de-population is also observed due to the seasonality of the tourism sector, which is the largest employer in the islands. Fertility rates are very low.

Social exclusion and segregation is a problem in disadvantaged urban communities. In particular, there is a challenge of integrating immigrant populations into Greek society (particularly from the Russian Republics and the Balkans, where there are significant numbers of immigrants from Albania and Romania). A legitimisation campaign has been initiated in an effort to control the illegal transient nature of employment for Balkan immigrant communities in particular.

Water management is a strategic issue in Greece despite successes with some large projects (e.g. the Achelos River diversion, desalination plants) and seasonal shortages facing the islands. Sea and water pollution from private and industrial waste and shipping activity also remains an issue. Particular challenges in terms of energy consumption and waste present themselves in the tourist hotspots during the summer months, especially in the island clusters. There is an 'energy deficit' faced by Greece. In recent years there has been a significant new wave of investment into renewable sources of energy.

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<sup>(26)</sup> The Attica periphery (NUTS2) comprises the prefectures of: Greater Athens, East Attica, Piraeus and West Attica.

Rapid urbanisation in the 1980s and the inability of planning authorities to cope and provide the relevant infrastructure have led to congestion, deterioration of the environment and functional inefficiencies in the large cities. Unauthorised building construction (of housing) remains problematic, although there is now a shift from the illegal building of 'main residences' to illegal building activity of private vacation housing.

### **National Planning Context**

Greece is a highly centralised unitary state. Spatial planning policy in Greece is predominantly a public sector activity at all levels of the state hierarchy. Spatial planning is highly centralised despite the 1994 reforms. The country is divided into 13 administrative regions (the 1<sup>st</sup> tier of local government - *peripheries* or regions) for the purposes of planning, programming and co-ordinating regional development, headed by a general secretary appointed by central government. Each region includes a number of prefectures (2<sup>nd</sup> tier), a layer introduced with the 1994 reforms. There are 51 'ordinary' prefectures (*nomos*). The *nomos* of Attiki is itself divided into three 'integrated super' (*nomarxies*) prefectures (one for the Athens-Piraeus area and two in eastern Macedonia and Thrace). The 3<sup>rd</sup> tier is constituted by the 900 Municipalities (*doimos*) and 133 Communes (*koinotita*) in charge of local affairs. The definition of the latter often results in legal disputes.

Whilst the introduction of the 2<sup>nd</sup> tier in the 1994 reform has provided a positive boost for local government (previously fragmented into over 5,000 communes and 200 small municipalities), the devolution of powers from central government to local government remains an incomplete project in Greece. Prefectures have limited powers in spatial planning and their role is usually limited to implementation (building control and permits) and the implementation of public development projects (either initiated by the regional authorities or central government ministries).

At the national level, the Ministry for the Environment, Physical Planning and Public Works (YPEXODE) is responsible for regional physical planning at the national level. Additional responsibilities also include the Ministry of the Economy and Finance, which controls regional policy.

ESPON Project 2.3.2 (ESPON, 2006e) assessed the Greek planning system as being in a state of turbulence, still dominated by traditional 'urbanism' and land use planning models, but containing pockets of innovation, and occasional breakthroughs.

### **Relevant Policy Initiatives**

The *General Framework for Spatial Planning and Sustainable Development* (2002) was introduced in 1999 and it sets the specific goals concerning conflicting issues in land-use management which are aiming to achieve the sustainable use of land and the minimisation of negative environmental impacts. The General Framework is supplemented by a Special Framework which contains provisions for the sustainable development in coastal zones and mountainous areas.

Greece's *National Strategy for Sustainable Development* (Hellenic Government 2002) was published by the Ministry of the Environment, Physical Planning and Public Works in 2002. It

contains proposed actions and measures for improving and preserving the natural environment and significant attention is given to measures and actions for improving social solidarity and cohesion. The sectoral dimensions of sustainable development are also considered in the report. Of particular relevance is the case of tourism which contributes over 6% of the national GDP and has significant positive impacts on development and employment. The severely negative long-term environmental impacts it poses are considered. These aspects are considered in the *Programme for the Sustainable Development of Greek Coastal Zones and islands* which aims at the balanced integration of the tourism activity in the natural environment based on its carrying capacity. Moreover, proposals in the ‘Competitiveness’ section of the 3<sup>rd</sup> Community Support Framework 2007-2013 aim at the reduction of pressures on local natural resources through the diversification of tourism services. The promotion of alternative forms of tourism (e.g. eco-tourism, agro-tourism, conference-tourism) and steering away from the mass tourism model are critical for the success of the Sustainable Communities Agenda in Greece.

Greece is a partner in the European Urban Knowledge Network (EUKN). The main point of contact is the URBAN II Community Initiative management authority.

#### **Sustainable Communities in Greece: 2007 and the Athens legacy**

It is important to note that EU Structural Funds and their respective programming and implementation processes have contributed substantially to the streamlining of development programmes at sub-regional, regional and national levels. Additionally, substantial improvements were made in urban development delivery in Athens in preparation for the 2004 Olympic Games. The Olympic Games was a unique opportunity for Greece to upgrade the quality of life in Athens and a strong motivation for the restructuring of the Athens region. Some key projects have been the upgrading of the transport infrastructure, principally the new *Eleutherios Venizelos* airport, the Athens Metro S.A. network, the Athens Suburban Railway, and the *Attiki Odos* Highway (the 64 km Athens ring road). In addition, there have been general infrastructural development legacies in the five Olympic cities, as well as tourism projects such as the ‘Unification of Archaeological Sites of Athens’. The skills and expertise of the workforce in Greece across every sector was enhanced as the workforce was called upon to participate in, or manage, large-scale complex urban projects which required integrated planning and detailed coordination. This has been a major achievement for the Greek public sector. The improvement of the quality of life is expected to continue after the end of the Games, not only in the Athens region, but also in other urban centres throughout Greece which benefiting from the Athens legacy.

The Greek delegation to the Bristol EU Informal was from the Ministry of Economy and Finance, which illustrates the importance placed in Greece of developing financial opportunities for projects and the financial implications of European policy initiatives and Sustainable Communities.

The Sustainable Communities Agenda is important for Greece. Compared to other Member States in Western Europe, the Greek planning system needs further Europeanisation. Significant efforts are being made in this field. Considering Greece’s rich biodiversity, wealth of environmental resources and especially its abundance of social, historic and cultural assets, embracing the Sustainable Communities Agenda can provide Greece with a substantial competitive advantage.

The table below gives the values for Greece and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Greece (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	20.0		16.0	E
Well run	Voter turnout in national elections (%)	76.6		70.0	E
	E-government availability (%)	77.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	78.2		84.9	<sup>1</sup>
		20.2		8.6	<sup>1</sup>
		1.7		6.5	<sup>1</sup>
	Level of internet access (%)	17.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	3.9		5.2	<sup>2</sup> E
	Lifelong learning (%)	1.8		9.3	<sup>2</sup>
	Health care expenditure (%)	6.7		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	123.9 target 125.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	9.5		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	136		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	397		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	16.4		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	4.5		2.3	<sup>2</sup>
	Total employment growth (%)	3.4	<sup>e</sup>	0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	NA		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available

Source: Eurostat, 2007



## 1.13. Hungary



Source: Authors

Headline Indicators	2004		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	60.4		100.0	
Labour productivity per person employed	68.6		100.0	
Employment rate	56.8	<b>63.0</b>	63.3	<b>70</b>
Employment rate for older workers	31.1		41.0	
Gross domestic expenditure on R&D	0.89		1.90 <sup>2e</sup>	<b>3.0</b>
Youth education attainment level	83.4		76.6	
Comparative price levels	61.9 <sup>2</sup>		100.0 <sup>2</sup>	
Business investment	19.3		16.9	
At-risk-of-poverty rate after social transfers	-		16.0	
Dispersion of regional employment rates	9.4		12.2	
Long-term unemployment rate	2.6		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	91.9		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## Key Challenges

In Hungary the main spatial problems relate to regional disparities: the gap between the Central Hungarian Region and the rest of the country. 42% of the GDP of Hungary is produced in this region, GDP per capita is 151% of the national average, and 74% of the EU average. Hungary's GDP per capita was 60.4% of the EU average in 2004. The average per region is: for the South Plain Region 43%; South Transdanubia Region 43%; Northern Plain Region 38%; Northern Hungary Region 38%; Central Transdanubia Region 52%; Central Hungary Region 74%; and West Transdanubia Region 62%.

The North Hungarian Region (consisting of Nógrád, Heves and Borsod-Abaúj Zemplén Counties), where there was a regional concentration of mining, energy and heavy machinery production, today only accounts for 8.4% of the national GDP, and GDP per capita is 66% of the national average. In the areas of former heavy industries entrepreneurial activity evolved slowly because of the difficulties of transition from the large industrial firm structure. In such areas unemployment is still above the national average. Furthermore, there is serious environmental damage to many previous heavy industrial sites, with derelict sites and contaminated soils.

The Hungarian urban pattern is dominated by Budapest. This dominance (monocentrism) is a result of a historic process. The capital city is surrounded by a belt of small secondary centres, which are increasingly linked to the capital with a growing trend of suburbanisation. Elsewhere, the Hungarian urban system is a polycentric pattern of medium and small cities, well distributed throughout the country. The inner city urban areas have undergone renewal during the last 10 years, but there are still outdated and run down urban neighbourhoods. The main source of air pollution is transport in the urban areas.

The challenges relating to regional disparities have been tied closely to the transition to a market economy in the 1990's and more recently to the transition to a more advanced, knowledge based economy, as well as to a lack of coordination both at national and regional levels. Though some improvements have been in evidence since 2000, 'institutional capacity' problems persist. There has been a controversy with regard to the targeting of European funds; the geographical distribution of 58% of all PHARE investment funds was targeted at the two most developed areas of Hungary. The uptake of PHARE was 'demand-driven'. Though governmental plans have changed, to the benefit of the underdeveloped regions, the core - periphery model persists. In the underdeveloped areas, alongside job creation, investment is required in the areas of sewage treatment and waste management as well as water management (flood protection and irrigation). Transport infrastructure needs to be upgraded and restructured. Although foreign direct investment is considerable in all regions, there is a lack of cooperation between multinationals and the local enterprises. The development of SMEs is inadequate and there is a lack of finance provided by monetary and banking institutions for short-term business support.

The Hungarian population is falling (1981 - 10,800,000, 2001 - 10,197,119, 2005 - 10,090,330) and ageing in composition. The population growth rate is -0.25% (2006 *est*) and average fertility rate per woman is 1.32 (2005 *est*). The trends are more recent (falling sharply from the 1990s onwards) than similar trends in Western Europe, and consequently the age distribution is still comparatively more balanced (65+ - 15%, 0-14 - 17%). Migration and other demographic

processes have speeded up since the 1990s. This has resulted in spatially different demographic changes and challenges between urban/rural and centre/periphery. There is a concern with

demographic and public health statistics, which show population decline, short life expectancy, high suicide rates, low fertility and low marriage rates. These, in turn, are generally explained by economic factors such as unemployment and housing shortages, and a general 'cultural malaise', triggered by the insecurity brought about by the transition to a market economy.

93% of the population of Hungary is Hungarian (Magyar), with 13 official minorities eligible for 'self-government' status since 1997. The Roma population is the largest minority ethnic group (over two thirds). Estimates based on current demographic trends show that in 2020 10 percent of the population will be Roma. The education level of the Roma population is low, with less than 1% holding higher educational certificates. Romas suffer particular problems, and a low status on the job market and higher unemployment rates (at least ten times higher than the Magyar population) results in high rates of poverty and social conflicts.

The development level and prospects of rural communities vary. The rural communities at the urban fringe are growing due to in-migration as well as natural growth. They constitute the suburban rings of cities around Budapest as well as other major medium-size functional urban areas. A great number of peripheral communities have an uncertain future and they suffer from persistent unemployment, ageing, poverty and out migration.

Infrastructure is deficient especially in the peripheral rural communities and also in other rural as well as urban fringe areas. The housing situation in Hungary, compared to other new Member States, is, relatively good. The problems are not so much housing shortage, rather inefficiency and a lack of affordability, and the absence of a social safety net.

The 2005 Visegrad (V4) statement indicates that the Hungarian Government, together with her V4 neighbours, considers insufficient EU funds are being devoted to housing problems specific to the region;

*'Ministers repeatedly stress the importance of one of the main urban problems of the new Member States – post-war panel housing estates. Unparalleled tenure structure in housing stock with very high owner-occupied segment, extremely high energy consumption, is a challenge for which a new set of instruments has to be prepared.*

*In this context Ministers regret that under the current discussions on the new programming period 2007-2013 only a weak reflection was given to their concerns and nearly no flexibility was shown regarding negotiations of housing eligibility under Structural Funds and Cohesion Fund. It is clear that the problems of the urban areas in the V4 countries are in many ways different from that of the EU-15. Therefore Ministers reconfirm their hope that it is still possible to tackle this challenge in a way that would enable eligibility of specific housing expenditure as part of integrated urban renewal programmes'.*

Source: Visegrád Group (2005) <sup>(27)</sup>

Subsequently, it has been agreed that new Member States can spend up to 30% of their national Structural Funds allocations on housing investments.

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<sup>(27)</sup> Declaration of the V4 ministers (of the governments of the Slovak Republic, the Czech Republic, the Republic of Hungary and the Republic of Poland) responsible for regional development, signed in Sliac (Slovakia), December 2, 2005.

## National Planning Context

Hungary has a unitary government structure that is de-centralised administratively into nineteen counties, one capital and twenty two ‘*megyei jogú város*’ (urban counties). In 1998, in preparation for accession, Hungary was regionalised by dividing the country into seven ‘Euro-regions’. These are small in population terms, but large in area terms compared to the average EU NUTS2 region. Current regional policy in Hungary is based on a 1996 law which established a legal and institutional framework for the balanced territorial development i.e. for reducing the regional development gaps within the country.

## Relevant Policy Initiatives

The adoption of the *1996 Regional Development and Planning Law No. XXI* <sup>(28)</sup> marked a turning point in this sphere of planning policy and administration. The Law established regional development goals and overall objectives in compliance with EU regional policy, but also developed a unique Hungarian institutional system, the model of ‘regional development councils’. In 2006 revisions relating to regional development and regional planning came into force, strengthening the institutional system associated with territorial (physical) planning. Territorial plans, developed centrally in collaboration with devolved administrations, cover the country as a whole, the so called ‘special’ regions and the counties. These plans are to ensure that land use at national and regional level complies with the principle of sustainable development and the harmonised spatial structure of technical infrastructure systems. By identifying technical and ecological considerations, they provide guidance for the development of regional planning concepts and programmes at various levels. Responsibility for implementation lies primarily at the local/sub-regional and County level (*megyék*), whose mandatory responsibilities are listed as; spatial planning, environmental issues and the establishment of spatial information systems. Some specifics of spatial planning are further devolved to municipal level.

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<sup>(28)</sup> Ministry of Environment and Regional Policy, Hungary (1996), Law XXI on Regional Development and Physical Planning. Budapest, 1996.

### Sustainable Communities in Hungary 2007

The Hungarian government alone has not yet specifically responded to the Bristol Accord, but a joint Visegrád statement dealt with the issues addressed in the Bristol Accord.

The Ministry of the Environment and Water has developed a 'vision' for sustainable development (in collaboration with the United Nations Development Programme (UNDP)). In addition, the *Hungarian National Spatial Plan* <sup>(29)</sup>, elaborated 1999-2002 has as its purpose the development of a future national spatial structure with particular regard to a commitment to balanced, sustainable development of the national territory. It is to provide an overall framework for the spatial allocation of infrastructure investments and for the control and regulation of land use. One important aspect of the elaboration process was the consistent inter-agency co-operation, both at the governmental level and at the level of spatial planners and specialists responsible for transport, water management, nature conservation, environmental protection, agriculture and forestry. The county and local authorities as well as the non-governmental environmental and professional organisations were consulted and given the opportunity to influence decision making. The National Spatial Plan was adopted by the Parliament in 2003. In Hungary this is the first national spatial plan to be enacted by the Parliament. It provides a regulatory framework for the elaboration of the physical plans of regions and administrative counties.

The Sustainable Communities Agenda is applicable to Hungary, although the particular issues concerning the re-structuring of the economy and the sustainable development of communities requires a different approach to that appropriate in Western Europe.

Source: <sup>(30)</sup>

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<sup>(29)</sup> Law XXVI/2003 on the National Spatial Plan, 2003.

<sup>(30)</sup> ESPON (2006), ESPON Project 1.4.3: Urban Functions, (lead partner, Free University of Brussels – IGEAT), Draft Final Report, 2006

The table below gives the values for Hungary and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Hungary (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	13.0	<sup>6</sup> p	16.0	E
Well run	Voter turnout in national elections (%)	73.5	<sup>3</sup>	70.0	E
	E-government availability (%)	35.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	61.7		84.9	<sup>1</sup>
		24.5		8.6	<sup>1</sup>
		13.8		6.5	<sup>1</sup>
	Level of internet access (%)	14.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.9		5.2	<sup>2</sup> E
	Lifelong learning (%)	4.0		9.3	<sup>2</sup>
	Health care expenditure (%)	6.0		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	68.0 target 94.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	2.3		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	294.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	15.0	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	4.2		2.3	<sup>2</sup>
	Total employment growth (%)	-0.7		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	10.3		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value  
p=provisional value, NA=Not available

Source: Eurostat, 2007

## 1.14. Ireland



Source: Authors

Headline Indicators			EU-25			
	2004		2010 National Target	2004		2010 EU Target
GDP per capita (PPS)	137.7			100.0		
Labour productivity per person employed	130.2			100.0		
Employment rate	66.3			63.3		<b>70</b>
Employment rate for older workers	49.5			41.0		
Gross domestic expenditure on R&D	1.20			1.90	<sup>2e</sup>	<b>3.0</b>
Youth education attainment level	85.3	<sup>2</sup>		76.6		
Comparative price levels	123.1	<sup>2</sup>		100.0	<sup>2</sup>	
Business investment	20.9			16.9		
At-risk-of-poverty rate after social transfers	21.0			16.0		
Dispersion of regional employment rates	-			12.2		
Long-term unemployment rate	1.6			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	147.5			104.7	<sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## **Key Challenges**

Ireland's monocentric nature is identified in ESPON Project 1.1.1 (ESPON 2004a) as one of the most extreme in Europe, with its urban structure dominated by the capital city of Dublin. Definitions of the Dublin metropolitan area vary, but out of a total population of 3.9 million, the city of Dublin and its suburbs has more than 1 million, the Dublin Functional Urban Region (FUR) is 1.3 million, and the Greater Dublin Area (GDA), which is the unit of analysis used in the National Spatial Strategy (NSS), has a population of 1.5 million, equivalent to 40% of the total population of Ireland. Hence, one of the key challenges for spatial development is to achieve a more balanced development across the country to counterbalance the dominance of the GDA.

The national economy has been the most rapidly growing in the EU over the last decade. GDP per capita increased dramatically from 102.3% of EU-25 average in 1996 to 137.7% (equivalent to 126.1% of EU-15) in 2004. Unemployment has also fallen dramatically over that period, from 14.3% in 1996 to 4.2% in September 2006.

Fertility rates are the highest in the EU (1.99 in 2004) and there is a relatively high rate of natural increase. With high net in-migration of 60-70,000 per year, the population is expanding rapidly, particularly in the GDA. Some rural localities in western Ireland, however, suffer from depopulation.

There are some social tensions in relation to the regionally unbalanced development of the country, and measures to improve social inclusion and cohesion in residential communities have become a major policy focus. There are very significant problems with housing shortage and lack of availability of affordable housing, particularly in GDA, leading to an increase in commuting distances and increasing traffic congestion. Ireland's per capita level of housing stock is below the European average, and it is estimated that an additional 50-60,000 additional new dwellings are required each year, mostly in the GDA. The government is currently addressing this issue by means of a major house-building programme.

In terms of environmental challenges, ESPON Project 2.4.2 (ESPON 2005k) identified the issues of coastal erosion and water treatment as two issues of particular significance.

## **National Planning Context**

Ireland has a unitary governmental system, and is characterised by a relatively strong centralised system of government with a narrowly defined devolution of functions to local authorities. The regional level, though relatively weak, is developing. There are two Regional Assemblies for the two NUTS 2 regions, and eight Regional Authorities which correspond to NUTS 3 regions.

Spatial planning is primarily a local government activity, though some additional roles have been taken on by the national and regional levels in recent years. The Department of the Environment, Heritage and Local Government (DEHLG) is the national authority responsible for determining spatial planning and land-use policy. The current planning act is the Planning and Development Act 2000, which is mandatory and national in scope. Responsibility for policy locally and for implementing land-use planning and development primarily rests with local

authorities. National Government is responsible for producing guidance notes, policy statements, policy directives, reviews of legislation and, since 2002, the *National Spatial*

*Strategy* (Republic of Ireland, 2002); the regional authorities produce statutory regional planning guidelines (RPG), while the regional assemblies are involved in the implementation of the National Development Plan. The local planning authorities are responsible for making statutory development plans and for giving consent for development. The NSS is explicitly concerned with promoting more balanced regional development and has designated thirteen gateway and eleven hub cities throughout the country.

ESPON Project 1.1.1 (ESPON 2004a) categorised Ireland as belonging to the British style of spatial planning. ESPON Project 2.3.2 (ESPON 2006e) considered that Ireland was characterised primarily by 'land use planning', but that increasingly there were elements of 'regional economic planning' and 'comprehensive integrated planning'.

### **Relevant Policy Initiatives**

Ireland does not have an overall urban policy. The principal aspect of urban policy development has been urban renewal programmes designated under the Urban Renewal Act 1998 and its predecessors since 1986. Areas are designated by the Minister, and were originally limited to the five cities of Dublin, Cork, Limerick, Galway and Waterford, with the most significant being the Custom House Docks Area in Dublin. The core objectives were to promote urban renewal and redevelopment by promoting investment by the private sector. There are also a large number of strategic infrastructure projects in urban areas, many of which have been funded from EU Structural Funds.

There is a significant amount of policy geared towards sustainable development, for example, the Green Schools initiative launched in 1997<sup>(31)</sup>. There is a Local Agenda 21 Environmental Partnership Fund that promotes sustainable development by assisting small scale environmental projects at local level which involve partnership arrangements between local authorities and local community groups, schools and environmental non-government organisations (NGOs). The Environment Fund, which started in 1997, consists of the proceeds of landfill levies and the plastic bag levy and will provide €500,000 in 2006.

Issues addressed under the National Spatial Strategy cross into most Government Departments in the context of transport, education, rural development, enterprise, infrastructure, tourism and finance. In recognition of the need for effective coordination across Departments and State-sponsored agencies, both at strategic and operational levels, an Interdepartmental Steering Committee was established to oversee development of the strategy. Arrangements were also put in place for wide-ranging consultation with regional bodies, local authorities, local development bodies and the social partners. The cross-departmental agency and widely consultative approach to the Strategy's preparation is being carried through to implementation.

Institutional barriers mean there is limited integration of social, economic, environmental and spatial objectives within policy development, but this is an issue that is receiving increasing

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<sup>(31)</sup>Green Schools is an international environmental education programme and award scheme that promotes and acknowledges long-term, whole-school action for the environment. For more information on Green-Schools in Ireland see: <http://www.greenschoolsireland.org/>.

attention. One aim of the RPG is to seek to integrate the objectives of other agencies with the physical planning process. In the case of urban policy, the urban renewal programmes are based on the concept that the designation of an area should not take place in isolation but should

emerge from a broadly-based Integrated Area Plan that deals with an economic and social agenda as well as a physical one. The two regional development agencies of Shannon Development and *Udaras Na Gaeltachta* effectively coordinate different sectoral policies within their region.

Horizontal coordination by neighbouring authorities is limited, and there is weak strategic planning for metropolitan areas or city regions. RPG Implementation Groups in every region, on which both local and central government are represented, are a step towards horizontal cooperation, however. In the GDA, there are good examples of cooperation, e.g. the Dublin Transportation Office (<sup>32</sup>), which covers the Dublin FUR area; Partnership for Investment, which is an initiative by the four local authorities of the Dublin region to promote economic development; and an integrated waste management plan adopted by the same four local authorities.

Ireland is not yet a part of the European Urban Knowledge Network (EUKN).

The Sustainable Communities Agenda would seem to have significant relevance to Ireland, for both the hub cities and particularly for the Greater Dublin Area, where policy-making is predominantly sectoral, and local government activity is based largely on administrative boundaries. A decline in community cohesion has also become an issue, particularly in urban areas, related to social exclusion and increasing income and wealth disparities and it is this social dimension of the Sustainable Communities Agenda that is receiving particular attention in Ireland.

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(<sup>32</sup>) A body set up in 1995 to carry out an integrated transportation planning process for the GDA.

### **Sustainable Communities in Ireland: 2007**

There has been no official government response to the Bristol Accord, other than participation in the Academy of Sustainable Communities Skills Symposium that was held in Leeds in November 2006, but the language of Sustainable Communities is used extensively by the Irish government. Housing policy has specifically referenced an objective of building Sustainable Communities since at least December 2003; see for example, *Housing Policy Framework: Building Sustainable Communities* (DEHLG, 2005).

‘Sustainable Communities’ has been a major focus of the social and housing-related research agenda in Ireland. The focus has been almost exclusively on the ‘social’ dimension of Sustainable Communities.

*Sustainable Development: A Strategy for Ireland* was published by the Department of the Environment in 1997 (DELG, 1997), and this was followed up by *Making Ireland’s Development Sustainable* in 2002 (DELG, 2002). The National Sustainable Development Partnership (*Comhar*) was set up in 1999 as a forum for national consultation and dialogue on sustainable development. The 2000 Planning and Development Act put “the proper planning and sustainable development” of an area as the overarching aim of the planning system. The Department of the Environment and Local Government’s *Statement of Strategy 2003-2005* (DELG, 2003) published in 2003, states that the Department’s overriding mission statement is ‘to promote sustainable development’.

As an example of a new residential development that follows sustainable development principles, Adamstown is a major green-field development 16 kilometres to the west of Dublin City Centre. It will have a population of around 25,000 and 10,000 housing units, along with a range of shopping, employment, leisure, civic and cultural facilities. It has been planned very much with public transport and subsequently in mind with a new railway station, a number of new bus routes, and residential densities highest closest to public transport nodes.

The table below gives the values for Ireland and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Ireland (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	21.0		16.0	E
Well run	Voter turnout in national elections (%)	62.6	<sup>3</sup>	70.0	E
	E-government availability (%)	69.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	82.3		84.9	<sup>1</sup>
		14.0		8.6	<sup>1</sup>
		3.6		6.5	<sup>1</sup>
	Level of internet access (%)	40.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	4.4		5.2	<sup>2E</sup>
	Lifelong learning (%)	6.1		9.3	<sup>2</sup>
	Health care expenditure (%)	6.9		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	122.7 target 113.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	5.1		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	109.5		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	451.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	10.2		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	2.5		2.3	<sup>2</sup>
	Total employment growth (%)	3.1		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	NA		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available

Source: Eurostat, 2007

## 1.15. Italy



Source: Authors

Headline Indicators	Italy			EU-25		
	2004		2010 National Target	2004		2010 EU Target
GDP per capita (PPS)	103.4	<sup>3</sup>		100.0		
Labour productivity per person employed	107.0			100.0		
Employment rate	57.6	<sup>1</sup>		63.3		<b>70</b>
Employment rate for older workers	30.5	<sup>1</sup>		41.0		
Gross domestic expenditure on R&D	-			1.90	<sup>2</sup> e	<b>3.0</b>
Youth education attainment level	72.9			76.6		
Comparative price levels	102.7	<sup>2</sup>		100.0	<sup>2</sup>	
Business investment	16.9			16.9		
At-risk-of-poverty rate after social transfers	19.0	<sup>1</sup>		16.0		
Dispersion of regional employment rates	15.6			12.2		
Long-term unemployment rate	4.0			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	104.4	<sup>1</sup> e		104.7	<sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## Key Challenges

Italy's North – South divide is well known, the richer and industrialized North around Milan, Genoa and Turin, and the rural and poorer South. However, the traditional view of a divided Italy is slowly giving way to a multifaceted picture of a more complex country, still laden with the burden of a vast southern region lagging behind the North economically. Since the 1970s there has been growth of Small and Medium Enterprises in the North East and former rural regions - Veneto, Marche and parts of Abruzzo - and the widespread merging of agro-industrial development and agrotourist systems in the Piedmont, the Po basin, the Adige valley in Trentino, Tuscany, southern Campania, Puglie and part of Sicily. However, disparities persist between North and South and within regions, and in many regions improvements have failed to be consistently matched by either a strengthening of infrastructure or a quality improvement in public services and in cities.

Traditionally, the spatial planning policies at national level, promoted and implemented by the central government have been weak, and have failed to correct the disparities between North and South. The different scales of planning (local, provincial, regional, national) are not well integrated or co-ordinated concerning objectives, tools and procedures for strategic interventions.

The concept of local economic planning directed by central government for poor regions and areas within cities of relative deprivation is still largely a topic of debate, and is not yet effectively legislated for. Urban reforms based on creating a closer relationship between economic programming and sectoral policies have usually proved unsuccessful.

## National Planning Context

Italy is subdivided into twenty regions (*regioni*), five of which enjoy special autonomous status (Friuli-Venezia Giulia, Sardinia, Sicily, Trentino-South Tyrol and the Aosta Valley). Regions are further subdivided into two or more provinces (*provincias*) within which are the municipality (*comune*) which is the lowest tier of administration. A centralised government, but with a process of decentralisation since the 1990s, has seen Regions control many local administrative functions through Provinces and Municipalities which have autonomous constitutions, regulations, organisation and administration and laws for co-ordinating public sector funding. The complexity of governance tiers includes Mountain Communities, Island Communities and Unions of Municipalities as local authorities. For example, Mountain Communities are unions of municipalities located in mountain areas and identified by Regions as development areas. Unions of municipalities are local authorities consisting of two or more, usually bordering, municipalities (perhaps even belonging to different Provinces) formed to exercise a number of their functions jointly.

Title V of the Italian Constitution, introduced in 2001, gives legislative powers to both central government and to Regions. It lists those areas where power is held exclusively by central government and those areas of 'concurring legislation' in which Regions legislate while central government lays down general principles. The first area includes defence, foreign policy, economics, electoral laws, the courts and justice, general legislation governing education, conservation of the environment and cultural heritage, while the second area includes foreign trade, international relations, education, planning and the environment, major transport

networks, the production and distribution of energy. The Regions legislate exclusively in all those areas not explicitly listed.

It is noted that 'territorial planning is practically non-existent at the national level, merely a guideline at the regional level, and implemented at the local level' (CEC, 2000, p.97). The state is mainly responsible for deciding the general direction of planning, and for coordination. There have been signs that national planning structures have begun to increase their influence and awareness of their role since the 1990s. However, in urban areas in particular, local actions promoted by European Structural Funds programmes as well as national initiatives are triggering the emergence of local development strategies. The adoption of non-statutory strategic plans by many local authorities is occurring.

There is said to be a primarily regulatory approach to planning, one that totally excludes even its potential strategic dimension, see for example (Janin Rivolin, 2003). A political and cultural indifference to the strategic value of planning means that at national government level there is no official territorial reorganisation strategy to refer to. However, regions provide guidance and indications for land use within lower-tier authorities (Provinces, Municipalities) and for lower tier planning instruments (provincial plans, land use urban plans), although these are not always prescriptive there is a growing sense of the need for coordination and cohesiveness in planning.

At regional level, the EU influence has been useful in the INTERREG Community Initiative, developing institutional capacity. It results in the progressive increase in attention being paid by policy makers to spatial visions and in a more effective learning process.

There has been a development of practice in numerous urban regeneration programmes of the last fifteen years, where professional expertise has been brought to public fora, so that technical experts, municipality personnel and citizens can interact and share decision-making processes.

There is also evidence of increasing integration within regions and between municipalities. Of note are the 'target-based tripartite contracts and agreements' between the Community, the Member States and the regional or local authorities. The aim is to ensure that legislation and programmes with a high territorial impact can be implemented more flexibly.

The Italian planning system is still based on Law 1150 of 1942. At its heart is the General Regulatory Plan - *piano regolatore generale*. It is based on the concept of zoning and allocates particular uses and characteristics to all land that it covers. It is comprehensive in its proposal and prescriptions. An important step forward came in 1970, when Regions were created, and there was a corresponding decentralization of responsibilities with regard to urban planning.

However, central government has never issued any framework legislation on urban planning. A new instrument of planning, the *piano di recupero*, was introduced with Law 457 of 1978, to address the transformation of existing built-up areas as a reaction against uncontrolled urban growth and change. During the 1980s the legislative framework was amended with the approval of new laws regarding the safeguarding of the environment: Law 431 of 1985 introduced the landscape plans and Law 183 of 1989 dealt with the protection and management of water basins.

In the 1990s, changes have brought in new and more effective procedures to support urban regeneration. Law 179 of 1991 and Law 493 of 1993 brought in integrated programmes and the urban regeneration programmes (PRU: *Programmi di Recupero Urbano*), the first examples of a

change from a planning system based on rigid zoning plans and regulations to a more flexible planning based on the collaboration between public and private sector.

The challenges for Italy in many areas of development revolve substantially around issues of governance and local national relations and powers. There is a historical legacy of contrasting rich and poor regions and cities. These are issues that are being addressed over time, but in common with other countries much work remains to be done to strengthen the basis of strategic plan-making and focus the delivery of Sustainable Communities across the board. There is for example, strong interest in the British model of an Academy of Sustainable Communities.

<b>Sustainable Communities in Italy: 2007</b>
<p>The Urban Regeneration and Territory Sustainable Development Programme - PRUSST (Programma di Riqualificazione Urbana e Sviluppo Sostenibile del Territorio) takes a strategic view of the development of broad territorial and urban systems as a whole. However, this is not a sustainable development strategy as such. The PRUSST deals with the creation and promotion of development strategies intended to respond to current demands for efficiency and competitiveness in urban and territorial systems, and calls for the establishment of coalitions and partnerships, requiring both strong integration of public and private capital and direct participation of private actors in the financing of interventions.</p>

The table below gives the values for Italy and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Italy (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	19.0		16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	81.4	<sup>5</sup>	70.0	<sup>E</sup>
	E-government availability (%)	65.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	83.2		84.9	<sup>1</sup>
		11.4		8.6	<sup>1</sup>
		5.4		6.5	<sup>1</sup>
	Level of internet access (%)	34.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	4.7		5.2	<sup>2E</sup>
	Lifelong learning (%)	6.3		9.3	<sup>2</sup>
	Health care expenditure (%)	6.5	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	112.1		99.1	<sup>1</sup>
		target 93.5		target 92.0	
	Share of electricity generated from renewables (%)	15.9		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	100.8		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	306.0	<sup>e</sup>	243.0	<sup>2</sup>
Thriving	Protected areas for biodiversity (%)	13.9		12.1	<sup>6</sup>
	Growth rate of GDP per capita (%)	0.0		2.3	<sup>2</sup>
	Total employment growth (%)	0.3		0.7	<sup>2</sup>
	Business demography – birth rate (%)	7.7		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available, Source: Eurostat, 2007



### 1.16. Latvia



Source: Authors

Headline Indicators	Latvia		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	43.1		100.0	
Labour productivity per person employed	43.1		100.0	
Employment rate	62.3	<b>67.0</b>	63.3	<b>70</b>
Employment rate for older workers	47.9		41.0	
Gross domestic expenditure on R&D	0.42	<b>1.5 (2008)</b>	1.90	<sup>2e</sup> <b>3.0</b>
Youth education attainment level	76.9		76.6	
Comparative price levels	56.4	<sup>1</sup>	100.0	<sup>2</sup>
Business investment	25.5		16.9	
At-risk-of-poverty rate after social transfers	-		16.0	
Dispersion of regional employment rates	-		12.2	
Long-term unemployment rate	4.3		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	129.3		104.7	<sup>e</sup>

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
 Source: EC (European Commission) (2006b)

## **Key Challenges**

The challenges relate to the transition to a market economy. In the urban environment the problems relate most visibly to housing investment issues. A large part of the country is forested (45%). The collapse of rural enterprises following the transition to a market economy led to an increase in rural poverty. Latvia is demographically an urbanised country, with approximately 70% of the population living in urban areas, and is dominated by the capital Rīga, where approximately one third of the population live.

The economy has been growing relatively rapidly since 2000, with an annual growth rate per capita of 10.5% in 2000 and 10.3% in 2005. It is predominantly service based, (69.9% in 2005). The labour force is small and incomes are still relatively low with GDP per capita at 43.1% the EU-25 average in 2004. The unemployment rate was 7.8% in 2005. There have been recent concerns that the economy is “overheating”.

The population is 2.3 million and is declining. This trend is expected to continue. Eurostat forecasts show that this is typical of the Baltic and other new Member States, but with a forecast decline of 19.2% between 2004 and 2050 this is the largest population decline forecast of all the accession states.

In policy documents the main environmental challenges are considered to be the replacement of out-of-date infrastructure, ensuring the security of hydro-technical buildings, dismantling the Salaspils nuclear reactor and the disposal of radioactive waste. A management system for hazardous and household waste is planned, as is a state investment programme in sewage treatment.

Socio-economic differentiation has been accentuated during the transition period. Former systems of redistribution based on employment guarantees, universal coverage of social services and social security systems have been abolished or no longer function. There has been a sharp increase in alcohol-related health and social problems. The ethnic and socio-economic divisions between Russian and Latvian communities have become more accentuated and this appears set to become more so as a growing number of Latvian young people leave the country and the relative proportion of the Russian population rises. New citizenship and language laws are a source of social tension.

The transition from a system where housing construction, maintenance and repair were state-subsidized, to a market-based system in which households are expected to pay the full price of housing services, has led to a number of problems. These can be summarised as: a shortage of affordable housing in urban areas; a deterioration of existing housing in all tenure types and a lack of adequate investment mechanisms to sustain the quality of the sector.

## **National Planning Context**

Latvia has a unitary governmental structure. Executive power has been largely retained by the Cabinet of Ministers, and the re-organisation of the country since independence has included decentralisation in the fields of planning decisions. Significant powers have been devolved to create new administrative levels. There are 3 governance levels in Latvia – national, regional and local.

At regional governance level development planning function is vested within 5 planning regions and 26 second-level municipalities (*rajoni*). The planning regions are mainly responsible for development planning at regional level and for ensuring the co-operation between municipalities with planning regions. Their main decision-making level body is a planning region development council that is elected by chairmen of local municipalities of a particular planning region. But according to administrative-territorial reform plans, *rajoni* as a second-level municipality are to be eliminated.

At local level there are in total 527 local municipalities, including 7 republican cities (*republikas pilsētas*), 53 towns, 35 amalgamated local municipalities (*novadi*) and 432 parishes (*pagasti*). The peculiar status of 7 republican cities makes them responsible for performing the functions of both local and regional level municipalities.

The Ministry of Regional Development and Local Governments (MRGLG) is the main public institution responsible for organizing the process of long-term and mid-term development planning. The National Development Council (established on 13 February 2007) is the main consultative institution led by the Prime-minister of Latvia's government that is responsible for defining the long-term and mid-term development goals for the country, and for monitoring their progress.

At regional and local governance level planning regions and municipalities are responsible for elaborating a spatial plan and economic development programme. The MRGLG is the main national level public institution that is responsible for ensuring the coordination of development planning process and priorities among national, regional and local level.

### **Relevant Policy Initiatives**

While there has not been any specifically elaborated urban development policy in Latvia, the National Development Plan 2007-2013 defines general concepts and directions for the future urban policy of Latvia. It states that promoting polycentric development through strengthening a network of cities and towns, leads to balanced territorial development of the country. On the basis of the concept of polycentricity, the MRGLG has started to elaborate a specific urban policy for Latvia.

The main national level long-term development planning document is Latvia's sustainable development strategy that will be prepared for a period of 25 years in the course of 2007 and shall comprise long-term development priorities and a National Spatial Plan. The main mid-term development planning document is Latvia's National Development Plan 2007-2013 that has been approved by the Cabinet of Ministers of Latvia on 4 July 2006.

**Sustainable Communities in Latvia: 2007**

In Latvia there has been no official government response to the Bristol Accord, but there are policies that indirectly address a Sustainable Communities Agenda. Economic growth and spatial planning, with a special focus on the dominant cities and their role, are prominent in the policy agenda of central government. Government re-organisation since 2003 reflects this. Critics argue that the concept of sustainability is slowly gaining recognition; it is acknowledged and officially promoted. Furthermore an analysis of development plans prepared by the four largest cities of Latvia indicates that sustainability is presented as one of the guiding principles (Abolina, 2002). The concept of public participation is central to the system of development plans and enshrined in the new constitution.

There are specifically urban policies in the sense that cities receive special status and guidance from central government in recognition of their important functional role. However, there is no specific ministry or department in central government relating to urban areas.

Latvia has a national sustainable development strategy and has been an active participant in Baltic 21 and several other Baltic, Nordic, European and International Agenda 21 initiatives. The majority have operated at the local government level to the extent that central government has recommended that local authorities develop a common evaluation method to follow-up the proposed measures in each participating community and clarify the connection between the multitude of local initiatives concerning different aspects of sustainable development such as the Union of Baltic Cities, Healthy cities and the Earth Charter and local work with the Aalborg commitments. A key objective of this would be to connect local initiatives and tie their 'commitments more closely to national and EU initiatives on sustainable development, such as the Sustainable Communities (the Bristol Accord 2005) and the EU thematic strategy on urban environment.

Government policy is already addressing aspects of the Bristol Accord, notably the functional priority given to cities as centres of development and economic growth. It is also addressing the sustainable aspect of development and doing so at different levels of governance. However at the municipal level, 'planners and politicians lack indicators to gauge whether the long-term goals of development plans and the principles of sustainable development are being achieved. As a consequence, it is difficult for the public to assess for itself the process of development in relation to development plan policies, thus limiting accountability in development decision-making in Latvia. Relevant statistical data collected on a regular basis are not yet available to create sustainability indicators that reflect sustainability issues, and to supplement existing statistical compilations which pertain almost exclusively to economic growth and consumption' (Abolina, 2002). Similarly, the values and stress on the goals of social inclusion and social justice are underplayed relative to the economic objectives. The growing divide between rich and poor and Russian and Latvian populations would make this aspect of the Bristol Accord, particularly that concerning social segregation, relevant.

The table below gives the values for Latvia and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Latvia (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	19.0	<sup>6</sup>	16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	71.2	<sup>3</sup>	70.0	<sup>E</sup>
	E-government availability (%)	40.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	66.5		84.9	<sup>1</sup>
		25.5		8.6	<sup>1</sup>
		8.0		6.5	<sup>1</sup>
	Level of internet access (%)	15.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.3		5.2	<sup>2E</sup>
	Lifelong learning (%)	8.4		9.3	<sup>2</sup>
	Health care expenditure (%)	3.0	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	41.5 target 92.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	47.1		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	259.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	11.0	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	11.5		2.3	<sup>2</sup>
	Total employment growth (%)	1.1		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	10.2		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007



## 1.16. Lithuania



Source: Authors

Headline Indicators	Lithuania		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	48.0		100.0	
Labour productivity per person employed	49.9		100.0	
Employment rate	61.2	<b>68.0</b>	63.3	<b>70</b>
Employment rate for older workers	47.1		41.0	
Gross domestic expenditure on R&D	0.76	<b>2.0</b>	1.90 <sup>2</sup> <sub>e</sub>	<b>3.0</b>
Youth education attainment level	86.1		76.6	
Comparative price levels	54.6 <sup>1</sup>		100.0 <sup>2</sup>	
Business investment	18.5		16.9	
At-risk-of-poverty rate after social transfers	-		16.0	
Dispersion of regional employment rates	-		12.2	
Long-term unemployment rate	5.6		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	116.2		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available

Source: EC (European Commission) (2006b)

## **Key Challenges**

In Lithuania 68% of the population live in urban areas and the average density is 57 persons per km<sup>2</sup>. The transport infrastructure is inadequate and much of what exists needs redevelopment. The key challenges for spatial development concern the restructuring of industrially declining areas, the poor quality of land in rural areas, and regional imbalance evident across the country.

The main issues for the economy relate to the labour market and need to update research and development and infrastructure and communities.

The small population of less than 4 million is declining as emigration from the country increases (particularly of young people) and the birth rate continues to fall.

Lithuania has been the home to heavy industrial manufacturing, with serious environmental consequences. The industrial complexes which used raw materials from the Soviet Union and shipped back the finished product have left a legacy of pollution. Energy restructuring is taking place and this includes the nuclear power plant in Ignalina. The nuclear plant contains the same reactor types as those which failed in Chernobyl. In response to this hazard, the Government of Lithuania committed to closing the first reactor by 2005, and the second one by 2009.

Problems of social segregation are increasing, resulting in rising inequality between areas and districts and individuals. There are tensions arising from land restitution and related tensions over property and the security of tenure. There are also tensions with regard to the security of employment.

The transition to a market economy has produced problems, exacerbated by major changes in tenure as a result of land restitution claims. Homelessness and the inadequate housing and supply of housing are being addressed by the government through a policy of encouraging home ownership. The formation of homeowners associations in privatized multi-family houses is being promoted. The government is also still committed to the continuation of a state-supported housing programme.

## **National Planning Context**

Lithuania is a unitary state that has been decentralised, in the 'subsidiarity' sense of passing powers down to the lowest possible tier, since independence. There is now a three-level administration system: state, counties and municipalities. County governments are appointed by central Government, while local municipal council members and mayors are elected. There are ten counties in Lithuania, the largest of which is the county of the metropolitan Vilnius region (*apskritis*) (population 894,300) and the smallest Tauragė County (population 129,825). The county is a state institution, rather than regional self-government. At the local level there are 60 municipalities, 12 urban and other administrative districts, which all have the same legal rights and responsibilities.

The main spatial planning powers are distributed according to the territorial level. In effect there are four levels of planning: national, regional, local and 'natural and legal entities', which refers primarily to private individuals. At the national level responsibility for territorial planning, forming national policy and supervising implementation lies within the Ministry of

Environment. County government is responsible for planning and development of the county territory, supervision of the planning activities of local governments and participation in national planning, as well as implementing national policies. The role of municipalities is the planning and development of their territories, organising preparation of comprehensive, special and detailed plans and securing their implementation.

### Relevant Policy Initiatives

A national sustainable development strategy has been developed by the National Commission for Sustainable Development of the Republic of Lithuania under the chairmanship of the Prime Minister. Lithuania has been courted by several international agencies because of its nuclear facilities and subsequently became and a key player in Baltic 21 and a number of other regional and International Agenda 21 initiatives.

The Ministry of the Interior has initiated a strategy aimed at improving ‘territorial social cohesion’. This proposes the development of five regional centres, currently surrounded by ‘territories of low living standards’, which, due to their economic potential, may perform the functions of regional growth centres (Alytus, Marijampolė, Utena, Tauragė and Telšiai). The intention is to also prepare individual set of measures for every area of Lithuania - rural or urban areas, regional growth centres or ‘socially developing territories’ as part of the strategy.

#### Sustainable Communities in Lithuania: 2007

Following independence planning was initially under the remit of the Ministry of Construction and Urban Development but later, after administrative Governmental reform, now under the ultimate responsibility of the Ministry of Environment.

The government attempts to delegate as much decision making as possible for regional and urban planning, to as low an administrative level as possible. There is little evidence of horizontal integration of policy-making among neighbouring local authorities, though there is some strategic planning for metropolitan areas. The government has prioritised addressing problems of poor inter-agency collaboration in the fields of land use and planning and the lack of resources is a key factor.

There has been no official government response to the Bristol Accord.

There are policies that indirectly address the Sustainable Communities Agenda, most notably one from the Ministry of the Interior designed to impact regional development and ‘improve territorial social cohesion’.

The department responsible for urban environmental policy is the Spatial Planning and Regional Development Division, Territorial Planning, Urban Development and Architecture Department in the Ministry of the Environment. The Ministry of the Interior also has policies relating to urban areas and the Ministry of Construction has authority regarding housing in urban areas. Much of the Lithuanian government’s current concerns focus on the problems of rural areas however, in particular the need to stem the tide of people (especially young people) leaving rural areas for urban centres.

The Sustainable Communities Agenda would seem to be relevant to Lithuania. The ‘Confidence Government’ is overtly prioritising parts of the Bristol Agenda though not in that name. New potential ‘hubs of development’ have been identified, in a strategy similar to that developed by the Irish National Spatial Strategy.



The table below gives the values for Lithuania and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Lithuania (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	21.0	<sup>6</sup>	16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	46.1		70.0	<sup>E</sup>
	E-government availability (%)	65.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	86.3		84.9	<sup>1</sup>
		11.0		8.6	<sup>1</sup>
		2.7		6.5	<sup>1</sup>
	Level of internet access (%)	12.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.2		5.2	<sup>2E</sup>
	Lifelong learning (%)	5.9		9.3	<sup>2</sup>
	Health care expenditure (%)	3.8	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	39.9 target 92.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	3.5		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	334.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	10.0	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	4.3		2.3	<sup>2</sup>
	Total employment growth (%)	-0.1		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	9.2		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007



### 1.18. Luxembourg



Source: Authors

Headline Indicators	Luxembourg			EU-25		
	2004		2010 National Target	2004		2010 EU Target
GDP per capita (PPS)	227.2	<sup>3</sup>		100.0		
Labour productivity per person employed	149.2			100.0		
Employment rate	61.6			63.3		<b>70</b>
Employment rate for older workers	30.8			41.0		
Gross domestic expenditure on R&D	-		<b>3.0</b>	1.90	<sup>2</sup> <sub>e</sub>	<b>3.0</b>
Youth education attainment level	71.1			76.6		
Comparative price levels	106.1	<sup>2</sup>		100.0	<sup>2</sup>	
Business investment	14.3			16.9		
At-risk-of-poverty rate after social transfers	11.0			16.0		
Dispersion of regional employment rates	-			12.2		
Long-term unemployment rate	1.1			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	104.8			104.7	<sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available

Source: EC (European Commission) (2006b)

## Key Challenges

Luxembourg covers an area of only 2586 km<sup>2</sup>, subdivided into three areas: ‘*Oesling*’ in the North, ‘*Bon Pays*’ in the South, and the agglomeration of Luxembourg City.

92% of the population in Luxemburg live in cities. The city of Luxembourg is one of the leading financial centres of Europe and it has the highest GDP per inhabitant in Europe (227.2% of EU 25 average in 2004).

Dealing with population shifts is a key issue for Luxembourg, together with problems of transport congestion, and the need to develop new communities. There is development pressure at the urban-rural interface, and problems of encroaching development of both the peri-urban and rural areas. The pressure to develop brownfield sites is important to ease the development pressure on the city limits of the City of Luxembourg, in particular, and there is a need to reduce urban sprawl and to foster more polycentric development. The revitalisation of brownfield sites previously associated with the steel industry is of major importance in the south and the mixed-use redevelopment of ‘*Belval-Ouest*’ is considered a flagship reclamation project in this field. High on the spatial planning agenda, particularly in the densely populated Southern-Central Region, is the lack of affordable housing.

From the mid-1980s until 2000, the average GDP annual real growth rate reached a level hitherto unknown in Luxembourg and exceeded that of the other European countries, apart from Ireland. This accelerated growth created an increased reliance on immigrant and cross-border workers. The main factors behind the growth are:

- the continued growth in the financial services sector;
- the favourable development of business services, IT services and also transport and communications;
- a productive and competitive industrial sector;
- relatively low salary deductions (income tax, social security contributions) which keep labour costs at a competitive level.

Unemployment has risen from 2.5% in 2002 to a recent 4.7% (2006).

In 2004, Luxembourg had some 451,600 inhabitants and a population density of 174 inhabitants per km<sup>2</sup>. About 77,300 people live in Luxembourg City which is the largest city in the country, followed by Esch-sur-Alzette with 27,900 inhabitants and Differdange with 18,900 inhabitants in 2004. The population is concentrated in the southern part of Luxembourg with the concentration of jobs in this region. Although the birth rate is falling the population has been growing since 1981 due to in-migration.

Luxembourg is highly interdependent economically and environmentally on neighbouring countries and Europe as a whole. Exports and imports account for 95% of GDP, 94% of electricity is imported, much industrial waste is exported, there is trans-boundary air and water pollution, and large numbers of foreign vehicles present.

In 2000, despite Government statements to support environmental development, Luxembourg primarily emphasised economic and social development, protection of agriculture, development

of road transport and growth in household consumption. Since 2000, the government has introduced the National Sustainable Development Strategy and there is now an explicit commitment to address sustainable development.

The national government has recognised the shortage of affordable housing and has set up funds to help in overcome the problem, particularly targeted at Luxembourg City.

### **National Planning Context**

There is an overarching government of the Grand Duchy with a constitutional monarchy. It has no provinces or departments. The only political subdivision of the country is the commune (or municipality). The commune manages its assets and raises taxes through local representatives, overseen by the central authority represented by the Minister of the Interior. There are 118 communes. Each commune has a communal council directly elected for a six-year term by its inhabitants. The day-to-day management of the commune falls to the mayor and council, bodies emanating from the communal council. Fiscal policy is largely determined by central government, but municipalities do have some autonomy over real estate and commercial taxation.

National spatial planning strategies provide an overall framework for municipalities to then elaborate policies at a local level. The *Direction de l'Aménagement du Territoire et de l'Urbanisme* (DATUR) spatial planning and urbanism department was created in the Ministry of the Interior in 1999, to integrate national spatial planning (including natural areas such as the *parcs naturels*) and overall municipality management. The *Programme Directeur d'Aménagement du Territoire* was given new powers in 2003 to define the basic goals and implementation measures of spatial development in the areas of the development of cities and rural areas, transport and telecommunications, and environment and natural resources. There are six regional spatial strategies and municipality and commune development plans. The six regions do not correspond with administrative or political delineation, and they are tasked with integrating national and municipal development plans.

From the mid-1990s, urban planning was modernised and adapted to the requirements of more sustainable urban development. Moreover, a new vision on spatial planning was adopted promoting an active decentralisation policy by appointing 'centres of development and attraction'. Although the capital remains the principal centre, development activities are dispersed in order to aim for greater sustainability and to prevent urban sprawl, reduce congestion, ease land pressure and promote the (economic) development of the medium and regional centres.

### **Relevant Policy Initiatives**

At the national level there is a National Plan for Sustainable Development which explains current realities and sets them against scenarios for the future. The Ministry of the Interior and Spatial Development promotes a sustainable urban development policy to be followed on all levels of spatial development and in all sector policies.

The size of Luxembourg allows for integration and exchanges to take place at all levels in most policy areas. This includes cross-municipality or commune cooperation in both formal and

informal contexts. Luxembourg is small territorially and in terms of population and there are numerous structures, such as the association of towns and communities, and opportunities for all levels of planning to be fully involved in policy and planning processes from an early stage. Consultation and consensual agreement play a key role in elaborating national plans. The ‘*Conseil Supérieur de l’Aménagement du Territoire*’ (CSAT) committee advises on basic questions of spatial planning, appraises the national planning programme and sectoral plans, and can make proposals with regard to spatial planning. CSAT is composed of ministry delegates, but also of representatives of an inter-municipality union, from individual municipalities and towns, trade associations, chambers of commerce, trade unions, nature protection associations, environmental organisations, agriculture, architects, and transport.

Luxembourg is concerned to make its cities competitive within a wider European structure of polycentric development, and therefore has to accommodate strategic planning issues beyond its own national borders.

Despite having one of the wealthiest populations in the world, Luxembourg is not immune from many of the problems that constrain the development of sustainable communities. 90% of the population live in cities. There are severe pressures on the future development of urban communities in social, economic and environmental terms.

#### **Sustainable Communities in Luxembourg: 2007**

The objectives of urban development are expressed in the Programme *Directeur d’Aménagement du Territoire* 2003 as follows:

- to create dynamic, attractive and competitive urban regions;
- to develop sustainable urban structures through, for example, diversification and increasing density of use in urban areas;
- to develop socially balanced cities offering a high quality of life (preventing and/or reducing social segregation);
- to invest in the development of partnerships between cities and rural areas;
- to stimulate cooperation between municipalities (regional cooperation).

The current overarching theme in Luxembourg’s urban policy measures is the implementation of integrated approaches to urban development. Integration in this respect has a twofold meaning: first, there should be a thematic or sectoral integration, for example by bringing settlement development and local public transport closer together while fostering mixed-use developments. Planning processes should also be interactive, involving not only the respective administrations but also the private sector and citizens.

The size and small number of cities means that, beyond the definition of basic goals, there has never been an explicit national urban policy, urban issues being generally handled within the larger context of spatial development. The country’s small size also accounts for the importance of cross-border cooperation of cities in the so-called *Grand Région SaarLorLux* (+ Rhineland-Palatinate and Wallonie). The cities of Luxembourg, Trier, Saarbrücken and Metz have established the trans-national Quattropole urban network to pool their strengths and resources, thus compensating for the lack of an international metropolis in the Grand Région. *Quattropole* undertakes common projects, in particular in the field of communication technologies.

An Integrated Transport and Spatial Development Concept (Integratives Verkehrs und Landesentwicklungskonzept - IVL) was developed in the mid 1990s by a working group with representatives from six ministries. The major objectives of the IVL are to increase the share of public transport, to develop a settlement structure fostering traffic reduction and to decrease land use. The Luxembourg experience in developing such innovative policies needs to be shared more widely amongst the EU-27.

The table below gives the values for Luxembourg and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Luxembourg (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	11.0		16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	91.7		70.0	<sup>E</sup>
	E-government availability (%)	71.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	80.7		84.9	<sup>1</sup>
		13.8		8.6	<sup>1</sup>
		5.5		6.5	<sup>1</sup>
	Level of internet access (%)	59.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	3.8		5.2	<sup>2E</sup>
	Lifelong learning (%)	9.8		9.3	<sup>2</sup>
	Health care expenditure (%)	5.5	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	100.3 target 72.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	3.2		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	127.0	<sup>e</sup>	243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	14.8	<sup>4</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	2.9		2.3	<sup>2</sup>
	Total employment growth (%)	2.3		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	10.6		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007



## 1.19. Malta



Source: Authors

Headline Indicators	Malta		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	69.4		100.0	
Labour productivity per person employed	81.4		100.0	
Employment rate	54.0	57.0	63.3	70.0
Employment rate for older workers	31.5		41.0	
Gross domestic expenditure on R&D	0.29		1.90 <sup>e</sup>	3.0
Youth education attainment level	51.4		76.6	
Comparative price levels	74.9 <sup>2</sup>		100.0 <sup>p</sup>	
Business investment	16.0		16.9	
At-risk-of-poverty rate after social transfers	-		16.0	
Dispersion of regional employment rates	-		12.2	
Long-term unemployment rate	3.5		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	-		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available

Source: EC (European Commission) (2006b)

## **Key Challenges**

The total land area of Malta is 315,591 sq. km. and the population in 2003 was 388,867. The main spatial problem in the context of this high population density on a small island is the dense nature of the territory and the pressure on land development activities.

There is a high concentration of industrial development in the Harbour area (which contains the capital, Valetta) which is also the mostly densely populated area. The high concentration of tourism activity in the coastal areas often leads to conflict over competing land uses. There are also problems related to the spread of urban sprawl into previously rural areas and increasing traffic congestion.

After strong economic growth in the 1990s, the economy has experienced significant problems during the current decade. GDP per capita in PPS declined from 77.8% of EU-25 average in 2000 to 69.4% in 2004. Unemployment increased to 7.5% in September 2006 compared to EU-25 average of 8.0%. Contributing factors include high labour costs, lack of a FDI and weak competitiveness in manufacturing. Tourism contributes 25% to national GDP.

Malta's population has been increasing rapidly - 12.6% between 1985 and 2003. Fertility rates have fallen very rapidly recently – from 2.10 in 1996 to 1.37 in 2005. There are significant migration flows within Malta, primarily from the crowded Inner Harbour area to surrounding towns.

Land development pressure is the main challenge for the environment, which has led to destruction of open space and rural land uses and increasing levels of pollution. A major issue is the pressure on land caused by new housing development, much of it tourism and second home related.

## **National Planning Context**

Malta is a relatively centralised unitary country, with two levels of government. The local level was established as a result of the 1993 Local Councils Act. There are sixty-seven councils with very limited powers.

The Maltese islands are divided into six regions (NUTS4/LAU1) for census and planning purposes – five on the island of Malta and one comprising the islands of Gozo and Comino. Planning is regulated by the Development Planning Act (1992), and its revision in 1997. Planning powers exist only at the national level and since 2003 have been regulated by the Malta Environment and Planning Authority (MEPA), which is within the Ministry of Rural Affairs and the Environment. At the local level, councils may make suggestions on how their localities could be improved and these can be put to the MEPA.

The culture of planning is very young and is not yet considered a profession. Land use development control was almost non-existent until the passing of the 1992 Development Planning Act. The underlying philosophy behind planning and development is said to have shifted from that of economic development to that of land-use development. ESPON Project 2.3.2 (ESPON 2006) considered that Malta exhibited elements of both the land use and the urbanism models of spatial planning.

## Relevant Policy Initiatives

A Structure Plan for the Maltese Islands was issued in 1990, which provided detailed policies for all types of development and land use, including urban. In 1999 MEPA commenced a review of the Structure Plan. This went out to consultation in 2004 and currently is still under development. There are also seven Local Plans for different parts of the country.

The 1990 Structure Plan has policies targeted at sustainable development, and the vision contained therein 'is based on the concepts of sustainable development and quality of life, emphasising the need for the integration of social, environment and economic considerations in decision-making' (MEPA 2004, p.15).

The process of drafting a National Strategy for Sustainable Development was initiated by the National Commission for Sustainable Development in December 2002. The first draft was published in July 2004. Following various rounds of consultation two further drafts were published before a fourth and final draft, titled *A Sustainable Development Strategy for the Maltese Islands 2007-2016*,<sup>33</sup> was published in December 2006. It is expected to be adopted by the government soon. An Integrated Transport Strategy is in the process of being developed that will form part of the new Structure Plan.

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(<sup>33</sup>) National Commission for Sustainable Development, Malta (2006) *A Sustainable Development Strategy for the Maltese Islands: 2007-2016*. Available at:  
[http://home.um.edu.mt/islands/ncsd/sustainable\\_development\\_strategy.html](http://home.um.edu.mt/islands/ncsd/sustainable_development_strategy.html).

### **Sustainable Communities in Malta: 2007**

Malta was represented at the Bristol EU Informal by the Minister for Urban Development and Roads. Malta sees the renewal of the fragile communities in its historic core of the Harbour Area of the capital, Valetta, as the type of project that is most appropriate for a Sustainable Communities approach.

In terms of an ‘integrated place-making’ approach to policy development, the current development of a Transit Orientated Development (TOD) Strategy by the Ministry for Urban Development and Roads (MUDR) is relevant. Its purpose is to develop an integrated approach to urban development and transportation based on ‘transit orientated development’, which is defined as “a form of urban development that clusters a greater mixture of land uses around a high quality transport service” (MUDR, 2005 p.2)<sup>34</sup> The transport node is designed to be focus for the development and to become the ‘heart’ of the community. The Inner Harbour area, in particular, is seen as a target for the policy, which is to be managed by a new body within the MUDR, called the Projects Development and Co-Ordination Unit (PDCU).

Malta was an enthusiastic participant at the November 2006 ASC Skills Symposium in Leeds through the MUDR and it has prompted the issuing in March 2007 by the PDCU of a Strategic Policy Direction Options Paper that develops the ideas discussed in the Symposium and at the same time relates them to the principles and objectives of the TOD Strategy. The document states that Malta intends to “consolidate its commitment towards the Bristol Accord and a common EU policy in urban development and territorial development” (PCDU, 2007 p.3)<sup>35</sup>.

The 2007 Options Paper also highlights two examples of current projects in Malta that are relevant to a Sustainable Communities approach. These are Dock No. 1 – Cottonera, which is a project to promote social regeneration through social inclusion and skills development and enhance a social and residential mix, and regeneration of St Elmo and the Biccerija Quarter in Valetta’s Inner Harbour Hub, which is a project that promotes social inclusion and in-migration in the historic core through better mobility and accessibility. Malta is not a partner in the European Urban Knowledge Network (EUKN). However, the Options Paper discussed above recommends that Malta become a member.

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<sup>(34)</sup> MUDR (Ministry for Urban Development and Roads), Malta (2005) *A Strategic Policy for Urban Development and Land Transportation: A Strategy based on Transit Orientated Development for the Maltese Islands and the Grand Harbour Hub: A Consultation document*. Ministry for Urban Development and Roads: Valetta.

<sup>(35)</sup> PCDU (Projects Development and Coordination Unit), Ministry for Urban Development and Roads, Malta (2007) *Skills for the Future Symposium: Strategic Policy Direction Options Paper*

The table below gives the values for Malta and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Malta (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	15.0	<sup>6</sup>	16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	95.7	<sup>4</sup>	70.0	<sup>E</sup>
	E-government availability (%)	68.0	<sup>6</sup>	52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	NA		84.9 8.6 6.5	<sup>1</sup> <sup>1</sup> <sup>1</sup>
	Level of internet access (%)	53.0	<sup>7</sup>	42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	4.8		5.2	<sup>2E</sup>
	Lifelong learning (%)	4.3		9.3	<sup>2</sup>
	Health care expenditure (%)	5.0		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	145.9 no target		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	0.0		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	569.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	12.5	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	0.0		2.3	<sup>2</sup>
	Total employment growth (%)	-0.8		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	NA		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, NA=Not available

Source: Eurostat, 2007



1.20. The Netherlands <sup>(36)</sup>

Source: Authors

Headline Indicators	The Netherlands			EU-25		
	2004	2010 National Target		2004	2010 EU Target	
GDP per capita (PPS)	125.0			100.0		
Labour productivity per person employed	108.6			100.0		
Employment rate	73.1			63.3	<b>70</b>	
Employment rate for older workers	45.2			41.0		
Gross domestic expenditure on R&D	1.77 <sup>2</sup>			1.90 <sup>2</sup>	<b>3.0</b>	
Youth education attainment level	74.2			76.6		
Comparative price levels	105.2 <sup>2</sup>			100.0 <sup>2</sup>		
Business investment	16.3			16.9		
At-risk-of-poverty rate after social transfers	-			16.0		
Dispersion of regional employment rates	2.3			12.2		
Long-term unemployment rate	1.6			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	105.5			104.7 <sup>e</sup>		

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

<sup>(36)</sup> Main source: EUKN website at <http://www.eukn.org/netherlands/urban/index.html>.

## Key Challenges

Since the 1990s, Dutch urban policy addressed the particular problems of unemployment in the cities, average income in cities, being significantly lower than the rural average; and educational achievement being significantly lower than the rural average. Companies and jobs were leaving the cities, the housing stock was limited and social problems increasing, particularly in poor neighbourhoods. Recent urban policies have led to improvements but the problems remain for the most part. Moreover, household are becoming smaller, which causes additional demand for housing and new housing locations.

There is an increasingly complex interweaving of domestic, business and leisure activities in space and time, and pressure on communications infrastructure with the emerging service-oriented network economy increasingly relying on rapid and reliable communications. In addition, some neighbourhoods are afflicted with crime and drug problems, creating a sense of insecurity and exacerbating problems related to relatively high levels of unemployment. In the Netherlands there is a particular problem of long-term unemployment.

Employees in crucial sectors such as care, education and police are difficult to reach in the city because of the living and working environment. Employers find it problematic that the qualifications and the level of education of the urban population and especially of the school-leavers are unable to meet their demands.

The Netherlands is one of the most densely populated countries in Western Europe. With around seven million inhabitants (approximately 45% of the Dutch population) and 50% of the employment concentrated in around a quarter of the territory of the Netherlands, the Randstad is the most highly urbanised core region in one of the most highly urbanised and densely populated countries in the world. In the Randstad in particular the combination of various large, medium-sized and smaller cities and the absence of one predominant centre means that it is a classic example of the polycentric urban region, where many traditional metropolitan functions, such as administration, industry and the provision of services, are distributed among a number of cities rather than being concentrated in one urban centre.

Land allocation is affected by changes in intensification and specialisation in agriculture, as well as the problem in finding suitable sites for large-scale development projects. There is increasing recognition of the need to cater for nature conservation, recreation and other rural activities and the urban-rural delineation is becoming eroded by both cultural changes and physical development. In addition there are particular challenges in water management, improving water quality and flood prevention, which will increase in the future with the prospect of rising sea levels due to global warming.

The population is ageing and household numbers are rising. Increasing housing supply, especially for the elderly and for affordable housing for 'starters' on the property ladder is an important issue. Modern work patterns and increasing leisure opportunities mean higher demand for more efficient communication. Industrial development is held back by the difficulty in finding space for development of key infrastructure provision and major industrial and commercial development. For the rural economy there is the challenge of dealing with changing agricultural land use and practices.

## **National Planning Context**

The Netherlands is a unitary decentralised state. The national government has legislative powers, while provinces and municipalities have policy making and development competencies within the legislative and policy framework set by the state. Provinces have important competencies include road construction and management, nature conservation, spatial planning, culture, economy and social policy.

There are currently 483 municipalities, each with an appointed mayor. The elected council approves and controls the executive's policies. The municipalities are allowed to raise revenue from the property tax and there has been some recent decentralization of planning responsibilities from central government to the provincial and municipal governments. Municipalities now have stronger powers, especially in the field of spatial planning. Building permits are being provided at the municipal level and their approval is based on binding zoning plans. Despite moves towards decentralisation of planning municipalities increasingly are actually carrying out national policies.

The Government's national *Spatial Planning Act* (1965) became increasingly unwieldy and unsuited to modern needs. For all of its apparent benefits accruing from devolved responsibilities the decentralized structure of planning is not well-equipped to deal with large-scale developments and conflicting local and national interests. Bottlenecks occur in the growing number of developments involving both spatial planning and environmental policies, and the changing relations between government and private parties, particularly on the land market. A revised Spatial Planning Act aims to provide the instruments that are better able to deal with changing roles. The system will be simplified, and responsibility will be shared properly among the various layers of government.

The Netherlands has particular problems of demand for urban expansion within a limited spatial scale, a problem exacerbated by the unique geography as a country lying substantially below sea level. This means that the overriding focus is upon the tension between demand for new development, changing rural practices, water management, and regard for the environment in a context of land-use allocation. It is recognized that reforms to planning legislation and policy instruments are needed in order to be able to deal with the growing scale and complexity of development and the changing governance patterns and social relations between government, private parties and citizens.

## **Relevant Policy Initiatives**

In terms of issues of particular relevance to the development of planning and action programmes for Sustainable Communities there has been an explicit focus nationally to support:

- improving and expanding safety and security;
- promoting the integration and effective assimilation of ethnic minorities;
- promoting public receptiveness and social cohesion;
- restructuring districts and neighbourhoods;
- improving the economic structure and the climate for business;
- involvement of citizens, businesses and institutions.

### Sustainable Communities in the Netherlands 2007

In a number of areas reforms have taken place or are being proposed. These include promotion of the concept of city networks, and more emphasis upon urban compaction, urban regeneration and brownfield development.

The 'Our Neighbourhood's Move (2001-2004)'<sup>(37)</sup> is one initiative to have come out of the government's overall urban policy. Certain districts in the thirty largest towns and cities receive government funding to carry out plans to improve the district's quality of life, social cohesion and safety and security. Residents in the areas selected are given an opportunity to join the local authority in drafting plans that will improve their local quality of life.

A major characteristic of Dutch public governance is the high level of consultation and deliberation between stakeholders during policy development and implementation. The process is known as the '*polderen*' or '*poldermodel*', referring to the many *polders* <sup>(38)</sup> and reclaimed land in the Netherlands, which historically required the involvement and mutual agreement between many stakeholders for their maintenance. A vast web of advisory and discussion bodies has been created to support the consultation process and in spatial planning terms this means working together has been formulated, an example of which is the use of covenants to give structure to co-operation between various departments across different policy fields, various administrative layers and between public and private parties. An example is seen in the sixteen municipalities around Amsterdam coming together as the ROA (*Regionaal Orgaan Amsterdam*: Regional Body Amsterdam). Here, agreements have been made concerning the number and locations of new dwellings and associated issues in the fields of public transport, infrastructure development, congestion, spatial planning, economic development, housing and finally youth welfare.

The Dutch Knowledge Centre for Larger Towns and Cities (Kennis Centrum Grote Steden - KCGS) was established in 2001. KCGS supports the cities with advice and knowledge. It offers an e-library with practical examples and research and enables the transfer of knowledge between the parties actively involved with cities. Through its international division, KCGS International, the knowledge centre seeks to stimulate and profit from knowledge exchange with other European countries.

The Netherlands is working on improving the quality of life in the community using computer technology. Thus a programme, Social Quality Matters ICT (2002-2004) <sup>(39)</sup> is increasingly showing itself capable of making a real contribution to resolving urban problems. Knowledge of ICT for social purposes is being collected and disseminated by the SQM knowledge network and is funded by the government.

The '50 districts programme' <sup>(40)</sup> seeks to accelerate urban renewal in 56 districts. Councils and local partners enter into contracts about the results to be achieved in the districts. Cities are asked to include the targets and agreements for these districts in their long-term development programmes.

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<sup>(37)</sup> For more information see: <http://www.eukn.org/netherlands/urban/index.html>.

<sup>(38)</sup> A polder is an area of low-lying land, especially in the Netherlands, that has been reclaimed from a body of water and is protected by embankments known as dikes.

<sup>(39)</sup> See footnote 36.

<sup>(40)</sup> See footnote 36.

The table below gives the values for the Netherlands and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Netherlands (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	11.0	<sup>6</sup>	16.0	E
Well run	Voter turnout in national elections (%)	80.0	<sup>4</sup>	70.0	E
	E-government availability (%)	47.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	86.4		84.9	<sup>1</sup>
		4.3		8.6	<sup>1</sup>
		9.3		6.5	<sup>1</sup>
	Level of internet access (%)	78.0	<sup>6</sup>	42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.1		5.2	<sup>2E</sup>
	Lifelong learning (%)	16.4		9.3	<sup>2</sup>
	Health care expenditure (%)	8.1	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	101.6 target 94.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	5.7		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	89.5		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	11.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	9.5		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	1.6		2.3	<sup>2</sup>
	Total employment growth (%)	-0.9		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	8.5		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007



## 1.20. Poland



Source: Authors

Headline Indicators	Poland		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	49.1		100.0	
Labour productivity per person employed	62.5		100.0	
Employment rate	51.7		63.3	<b>70</b>
Employment rate for older workers	26.2		41.0	
Gross domestic expenditure on R&D	0.58		1.90 <sup>e</sup>	<b>3.0</b>
Youth education attainment level	89.5		76.6	
Comparative price levels	52.4 <sup>2</sup>		100.0 <sup>2</sup>	
Business investment	14.1		16.9	
At-risk-of-poverty rate after social transfers	-		16.0	
Dispersion of regional employment rates	6.4		12.2	
Long-term unemployment rate	10.2		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	90.3 <sup>2</sup>		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## Key Challenges

The urban system is of a strongly polycentric character, with the capital city of Warsaw dominating the country to a lesser extent than is the case in other countries. A problem of spatial development and spatial policy in Poland has been, since the transition to a market economy in 1989, the increase of inter-regional, as well as intra-regional economic and social disparities. Large cities and metropolitan areas (Warsaw especially, but also Poznań, Cracow, Gdańsk-Gdynia and Wrocław) have benefited the most from the economic transition and have tended to draw away some specialized activities traditionally associated with medium-sized and small towns. This is the so-called backwash effect. In regional terms there is an east-west split, with the western part of Poland enjoying a higher GNP and higher employment rates. The region north of the A2 motorway is also somewhat isolated. Spatial polarization has been accentuated by a lack of investment in transport infrastructures.

Since 1989, the implementation of a package of economic reforms, known as the Balcerowicz Plan, has been credited with producing positive economic trends more quickly than has been evident in other Central and Eastern Europe (CEE) countries. Since the late 1990s, economic growth has been marked by an increase of GNP (5-7% annually), but at the price of significant structural unemployment and a negative foreign trade balance. The country's entry to the EU stimulated new growth with a recovery of GNP. There is a substantial private sector (accounting in 2003 for 63% of GDP and 70% of the total employment), a large proportion of which are small family enterprises. In 2004, GDP per capita (PPS) was 49.1% of the EU-27 average.

With a population of more than 38 million, Poland is the 6<sup>th</sup> largest country in the EU. However, it has high emigration and a falling birth-rate and Poland's population has, since 1998, been declining.

In environmental policy, retaining endangered areas of outstanding ecological interest is a major issue. For example, the unique swamps area, part of a national park in north-eastern Poland, with its famous bird refuge, is currently the subject of some dispute, regarding the routing of new roads (on the *via baltica*) to enhance the accessibility of a major urban centre situated in the region. There are also major challenges in regions dominated by the traditional industries, in particular the Upper Silesian Industrial District, and the city and district of Łódź.

The country has had long-standing problems in the housing sector. The existing stock needs refurbishment, there is a strong demand for housing and homelessness has been increasing. The latter is aggravated by localised high unemployment. The growing contrast between deprived neighbourhoods and new privileged ones is increasingly evident.

## National Planning Context

Poland is a unitary state. There is a growing role for self-governmental administration at the regional, county and local levels, though all legislative power and most executive powers are still too concentrated in central government.

The governmental agencies which are responsible for general co-ordination and standardisation of spatial planning are the Housing and Urban Development Office and the Government Centre for Strategic Studies. The Ministry of Environment's remit is the 'protection plans' prepared for

the national and landscape (regional) parks, as well as providing some guidance regarding spatial plans. At national level the National Development Plan (2003) is based on the Strategy of Economic Development 'Entrepreneurship - Development - Work'<sup>(41)</sup>, adopted by the Polish Council of Ministers in January 2002. A 2006 spatial strategy study conducted by the Polish Academy of Sciences has also been under consideration.

At regional level, the Regional Plans and the Regional Development Strategies, cover 16 *voivods*, each governed by the Regional Assembly (Parliament – the *Sejmik* and the Board of the Region (executive body), headed by the Marshal of *Voivodeship*. This has responsibility for spatial planning with respect to the formulation of regional plans. Monitoring is carried out by regional development agencies, non-governmental organisations, foundations and some private institutes.

At sub-regional level there are 373 counties (*poviats*), including 68 cities with the power of independent municipal counties. At local level there are 2,489 traditional self-governmental *gminas* (communes), comprising urban (towns, cities), urban-rural and rural entities. These now have substantial responsibilities in development and physical planning; although their enforcement capability is rather weak, with the exception of the 68 cities which possess the status of municipal counties. This has caused some tension, particularly as there are insufficient mechanisms for participation and insufficiently defined rules incorporated into the regional plans and programmes.

Since the reorganisation of administrative regions in 1999, a centre-municipality pattern to national-regional-local planning has emerged. There have been significant changes requiring multi-disciplinary teams, co-ordinating actions and restructuring of responsibilities and duties. Although the *gmina* administrative divisions are long-standing, the *voivod* and *poviat* tiers are new and their responsibilities associated with planning post-date the transition to a market economy, arguably with insufficient financial and executive enforcement powers. A problem is the lack of concordance of the functional areas of the main conurbations with the administrative structures. A draft metropolitan governance ordinance has been discussed for some time in the *Sejm* (national parliament) but a response has yet to be decided.

### **Relevant Policy Initiatives**

The Government Centre for Strategic Studies produces a strategic document called the Concept of National Spatial Development as a tool to keep local governments and sectoral interest groups informed and involving them in the spatial development strategic management. The methodology of this procedure is based on negotiations between public administration agencies and other partners and is thus an open and strategic planning process rather than a plan.

The Spatial Planning and Spatial Management Act (2003) covers issues related to the appropriation of land and its development, assuming sustainable development as a foundation, and regulates conflict resolution that may arise between citizens, communities and the state. Although the number of enacted local plans is still far from sufficient, and financial problems persist, the Act has made it easier and quicker for a *gmina* to elaborate and enact a local plan.

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<sup>(41)</sup> For more information see: [http://www.kprm.gov.pl/english/3585\\_5290.htm](http://www.kprm.gov.pl/english/3585_5290.htm).

### **Sustainable Communities in Poland: 2007**

There has not yet been any official government response to the Bristol Accord by the Polish government, although it did give a joint response as part of the Visegrád group.

Poland has a specific urban policy, though not one addressing the particular needs of deprived neighbourhoods.

There is a national sustainable development strategy - *Sustainable Development Strategy for Poland up to 2025* (Government Centre for Strategic Studies and Ministry of Environment, Poland (2000))<sup>(42)</sup> - which is a multi-dimensional strategy and the focal point for plans, programmes and strategies. The overall objective is a long-term process that enables a gradual balancing of growth, social cohesion and environmental protection.

There has been Agenda 21 activity, including a project in co-operation with the UNDP Office in Warsaw –referred to as the ‘*Network of Polish Sustainable Cities, Towns and Districts*’<sup>(43)</sup>. More than 40 local government entities acceded to this network by signing a declaration committing all municipalities and districts to developing and implementing sustainable development strategies (according to Agenda 21 recommendations). In response to Local Agenda 21 there has also been the trans-border programme of formulating local environmental protection policy in a partnership planning process, covering several municipalities in North Poland and South Sweden. Municipalities like Gdansk and Glydnia have played a key role in the Union of Baltic Cities.

In terms of territorial integration of policies, multi-sectoral integration has been a objective of the reform of local government since 1999. There is some degree of horizontal integration of policy-making between neighbouring local authorities, particularly in metropolitan areas.

In recognition of the need for greater skills and capacity development, the American Institute for Sustainable Communities has been operating in Poland and Poland has been actively collaborating with the UNDP on capacity building. Local government reform has encouraged public participation and community skills development.

There is support for sharing of good practice. For instance, the network referred to above has served as a tool for exchange of information and experience in best practices in sustainable development and a means of promoting sustainability concepts.

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<sup>(42)</sup>Published by the Polish Ministry for the Environment. Text available in Polish at [http://www.mos.gov.pl/1materialy\\_informacyjne/raporty\\_opracowania/strategia/](http://www.mos.gov.pl/1materialy_informacyjne/raporty_opracowania/strategia/).

<sup>(43)</sup>Established in 2000/2001. As noted in ‘Tessalonika 28-21 August 2002. Regional Workshop on Capacity-Building in Governance and Public Administration for Sustainable Development. Poland.’ More information at: <http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN005156.pdf>.

The table below gives the values for Poland and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Poland (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	21.0	<sup>6</sup>	16.0	E
Well run	Voter turnout in national elections (%)	40.6	<sup>6</sup>	70.0	E
	E-government availability (%)	74.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	77.0		84.9	<sup>1</sup>
		13.5		8.6	<sup>1</sup>
		9.5		6.5	<sup>1</sup>
	Level of internet access (%)	26.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.6		5.2	<sup>2</sup> E
	Lifelong learning (%)	5.0		9.3	<sup>2</sup>
	Health care expenditure (%)	3.8	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	68.4 target 94.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	2.1		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	241.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	4.2	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	5.1		2.3	<sup>2</sup>
	Total employment growth (%)	-0.3		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	NA		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007



## 1.22. Portugal



Source: Authors

Headline Indicators	Portugal			EU-25		
	2004		2010 National Target	2004		2010 EU Target
GDP per capita (PPS)	72.4	<sup>3</sup>		100.0		
Labour productivity per person employed	66.2	<sup>3</sup>		100.0		
Employment rate	67.8		<b>70.0</b>	63.3		<b>70</b>
Employment rate for older workers	50.3			41.0		
Gross domestic expenditure on R&D	-			1.90	<sup>2</sup> e	<b>3.0</b>
Youth education attainment level	49.0			76.6		
Comparative price levels	85.7	<sup>1</sup>		100.0	<sup>2</sup>	
Business investment	18.3			16.9		
At-risk-of-poverty rate after social transfers	21.0	<sup>1</sup>		16.0		
Dispersion of regional employment rates	3.5	<sup>1</sup>		12.2	e	
Long-term unemployment rate	3.0			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	165.9			104.7		

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## **Key Challenges**

The main spatial problem is the bipolarised national urban system, with more than half of the urban population concentrated in the two metropolitan areas of Lisbon and Porto. Urban development is concentrated mainly in these two areas and in the southern coastal area. There is continuing suburbanisation and development of urban sprawl and decay of parts of the central areas, as well as decline in some of the smaller towns and urban centres. Problems of infrastructure provision remain, and inadequate organisational structures in metropolitan areas result in public transportation deficiencies.

GDP per capita is below average European levels. In 2004, GDP per capita in PPS was only 72.4% of average EU-25 level (equivalent to 66.6% of EU-15) and the lowest in EU-15. Productivity is also the lowest in EU-15. Unemployment rates, however, have generally been relatively low by European standards - down to 4.0% in 2000, but have been rising in recent years - reaching 7.2% in September 2006. Long-term unemployment stood at 3.0% in 2004.

There is a declining population in many rural and inland areas, while fertility rates are very low and falling – down to 1.40 in 2005.

There are signs of increasing social polarisation and spatial segregation, with the disappearance of traditional ‘mixed-use’ urban areas. There are shortages of social and affordable housing.

Pollution is increasingly a problem in the metropolitan areas, while water management is likely to be a critical issue in the future.

## **National Planning Context**

Portugal is a unitary state, with two autonomous regions (NUTS 1) – Madeira and Azores. It is relatively centralised with limited responsibilities devolved to the level of the local authorities. The regional governance level is weak, as there is no regional administrative level. For the purpose of administering EU Structural Funds, however, the mainland is divided into five NUTS 2 regions.

Spatial planning competencies exist both at the national level and local level, but primarily at the national level. The state is responsible for implementing the 1998 National Spatial Planning and Urbanism Act. The national Ministry of Environment, Spatial Planning and Regional Development (MESPRD) is responsible for setting the overall statutory framework for spatial planning, for preparing national planning policy, sectoral plans, regional plans, and for ratifying municipal level plans. The MESPRD is divided into three divisions – Environment, Spatial Planning and Towns, and Regional Development. In addition, within the Ministry there is a Directorate-General for Territorial Development and Urban Development. The Ministry of Public Works, Transportation and Communications is also involved with spatial planning.

At the regional level, the Commissions for Regional Coordination and Development are decentralised structures responsible for the implementation of spatial policies in the different regions. The local authorities prepare and approve municipal and inter-municipal land use plans.

Using the European Compendium of Spatial Planning (EC, 1997) terminology, Portugal has been classified as following the 'regional economic' model of spatial planning. ESPON project 2.3.2 (ESPON 2006e), however, noted a movement towards the 'land use planning' model.

### **Relevant Policy Initiatives**

Most national policy is directed at urban areas and takes a sectoral approach through specific programmes aimed at providing urban infrastructure. There is very little integration between these sectoral interventions, although European funding often plays a part in promoting integration. Urban policy is focused on urban regeneration, renewal and re-housing programmes, directly mainly at the old, historic urban centres. These are five URBAN II projects in Lisbon and three in Porto. Suburban areas and medium and small-sized cities appear particularly neglected in terms of urban policy.

The provision of transport infrastructure has probably been the most important public investment policy over the last twenty years, and is considered to have fostered territorial cohesion and the social development and integration of local and regional communities.

Territorial integration of policies is not common, with the boundaries of the decentralised initiatives of different ministries often not coinciding. However, the discourse of partnership-working is becoming more common in fields such as social policy, while integrated action is a fundamental element of the Critical Urban Areas initiative (see below), where the actions of seven central government ministries are being coordinated.

There are some limited examples of horizontal integration of policy-making between neighbouring authorities that can be found, but again this is not the norm. Generally, coordination is very weak. Although the two metropolitan areas of Lisbon and Porto have assemblies, they are poorly resourced. Since the 1998 Planning Act the statutory framework for constituting partnerships has improved, however, and there has been a growth in territorially-based municipal associations and public-private partnerships.

Public consultation during the preparation of urban plans is guaranteed by the Constitution. However, despite a growing involvement of Portuguese civil society in spatial planning processes, it remains relatively weak because of an historical legacy of a lack of civic participation and the 'distancing' of citizens from political administrative issues.

Portugal is a partner in the European Urban Knowledge Network (EUKN) and the National Focal Point is the Directorate General for Spatial Planning and Urban Development. The Head of delegation for the Bristol Informal was the Secretary of State for Spatial Planning and Towns within MESPRD.

### **Sustainable Communities in Portugal: 2007**

A first version of a National Strategy for Sustainable Development was issued in 2002. A second version was prepared in 2004, and now a third version is currently out for public consultation. Portugal is to make its strategy more integrated – linking economic, social, environmental and spatial concerns – and so that it can be used as a guideline for the utilisation of EU Structure Funds during the 2007-13 period (UNECE 2006). Some local authorities have produced Local Agenda 21 plans.

The EXPO 98 project on the banks of the Tagus River in the Eastern part of Lisbon was the first major urban project in Portugal. While the first stage of the project was concerned with the EXPO itself the second stage is a large integrated urban development project to be completed by 2009, which is planned to provide housing for 25,000 people and to create 18,000 jobs. The project involves integrated transport improvements, including new metro lines. The POLIS programme, directed by the MESPRD, aims at the development of ‘best-practice’ interventions within the metropolitan areas and medium-sized cities following the public-private institutional model established in EXPO 98.

The Critical Urban Area Programme is a new government initiative that aims to promote an integrated and comprehensive territorial approach by piloting a new organisational model for urban renewal. At the moment it is being implemented in 3 specific neighbourhoods – 2 in the metropolitan area of Lisbon and 1 in Porto, but there are plans to expand the number of interventions.

There is no Sustainable Communities programme as such in Portugal. Sustainability is still seen primarily from an environmental perspective, linked particularly to Local Agenda 21 processes, but increasingly there are links to issues of social cohesion, anti-poverty action and urban neighbourhood renewal.

Portugal’s response to the Bristol Accord has been mainly in its involvement in the organisation of the Leeds ASC European Skills Symposium. Portugal was a member of the URBACT Working Group, and contributed one of the case studies to the research that was undertaken prior to the event and presented at the Symposium. Portugal is also involved in a further working group that is preparing a proposal on the skills agenda for the EUKN. Nationally, although there is no organisation specifically tasked with developing skills issues, the skills agenda is an integral part of the Critical Urban Areas initiative.

The Sustainable Communities Agenda would seem particularly applicable to Portugal as policies directed at urban areas generally follow a very sectoral approach and there are significant infrastructural deficits in many urban areas. There is a clear need for a more comprehensive, coherent and integrated approach to urban policy.

The table below gives the values for Portugal and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Portugal (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	21.0		16.0	E
Well run	Voter turnout in national elections (%)	64.3	<sup>6</sup>	70.0	E
	E-government availability (%)	57.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	87.5		84.9	<sup>1</sup>
		9.1		8.6	<sup>1</sup>
		3.4		6.5	<sup>1</sup>
	Level of internet access (%)	26.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.6		5.2	<sup>2E</sup>
	Lifelong learning (%)	4.3		9.3	<sup>2</sup>
	Health care expenditure (%)	7.1	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	141.0 target 127.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	24.4		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	131.8		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	291.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	17.4		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	0.0		2.3	<sup>2</sup>
	Total employment growth (%)	0.1	<sup>f</sup>	0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	6.4	<sup>p</sup>	NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007



### 1.23. Romania



Source: Authors

Headline Indicators					EU-25			
	2004		2010 National Target		2004		2010 EU Target	
GDP per capita (PPS)	31.8				100.0			
Labour productivity per person employed	33.4	<sup>3</sup>			100.0			
Employment rate	54.2				63.3		<b>70</b>	
Employment rate for older workers	32.5				41.0			
Gross domestic expenditure on R&D	0.51				1.90	<sup>2e</sup>	<b>3.0</b>	
Youth education attainment level	76.1				76.6			
Comparative price levels	41.2				100.0	<sup>2</sup>		
Business investment	17.7				16.9			
At-risk-of-poverty rate after social transfers	15				16.0			
Dispersion of regional employment rates	7.0				12.2			
Long-term unemployment rate	7.2				4.1			
Total greenhouse gas emissions	51.0				-			
Energy intensity of the economy	1628.16				-			
Volume of freight transport relative to GDP	38.5				104.7	<sup>e</sup>		

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## **Key Challenges**

There is a concentration of the population in the southern and eastern parts of the country, particularly in the Bucharest – Ilfov region, around the capital. Levels of development vary widely, with the western and central regions and the capital the more developed, and there is a distinct urban-rural divide. More than 45% of the population live in rural areas, the highest share of rural population in the EU-27. In some regions there are virtually no towns or urban centres making service provision a particular challenge. Romania has a balanced distribution of landscape, but the challenge faced within each region varies. The North-East Region has the highest poverty rates, while Bucharest and the area bordering Hungary has the lowest.

Romania's transition to a market economy was slower and perhaps more painful than for most of the other Accession States. After 1990 economic and industrial restructuring was the main focus, this impacted small and medium sized towns most acutely, whose economies relied on a single industrial plant. In large cities, restructuring led to an increase in intra-city disparities deepening socio-economic problems. In rural areas problems concern the large number of people living in subsistence or semi-subsistence and economically inefficient farms, many reformed following land returned after the 1991 Land Law. Their situation is exacerbated by the ageing of these populations, the low level of mechanisation and other related issues. This is especially acute in the counties bordering Moldova (in the east) and along the Danube (in the south).

Since 2000, there has been an improvement in the economic environment, privatisation has accelerated, sectoral activities have been liberalised, small and medium sized enterprises have developed and there has been an increase in rates of foreign investment. Economic indicators have improved, most notably the unemployment rate, 7.2% in 2005, though this is in part a reflection of the high emigration rate and falling population. Estimates of the number of people leaving the country since 1989 range between 600,000 and 2 million.

The country's previous focus on heavy industry has left a legacy of polluted industrial sites. There is a persistent shortage of capital and human resources, especially in rural areas where living conditions are generally worse. The lack of housing, adequate repair and insufficient access to drinkable water are also serious challenges.

## **National Planning Context**

Romania is a relatively centralised unitary state. Eight development regions (equivalent to NUTS2) were established in 1998 in line with EU Cohesion Policy, but do not yet have an administrative status. These exist primarily to co-ordinate regional development funds, including the Regional Operational Programme 2007-2013. There are 41 counties and one municipality with a special administrative structure (Bucharest) made up of six sectors, each having a local government and council. The counties are divided into 2,851 Communes (rural) and 319 cities and municipalities (urban). Municipality status is given to larger cities and these have a more decentralised administration.

Romania's National Programme for Spatial Development (NPSD) is an ambitious national plan, established in 2001, covering territorial and urban planning for the whole country. Within this there is a Spatial Plan for Territorial Management (SPTM). As regards the Sustainable

Communities issue, the localities network (law 351/2001) is the most important section concerning plans and indicators defining urban and rural areas. The National Strategic Concept for the Spatial Development of Romania and Zonal Territorial Management Plans are under development.

### **Relevant Policy Initiatives**

The National Development Plans have been elaborated with a view to demonstrating attention to the problem of capacity building. The 2004-2006 version specifically promoted the 'partnership principle', establishing the legal basis for developing inter-institutional structures to incorporate consultation with a range of partners.

The Regional Operational Programme 2007-2013 is managed by the Ministry of European Integration and contains a priority dedicated to sustainable urban development, aiming to increase the role of urban centres in regional and local economic development through the regeneration and revitalisation of towns and cities. It plans to finance coherent, participative, integrated and sustainable plans for tackling social, economic, and environmental problems affecting different parts of the large cities or small and medium-sized towns. In order to obtain financing, the local public administration from urban areas should prepare an integrated plan to address the economic, social and environmental problems that they face.

The Ministry of Transport, Constructions and Tourism supports the local authorities by means of national programmes concerning: the elaboration of urban planning documentation, thermal rehabilitation of the existing multi-level building stock, the retro-fitting of multi-level residential buildings ranked in the highest seismic class, and planning of the public utilities networks. The funds for these programmes are allocated from the state and local budgets. The extent to which this will tackle the pre-existent urban development neglect and previous lack of investment remains to be seen.

### **Sustainable Communities in Romania: 2007**

There has been no official government response to the Bristol Accord, though the country took into account the approach in the process of setting up the Regional Operational Programme.

Section 4 of the National Regional Development Plan relates to urban policy and has an explicit agenda of the promotion of urbanisation. Governmental and official literature notes that current levels of urbanisation are 'below EU values'. Urban policy involves reinforcing second-level urban centres and small cities and, since 2002, the declaration of new towns. Official future actions include: information and experience exchange relating to sustainable regeneration and urban development, setting up a statistical database at the urban level and achieving an urban audit at the national scale.

Romania has a national sustainable development strategy, but it relates primarily to agricultural and rural development.

There is an objective of territorial integration of policies within the NPSD, and strategic planning for the Bucharest metropolitan area exists, but in general, there is little horizontal integration of policy-making between local authorities as yet. There is also little experience of involving local people. An integrated approach is envisaged in the Regional Operational Programme which will finance coherent, participative, integrated and sustainable plans for tackling social, economic and environmental urban problems. The National Programme for Rural Development is the equivalent programme for rural areas.

The Sustainable Communities Agenda is very relevant to Romania. The government has made plans for improving economic and social development through better infrastructure and public services. Regarding implementation, whilst regulatory instruments are strongly integrated into Romanian spatial planning systems, in practice they constitute separate pieces of legislation. The need for a more co-ordinated policy to address spatial and planning issues is required.

The table below gives the values for Romania and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Romania (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	18.0		16.0	E
Well run	Voter turnout in national elections (%)	58.5		70.0	E
	E-government availability (%)	31.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	NA		84.9 8.6 6.5	<sup>1</sup> <sup>1</sup> <sup>1</sup>
	Level of internet access (%)	6.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	3.4		5.2	<sup>2</sup> E
	Lifelong learning (%)	1.4		9.3	<sup>2</sup>
	Health care expenditure (%)	NA		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	59.0 target 92.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	29.9		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	305.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	NA		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	7.1		2.3	<sup>2</sup>
	Total employment growth (%)	0.4	<sup>f</sup>	0.7	<sup>2</sup>
	Business demography – birth rate (%)	19.0		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value  
f=forecast, NA=Not available

Source: Eurostat, 2007



## 1.24. Slovakia



Source: Authors

Headline Indicators	Slovakia			EU-25		
	2004	2010 National Target		2004	2010 EU Target	
GDP per capita (PPS)	52.1			100.0		
Labour productivity per person employed	59.4			100.0		
Employment rate	57.0			63.3	<b>70</b>	
Employment rate for older workers	26.8			41.0		
Gross domestic expenditure on R&D	0.53			1.90 <sup>e</sup>	<b>3.0</b>	
Youth education attainment level	91.3			76.6		
Comparative price levels	54.9 <sup>2</sup>			100.0 <sup>2</sup>		
Business investment	22.2			16.9		
At-risk-of-poverty rate after social transfers	21.0 <sup>2</sup>			16.0		
Dispersion of regional employment rates	9.0			12.2		
Long-term unemployment rate	11.8			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	47.4			104.7 <sup>e</sup>		

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## **Key Challenges**

Key spatial development issues in Slovakia are related to the rapid and radical changes in the economic and social conditions in the Slovak Republic since 1989. A particular challenge affecting development and spatial cohesion is under-developed transport infrastructure.

Slovakia has a GDP per capital of 52.1% of EU average in 2004. Long term unemployment rates are high at 11.8%. Bratislava, Slovakia's capital and largest city, had an estimated population of 424,207 in 2005 and Košice, Slovakia's second largest city had a population estimated at 236,519 for the same year.

## **National Planning Context**

The Slovak Republic came into existence as an independent state through the formal splitting of the former Czechoslovakia into the Czech and Slovak Republics respectively on 1<sup>st</sup> January 1993. Since 1990, decentralization of the public administration has been taking place in several stages. The Slovak Republic is administratively divided into eight *kraje* (NUTS3 counties or regions) which are at the same time the state administrative and self-government units and enjoy a certain degree of autonomy. Since 2004, 50 districts represent territorial units for specific tasks of the state administration. It has 2,883 municipalities/villages which are self-governing units. The territories of the former districts have been retained as units for statistical purposes even though these districts were discarded as state administration units in 2004.

Spatial planning issues at the level of villages, municipalities and regions are treated under the authority of the local self-governing bodies. The implementation of the territorial planning was transferred from the state administration to the level of the self-governing regions in 2002-2003. On the national level the territorial planning is implemented under the authority of the state administration executive.

The central body of the state administration, the Ministry of Construction and Regional Development, is vested with the planning competencies on the national level, as well as with the territorial and regional planning, while the sectoral ministries are responsible for sectoral planning. No independent agencies or planning commission were created for the preparation of individual conceptual planning documents in the field of territorial and regional planning.

## **Relevant Policy Initiatives**

A number of activities oriented towards the support and development of civil society in the Slovak Republic were funded by the European Union. The PHARE programme and the Special Preparatory Programme for Structural Funds in 1999 to 2001, played a significant role in this.

Since 2004, the INTERREG programme has been playing a significant role for the establishment of cross-border cooperation projects.

### **Sustainable Communities in Slovakia: 2007**

The main challenges for sustainable development in the Slovak Republic is in the field of good governance and there is a need to:

- strengthen the position of regions and municipalities;
- optimise the system of public administration;
- increase the quality and efficiency of public administration;
- deal with availability of basic local public services to the general public;
- increase internal and external security.

The main spatial problem is the disparity between the western and eastern parts of the country.

Relevant policy initiatives are::

- National Strategic Reference Framework of the Slovak Republic;
- National strategy of sustainable development;
- Commencement of a land development programme in Slovakia;
- Strategy for competitiveness development in Slovakia up to 2010;
- National programme of reforms 2006 – 2008;
- Convergent programme of Slovakia 2005 – 2010.

The Council of the Government for Sustainable Development is a key government mechanism for the coordination of global environmental management in Slovakia, and the body responsible for developing its national sustainable development strategy.

The table below gives the values for Slovakia and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Slovakia (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	21.0	<sup>p</sup>	16.0	<sup>E</sup>
Well run	Voter turnout in national elections (%)	70.1	<sup>3</sup>	70.0	<sup>E</sup>
	E-government availability (%)	47.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	69.6		84.9	<sup>1</sup>
		22.9		8.6	<sup>1</sup>
		7.5		6.5	<sup>1</sup>
	Level of internet access (%)	23.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	4.3		5.2	<sup>2E</sup>
	Lifelong learning (%)	4.3		9.3	<sup>2</sup>
	Health care expenditure (%)	5.0		7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	69.7 target 92.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	14.3		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	222.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	11.8	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	5.4		2.3	<sup>2</sup>
	Total employment growth (%)	-0.3		0.7	<sup>2</sup>
	Business demography – birth rate (%)	10.6		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007

## 1.25. Slovenia



Source: Authors

Headline Indicators	Slovenia		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	79.5		100.0	
Labour productivity per person employed	75.7		100.0	
Employment rate	65.3	<b>67.0 (2008)</b>	63.3	<b>70</b>
Employment rate for older workers	29.0		41.0	
Gross domestic expenditure on R&D	1.61 <sup>e</sup>	<b>3.0</b>	1.90 <sup>2e</sup>	<b>3.0</b>
Youth education attainment level	89.7		76.6	
Comparative price levels	75.8 <sup>2</sup>		100.0 <sup>p</sup>	
Business investment	21.3		16.9	
At-risk-of-poverty rate after social transfers	-		16.0	
Dispersion of regional employment rates	-		12.2	
Long-term unemployment rate	3.1		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	101.1		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available

Source: EC (European Commission) (2006b)

## **Key Challenges**

Slovenia has 193 communities (municipalities), eleven of which are urban. The spatial characteristics of the country favour natural transport corridors. There is a diversity of settlement structures with a large number of small settlements and numerous dispersed settlements. However, there are significant new developments underway presenting a key challenge to preserve the historical and cultural heritage and restrict creeping urban sprawl. There are pressures in relation to transport development. In view of the country's location to the south-east of the Alps, and at the meeting point of important international transport corridors, Slovenia has been in the process of completing motorways in its 'V' and 'X' corridors. However, this has produced conflicts with municipalities and pressure groups representing communities who are unhappy with the proposed location and capacity of the developments.

The rural communities of the Alps face specific challenges regarding depopulation and marginalization, and the maintenance of infrastructure and services. The shift in priorities to a market economy since 1991 has resulted in the neglect of quality of life issues. Growing social polarization and income differentiation are the major driving forces behind the process of unregulated spatial restructuring. If continued unchecked this could lead to social segregation, unbalanced regional development and the further decline of some urban and rural areas. The transition to a market economy produced new spatial problems, such as land speculation, unauthorized construction, and an underdeveloped real estate market and taxation system, and a lack of investment. There are specific problems in old industrial and mining localities, with the additional environmental problem of contaminated land.

Economically, the Slovenian success story in economic development and macro-economic stability has been marked. However long-term unemployment; educational and training of unemployed people; rates of youth unemployment; regional and local imbalances in employment and the mobility of the work force are still issues of concern.

Environmentally, despite pollution issues common to the transition economies and following on from rapid development and urbanization, the country is extremely rich in bio-diversity and most Slovenians enjoy a comparatively high quality of life in a relatively unpolluted environment. Popular expectations of living in a healthy environment are high, helping to retain the importance of such issues on the national agenda.

## **National Planning Context**

There are two principal levels of government in Slovenia - central and local government – though the country is in a process of regionalization. There are 12 statistical regions and 58 administrative units. Citizens exercise local self-government in municipalities and local communities. The territory of a municipality comprises a settlement or several settlements bound together by the defined common needs and interests of the residents.

The main spatial planning policy documents are the:

- Spatial Management Policy of the Republic of Slovenia (2001)
- Spatial Development Strategy of Slovenia (2004).

The strategy for the Economic Development of Slovenia guides development and forms the basis for the harmonisation of sectoral policies.

Spatial Development at the regional level specifies the conceptual framework of spatial arrangements agreed between state and municipalities. At the municipal level the main spatial planning strategies are the Municipal Spatial development Strategy, the Conception of Urban Development, the Conception of Landscape Development and Protection, and detailed Municipal Spatial Orders and Plans

### **Relevant Policy Initiatives**

In Slovenia, the notion of a 'balanced and polycentric development' has a longer tradition than in European spatial documents. It was already widely used in the 1970s. Key objectives of polycentric development concerning the network of cities, towns and other settlements are to: promote the development of urban centres with national and regional significance as the centres of regional territories; to encourage the functional and infrastructural integration of settlements and to ensure the interconnections of urban settlements with their hinterlands through more efficient mobility supported by public transport.

At the local level, the objectives are well expressed:

- to promote the sustainable development of urban areas by improving land use and existing built and natural environment through renewal and modernization, preserving old city centres and their cultural heritage, restricting suburbanization, using degraded and vacant urban land;
- to introduce mixed land use, as opposed to the previous practice of city zoning, which had negative environmental, social and economic effects and caused many urban areas to lose their identity;
- to develop public transport and encourage bicycling and walking, limiting private car traffic and setting up car parks outside city centres;
- to give priority, in the management of cities, to efficient use of water and of energy for heating, including the use of solar energy, and to the use of environmentally friendly materials;
- to see the modernization of the existing housing stock as an important part in the investment structure for the housing sector to guarantee a suitable quality for the living environment in human settlements;
- to promote more comprehensive integration of housing policies with regional development and spatial planning policies.

The concept of a civil society in Slovenia is long-standing. Encouraging dialogue and involvement of multiple actors in decision-making in government, especially in spatial planning strategy development and its procedures, is standard. Since 2002, interest in public participation has intensified and official acceptance of governance concepts and principles is high. Specifically, the Spatial Planning Act provides for public participation in all the phases of spatial planning document preparation and adoption at all levels. These include: compulsory public announcements of spatial planning documents preparation and revisions; public conferences on spatial planning issues where planned spatial development activities are harmonized; public exhibitions of spatial planning documents and debates, which must last at least thirty days; an obligation on the producer of the spatial planning document (state or municipality) to respond publicly to all remarks and proposals received during the public hearing; and mandatory provision of public access to spatial planning documents and materials

used in preparation and adoption of plans. The enforcement of public access rights is taken seriously.

#### **Sustainable Communities in Slovenia: 2007**

After independence in 1990, Slovenia took several years to formulate a working administrative spatial system. In December 2002 the new Spatial Planning Act was passed. On the basis of this the Spatial Development Strategy was drawn up in accordance with International Conventions and Protocols, as a result of which indicators for good governance are included. The National Development Plan 2000 – 2006 is to be replaced and upgraded, giving more attention to horizontal co-ordination and transparency. Regarding both vertical and horizontal governance, the key institution is the Office for Local Self-Government and Regional Policy which co-ordinates the preparation of the national development programme.

Cross-border joint planning is already well established (such as the *Alpe-Adria* Working Community, established in 1978, uniting 17 regions from 7 States), and it continues to be given priority. In addition to the focus on public participation there is also significant attention given to the role of voluntary groups. There are 160 non-governmental organizations registered with the Ministry of Environment and Spatial planning which work on a programme of planning co-operation.

The comprehensive set of national spatial objectives include: the concentration of population and infrastructure facilities in regional and local centres (in order to avoid further extensive suburbanization) and the revival of regionalism and orientation towards self-supporting regional development. For transport, the aim is to establish a modern inter-city transport infra-structure which could promote further polycentric development. For land administration the objective is to establish a modern land information system as a prerequisite for the responsible management of natural resources, protection of the environment, taxation, promotion of the real estate market and investments.

At the regional level, the objectives are: to promote an ecological, social and economic balance between cities and countryside, by improving the connections between cities and hinterland; and to co-ordinate the development of the regional settlements structure with the development of an integrated (multi-modal) public transport system.

Independent and formal initiatives specifically developed in response to the Bristol Accord are not in evidence although policies which respect its principles are. Slovenian Spatial Strategy seeks to establish conditions for balanced environmental, economic, social and cultural development, while ensuring the preservation of nature, heritage, and a good quality of life.

The table below gives the values for Slovenia and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Slovenia (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	10.0	<sup>4</sup>	16.0	E
Well run	Voter turnout in national elections (%)	60.6		70.0	E
	E-government availability (%)	47.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	80.0		84.9	<sup>1</sup>
		13.8		8.6	<sup>1</sup>
		6.2		6.5	<sup>1</sup>
	Level of internet access (%)	47.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	6.0		5.2	<sup>2</sup> E
	Lifelong learning (%)	16.2		9.3	<sup>2</sup>
	Health care expenditure (%)	7.8	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	99.2 target 92.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	29.1		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	NA		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	313.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	31.4	<sup>6</sup>	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	4.8		2.3	<sup>2</sup>
	Total employment growth (%)	0.4		0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	6.6		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007



## 1.26. Spain



Source: Authors

Headline Indicators	Spain			EU-25		
	2004	2010 National Target		2004	2010 EU Target	
GDP per capita (PPS)	98.0 <sup>3</sup>			100.0		
Labour productivity per person employed	99.9			100.0		
Employment rate	61.1			63.3	<b>70</b>	
Employment rate for older workers	41.3			41.0		
Gross domestic expenditure on R&D	-	<b>3.0</b>		1.90 <sup>2</sup> <sub>e</sub>	<b>3.0</b>	
Youth education attainment level	61.1			76.6		
Comparative price levels	87.4 <sup>2</sup>			100.0 <sup>2</sup>		
Business investment	24.5			16.9		
At-risk-of-poverty rate after social transfers	20.0 <sup>1</sup>			16.0		
Dispersion of regional employment rates	8.7			12.2		
Long-term unemployment rate	3.5			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	151.4			104.7 <sup>e</sup>		

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
 Source: EC (European Commission) (2006b)

## Key Challenges

A key spatial problem in Spain is the unbalanced population distribution. With the exception of the capital region of Madrid, the majority of the population is concentrated in the coastal regions. The rest of Spain has low population densities. Moreover, within individual regions, most of the population is urbanised, with very sparsely populated rural areas.

In terms of regional imbalances in economic development, there are divisions between the wealthier areas to the north and east (including Madrid) and the less wealthy areas to the south and west.

Rates of GDP per capita are below EU-15 levels, and Spain has been a primary recipient of EU Structural Funds to bring its level of economic development closer to average EU levels. By 2004, GDP per capita as measured in PPS had reached 98.0% of EU-25 average. Spain has had a high rate of unemployment – 19.5% in 1994 and the highest in the EU-15 from 1994 to 1999. By September 2006 this had declined to 7.8%, exactly equal to the EU-15 average.

Spain has one of the lowest fertility rates in Europe, which is well below the level of natural replacement.

There are challenges for Spain in relation to the integration of recent immigrants and the need to tackle social problems related to the high levels of unemployment.

Extensive environmentally unsustainable development along the Mediterranean coast often consists of over-developed second homes, increasing pressures on water supply, air pollution, and the risk of natural hazards such as droughts and forest fires.

There is insufficient supply of affordable housing for residents on low incomes, particularly young people, and a very limited rental market.

There is over-reliance on the radial transport network centred on Madrid.

## National Planning Context

Spain is a decentralised unitary state, with a high degree of regional devolution. The new Spanish Constitution of 1978 devolved substantial responsibilities and powers to 17 Autonomous Communities (*Comunidad Autonoma*). In the case of the Basque Country and Catalunya, in particular, there are pressures for further devolution. There are 50 provinces (*provincies*), and further decentralisation to approximately 8,100 municipalities.

The national level is responsible for the Land Law - the basic law covering land use. A bill for a new Land Law (*Proyecto de Ley de Suelo*)<sup>(44)</sup> was approved by the Council of Ministers in June 2006. Since 2004 there has been a General Directorate for Urban Planning and Land Policies within the Ministry of Housing, which acts as the EUKN National Focal Point. Spatial planning activity is almost entirely devolved to the regional and local levels. Indeed, a constitutional court ruling in 1997 established that the central state did not have authority to draw up a National

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<sup>(44)</sup> See: [http://www.mviv.es/es/index.php?option=com\\_content&task=view&id=617&Itemid=68](http://www.mviv.es/es/index.php?option=com_content&task=view&id=617&Itemid=68).

Spatial Planning Programme and that the Autonomous Communities had exclusive competence in spatial planning. There remains a significant amount of conflict between the three levels on spatial planning policies.

Each region has its own spatial planning policy and competencies are distributed amongst different departments of the Autonomous Communities. The municipalities have responsibilities related to land-use control and planning of urban areas, with three different types of plans for individual municipalities – Municipal (or Metropolitan) Master Plans, Partial Plans (for a part of the municipal area) and Special Plans (for small-scale urban redevelopment projects). Responsibilities related to housing provision are also located at all three levels of government.

In the European context, Spain's style of planning has generally been considered as belonging to the 'Urbanism' tradition, but ESPON Project 2.3.2 (ESPON, 2006e) concluded that Spain was now moving towards the 'land use' style of planning.

### **Relevant Policy Initiatives**

Administrative fragmentation is a major problem for Spain's metropolitan areas. The larger cities generally lack integrated tools for urban management and planning, although there is some degree of cooperation between municipalities in metropolitan areas in relation to service provision. The five Metropolitan Areas of Madrid, Barcelona, Valencia, Sevilla and Bilbao are each covered by a single Metropolitan Master Plan. However, this is only the case for Barcelona (and Madrid, partially). EU funding such as URBAN and the Structural Funds have helped to ameliorate administrative fragmentation and to some extent provided funding and promoted governance initiatives.

In Catalunya, the Regional Government has created the 'Open Administration of Catalunya' (*Administració Oberta de Catalunya*) which is a mechanism to improve communication and access to information for all stakeholders in the region, including the local level administration and citizens.

Policies are generally sectoral and integrated policy development, whether at the national level or regional and local levels, is not the norm. There is a growing trend for strategic planning initiatives at metropolitan or regional level, particularly for transport, though these often result in conflict between the regional and local levels of administration, as in Andalusia. At the national level, the 2005-2020 Strategic Infrastructure and Transport Plan (Plan Estratégico de Infraestructuras y Transportes - PEIT) being developed by the Ministry of Public Works is significant, as it involves significant cross-disciplinary and professional working.

Although there is a general trend towards vertical integration of policy-making (multi-level governance) it is little developed at present due to the clear distinctions in competencies between the different administrative levels. The National Commission of Local Administration provides for institutional collaboration between the national administration and the local level (municipal). Representatives from the Autonomous Communities can attend but there is no formal forum for the three levels to cooperate.

In Catalunya, one example of vertical and horizontal integration in the area of spatial planning is the regional General Territorial Plan, together with Partial and Sector Territorial Plans, which

act as an overarching framework for the plans produced by the local administrations. Another example of integrated territorial planning is the Plan for Arrangement of the Coast of Cantabria - *Plan de Ordenación del Litoral* (Gobierno de Cantabria, 2004 <sup>(45)</sup>) which is concerned with the protection of the coast and covers 37 territorial districts.

At local level some cooperation between small municipalities (horizontal cooperation) does occur almost as a matter of necessity.

There is statutory backing for participation in decision making in spatial planning matters at the local level, and this is included in the new Local Government Law being discussed in the Spanish parliament.

The primary aim of the EUKN National Focal Point in Spain is the dissemination and exchange of best practice, policies and research both within Spain and with other European countries. In particular, it aims to give descriptions of successful experiences with particular attention to transferability to other cities, regions and countries. It also acts as a form of network linking the national Ministry of Housing with other government bodies and spatial levels as well as the private sector, NGOs and universities, both within Spain and internationally.

Many aspects of the Sustainable Communities Agenda are applicable to Spain. However, a major challenge Spain faces in promoting this agenda is to ensure that promotion takes place within regions and municipalities working in partnership.

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<sup>(45)</sup>Gobierno de Cantabria (2004) *Plan de Ordenación del Litoral*, available at:  
[http://www.gobcantabria.es/portal/page?\\_pageid=33,751413&\\_dad=interportal&\\_schema=INTERPORTAL](http://www.gobcantabria.es/portal/page?_pageid=33,751413&_dad=interportal&_schema=INTERPORTAL).

### Sustainable Communities in Spain: 2007

Sustainable Communities are referred to in Spanish as *un modelo de ciudad integradora y sostenible* – ‘a model for integrated and sustainable cities’. Spain responded to the Bristol Informal stressing the need to advocate sustainable and integrated urban development that takes care of the needs of the citizens and simultaneously respects the environment.

The Spanish delegation at the Bristol Informal presented three case studies of Spanish urban development <sup>(46)</sup> as benchmarks for the creation of Sustainable Communities in the context of the agreement on the Bristol Accord. No other EU country appears to have prepared so well.

Although there is no overarching urban policy framework, policies aimed at EU urban areas exist at all three levels of government. At the national level these relate to housing, land, communications and transport. The newly formulated Housing Plan (2005-2008), for example, promotes rental housing and regeneration of the residential urban structure. The Ministry is also responsible for state-owned vacant land management policy and for the development of the statistical Urban Information System. The above mentioned bill of Land Law incorporates for the first time in national legislation a sustainability approach in urban and territorial policies. In addition to this regulation on a national basis, the Autonomous Communities have wide powers to design urban policies.

The Ministry of the Environment launched the Spanish Strategy of Sustainable Development in 2002. So far, it has been of limited influence and was not considered by the OECD to represent a national sustainable development strategy as such (OECD 2006, p.10). There is a Spanish Observatory of Sustainability which operates at both the national and regional levels. There was a great deal of interest in Local Agenda 21 within Spain’s municipalities, however, this has been mostly limited to rather formal activities. By 2004, around 700 municipalities had signed the Aalborg Charter (Echebarria *et al* 2004, p.276).

There is no overt recognition of, or specific programme to address the skills gap in sustainable communities’ skills.

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<sup>(46)</sup> These were Bilbao, Zaragoza and Santiago de Compostela.

The table below gives the values for Spain and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Spain (2004)	EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	20.0	16.0	E
Well run	Voter turnout in national elections (%)	75.7	70.0	E
	E-government availability (%)	50.0	52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	82.8	84.9	<sup>1</sup>
		12.3	8.6	<sup>1</sup>
		4.8	6.5	<sup>1</sup>
	Level of internet access (%)	34.0	42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	4.3	5.2	<sup>2</sup> E
	Lifelong learning (%)	4.7	9.3	<sup>2</sup>
	Health care expenditure (%)	6.0 <sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	147.9 target 115.0	99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	18.5	14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	127.2	102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	309.0	243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	22.6	12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	1.4	2.3	<sup>2</sup>
	Total employment growth (%)	3.5	0.7	<sup>2</sup>
	Business demography – birth rate (%) <sup>4</sup>	9.8	NA	
Well designed and built	No suitable indicators available			
Fair for everyone	No suitable indicators available			

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007

## 1.27. Sweden



Source: Authors

Headline Indicators	Sweden		EU-25	
	2004	2010 National Target	2004	2010 EU Target
GDP per capita (PPS)	117.9		100.0	
Labour productivity per person employed	107.1		100.0	
Employment rate	72.1		63.3	<b>70</b>
Employment rate for older workers	69.1		41.0	
Gross domestic expenditure on R&D	3.74		1.90 <sup>2</sup> <sub>e</sub>	<b>3.0</b>
Youth education attainment level	86.3		76.6	
Comparative price levels	121.1 <sup>2</sup>		100.0 <sup>2</sup>	
Business investment	13.0		16.9	
At-risk-of-poverty rate after social transfers	11.0 <sup>1</sup>		16.0	
Dispersion of regional employment rates	4.4		12.2	
Long-term unemployment rate	1.2		4.1	
Total greenhouse gas emissions	-		-	
Energy intensity of the economy	-		-	
Volume of freight transport relative to GDP	89.3		104.7 <sup>e</sup>	

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available

Source: EC (European Commission) (2006b)

## **Key Challenges**

Sweden GDP per capita was 117.9% of the EU average in 2004. Labour productivity growth has been just above the EU average. The employment rate is one of the highest in the EU - 72.1 % in 2004. However, in recent years employment growth has been weak and employment rates have declined, while unemployment increased to 6.3% in 2004

A key issue in Sweden is the disparity between the North and South areas of the country. The North is sparsely populated, while all key urban regions are located in the South. Growth in population and employment occurs in the south and out-migration and decline in the North. It is particularly the largest metropolitan areas of Stockholm, Göteborg, Malmö and Uppsala and other university towns that show the largest increase in population. The current situation for the large cities and the content of the new metropolitan policy raises important issues. Politicians from all parties in the Stockholm region agree that the financial draining of the region with the general subsidy system represents a serious threat to the future of the region.

Increasing social segregation has been apparent in Swedish metropolitan areas, resulting in areas with high concentration of social and economic problems. In 1999, in order to reduce these differences the government appointed an Urban Delegation to develop and co-ordinate Sweden's urban policy. On the basis of the delegation's recommendations the Swedish Metropolitan Policy was launched. The overall goals of the policy were to allow the metropolitan regions to develop good conditions for growth and new employment opportunities and to break the social and ethnic segregation within them. The policy included local agreements in neighbourhoods in seven municipalities with the aim of raising the level of employment, decreasing the dependency on social benefits, strengthening the Swedish language, giving children enhanced possibilities to reach the basic goals in school, increasing democratic participation, improving health, and ensuring that all parts of cities will be perceived to be attractive and safe.

The pressure on the expanding urban regions has also contributed to a problem of overheated housing markets and urban sprawl.

The issue of traffic congestion has become so severe in Stockholm that in January 2006 the coalition government introduced a pilot project with congestion charges. The advisory referendum in October 2006 was in favour of the system. However, the congestion charges project has caused major conflict in the Stockholm region, both within the Stockholm City Council and regarding the whole region and even nationally, and the new Swedish Government is not in favour of the policy.

## **National Planning Context**

Sweden is a unitary state with a two-tier local government. The state has a presence at the regional level in the form of the 21 County Administrative Boards. There are some exceptions to the overall structure due to a number of temporary pilot systems with new forms of regional governance.

There are 290 local authorities, 18 county councils and 2 regions. Each county council/region contains several local authorities and there is no hierarchical ranking between the levels. Both

the local authorities and county councils and regions are entities for local self-government with responsibility for different activities (with the exception of Gotland Island in the Baltic Sea). The current Local Government Act, which came into force in 1992, defines the roles of local authorities and county councils and regions. Local authorities are responsible for matters relating to the inhabitants of the local authority area and their immediate environment, while the county councils' and regions' main task is healthcare and regional development.

The local authorities and county councils/regions have a considerable degree of autonomy and have independent powers of taxation. Local self-government and the right to levy taxes are stipulated in the Swedish Constitution. There is also an 'equalisation system' for distributing resources managed by the State. A new system of local government financial equalisation was introduced in Sweden in January 2006. It has the same purpose as the previous system: to put all municipalities and county councils in the country on an equal financial footing to deliver equivalent levels of services to their residents, irrespective of the income of residents and other structural factors. The intention is for differences in local tax rates to reflect differences in efficiency and in levels of services and charges and not to be due to differences in structural conditions.

At the national level, the key institutions and planning agencies are:

- The Swedish Environmental Protection Agency,
- The National Board of Housing, Building and Planning,
- Ministry of Justice,
- Ministry of Sustainable Development,
- The Swedish Business Development Agency,
- Ministry of Industry, Employment and Communication;

Additionally, some 200 of Sweden's 290 local authorities are twinned with local authorities in Central and Eastern Europe. An extensive exchange of knowledge and experience is underway between the twin towns, and many personal ties are being forged across national borders. One example is the local authority of Nacka outside Stockholm, which is co-operating with Keila in Estonia and with three other local authorities in Latvia, Lithuania and Russia. The aim of this co-operation is to spread knowledge on environmental issues in general and on the operation and maintenance of environmental recycling stations in particular. Environmental officers in the five local authorities have formed a network.

This co-operation is a good example of the current orientation of twin-town projects. In recent years, most of the new ties have been formed with local authorities in the accession states and beyond. Swedish local authorities have 91 twin towns in Estonia, 44 in Latvia, 33 in Lithuania, 69 in Poland and 45 in Russia. The majority, and oldest, of the twin-town links, though, are still with towns in Denmark, Norway and Finland. Here, the exchanges mostly focus on cultural activities. However, in other twin-town exchanges the focus is on activities such as schools/education, democracy, the environment, trade, care, infrastructure, as well as culture.

Public participation and engagement in the planning and development process at the regional level is weaker, as citizens and grass-roots organisations are not very active in development work at the regional level. Ways of supporting a more democratic and participatory policy process at the regional level are being explored.

## Relevant Policy Initiatives

Urban policy is part of the remit of the ministry of Justice with a portfolio for a minister for Democracy, Integration Issues and Metropolitan Affairs. National urban policy is coordinated by the Commission on Metropolitan Areas, which consists of state secretaries from seven ministries and the Prime Minister's Office. Sweden is one of the few EU members which has (since January 2005) a dedicated Ministry for Sustainable Development. Its remit is Housing Policy, Environmental Policy and Energy Policy and it builds on the idea of the 'green welfare state'.

Social considerations are well integrated in the Swedish *National Strategy for Sustainable Development* including the fight against poverty, sustainable production and consumption, population and public health, social cohesion, welfare and security, employment and learning, regional and community development. The strategy is one of the few in OECD countries that adopted a long-term intergenerational timeframe of 25 years (equivalent to a generation).

### Sustainable Communities in Sweden: 2007

Sweden's largest cities are Stockholm, with a population of 760,000, Gothenburg with 450,000 and Malmö with 250,000 inhabitants. These three together account for 35% of the country's population. Only Stockholm has demonstrated strong economic growth over the last fifteen years. Stockholm is the highest scoring region in Europe in terms of competitiveness, according to the World Knowledge Competitiveness Index 2004. Populations in the large city centres are declining, however, with people moving out to the suburbs or to more sparsely populated areas.

The socially disadvantaged metropolitan areas covered by central policy are restricted to seven municipalities: Botkyrka, Gothenburg, Haninge, Huddinge, Malmö, Stockholm and Södertälje.

Sweden has a long experience of regional policy measures, and it was only in 1998 that the Swedish government launched a unified municipal policy. Sweden's metropolitan policy is aimed at long-term sustainable growth, putting an end to segregation and creating employment opportunities for everyone. Local autonomy remains a cornerstone of Swedish policy.

Social considerations are well integrated in the Swedish *National Strategy for Sustainable Development* including the fight against poverty, sustainable production and consumption, population and public health, social cohesion, welfare and security, employment and learning, regional and community development. The strategy is one of the few in OECD countries that adopted a long-term intergenerational timeframe of 25 years (equivalent to a generation).

The ways in which cross-border collaboration can be organised from a democratic perspective is currently being studied. The Öresund region, linking Malmö and Copenhagen, is a particular good example.

Sweden however is not a partner in the European Urban Knowledge Network (EUKN).

The Sustainable Communities Agenda is important for Sweden, especially in shaping its newly formed Metropolitan areas policy. Sweden is also one of the leaders in the EU in terms of competitiveness indicators, attributed to the success of Stockholm as well as its green policies.

The table below gives the values for Sweden and EU-25 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	Sweden (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	11.0		16.0	E
Well run	Voter turnout in national elections (%)	80.1	<sup>3</sup>	70.0	E
	E-government availability (%)	92.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	83.0		84.9	<sup>1</sup>
		8.9		8.6	<sup>1</sup>
		8.1		6.5	<sup>1</sup>
	Level of internet access (%)	73.0	<sup>6</sup>	42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	7.5		5.2	<sup>2</sup> E
	Lifelong learning (%)	32.1		9.3	<sup>2</sup>
	Health care expenditure (%)	8.0	<sup>p</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	96.4 target 104.0		99.1 target 92.0	<sup>1</sup>
	Share of electricity generated from renewables (%)	46.1		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	103.0		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	42.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	13.6		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	3.8		2.3	<sup>2</sup>
	Total employment growth (%)	-0.5		0.7	<sup>2</sup>
	Business demography – birth rate (%)	6.5		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005, E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007



## 1.28. United Kingdom



Source: Authors

Headline Indicators	United Kingdom			EU-25		
	2004	2010 National Target		2004	2010 EU Target	
GDP per capita (PPS)	116.8 <sup>3</sup>			100.0		
Labour productivity per person employed	106.9			100.0		
Employment rate	71.6			63.3	<b>70</b>	
Employment rate for older workers	56.2			41.0		
Gross domestic expenditure on R&D	-	<b>2.5 (2014)</b>		1.90 <sup>pe</sup>	<b>3.0</b>	
Youth education attainment level	76.4			76.6		
Comparative price levels	105.6 <sup>1</sup>			100.0 <sup>p</sup>		
Business investment	14.6			16.9		
At-risk-of-poverty rate after social transfers	-			16.0		
Dispersion of regional employment rates	5.8			12.2		
Long-term unemployment rate	1.0			4.1		
Total greenhouse gas emissions	-			-		
Energy intensity of the economy	-			-		
Volume of freight transport relative to GDP	84.3 <sup>2</sup>			104.7 <sup>e</sup>		

Notes: <sup>1</sup> Break in series, <sup>2</sup> Provisional value, <sup>3</sup> Forecast, e=estimate, NA= Not Available  
Source: EC (European Commission) (2006b)

## **Key Challenges**

In the United Kingdom the main issues include:

- The ‘North – South Divide’, which refers to regional inequalities in wealth between the south (and particularly the South-East), and the less wealthy northern half of the United Kingdom.
- Urban containment – this is of fundamental importance to the philosophy behind the spatial planning system in the UK
- Decentralisation and devolution
- The development of city regions.

Economic growth has been above EU average levels during the last 10 years. In 2004 GDP per capita as measured in PPS was 116.8% of EU-25 average in 2004, equivalent to 106.9% of EU-15. Unemployment has fallen considerably over the decade to a low of 4.7% in 2004. By July 2006 it had risen again somewhat to 5.6%, but this is still well below the EU average. The UK has one of the lowest long-term unemployment rates in Europe with just 1.0% in 2004. However, this masks large regional inequalities, with parts of the north of the UK in particular exhibiting a much less buoyant economic picture.

The United Kingdom’s population continues to grow quite significantly, primarily due to net immigration. Population grew 5.7% between 1991 and June 2003, to reach 59.54 million. Since 2005 there has been very substantial in-migration from the new Member States, particularly Poland. This in-migration is not evenly spread throughout the UK, but is concentrated particularly in the South-east. Fertility rates – 1.80 in 2005 – are not as low as in most of Europe.

Issues related to social exclusion, the relatively wide disparities in wealth, crime and integration of minority ethnic groups represent significant social challenges.

The emphasis of Environmental Policy in the UK is increasingly on global issues and particularly the effects of climate change.

The origins of the Sustainable Communities Agenda in the UK lie in the need to tackle the problems concerning supply and demand of housing. There are acute housing shortages, particularly in the South East of England. This is driving up house prices to unsustainable levels and making the move to house ownership for first-time buyers extremely difficult. On the other hand, some parts of the north of England have suffered from a collapse in housing demand.

## **National Planning Context**

The UK is a unitary state that is relatively weakly decentralised, with the recent addition of a generally weak (in England at least) regional level. Outside England, however, there is a Scottish Parliament, a National Assembly for Wales, and the Northern Ireland Assembly (currently suspended), which all have varying degrees of devolved responsibilities. In England, there is no elected regional level of government (except for London). There are, however, a variety of non-elected regional bodies, principal of which are the Government Offices (GOs) for the Regions, Regional Development Agencies and Regional Assemblies.

The structure of local government has been significantly reorganised on several occasions in recent decades. Currently, in England there are 34 counties (or shires), which have a 2-tier council system, and 36 metropolitan districts, 46 unitary authorities and 32 London boroughs, which all have a single-tier system.

Responsibility for spatial planning at the national level in England lies primarily with the Department for Communities and Local Government (DCLG), which was formed after the demise of the Office of the Deputy Prime Minister (ODPM) in July 2006. The DCLG has overall responsibility for shaping and guiding national planning policy.

Local planning authorities are the main agency for the operation of spatial planning on the ground. Where the two-tier system of government is in operation, the planning function is split between the tiers. New legislation in 2004 introduced the need to produce *Local Development Frameworks*, replacing the previous Structure Plans and Local and Unitary Development Plans. The Regional Assemblies in England have responsibility for the formulation of new Regional Spatial Strategies.

The UK has a long history of land use planning, or town and country planning as it has generally been known. In recent years it has been moving increasingly towards spatial planning and adopting elements of ‘comprehensive integrated planning’ to use the terminology of the European Compendium on Spatial Planning (EC, 1997). The current primary planning legislation is the Town and Country Planning Act 2004.

### **Relevant Policy Initiatives**

The Bristol Accord developed out of a UK national policy initiative – the Sustainable Communities approach. The Sustainable Communities Agenda had been developed within the ODPM over the preceding years and represented official UK government policy. The ODPM’s ‘vision’ (mission statement) on its website was expressed as ‘Creating Sustainable Communities’. As a consequence, much UK government policy originating from the ODPM/DCLG in recent years explicitly addresses a Sustainable Communities Agenda.

Policies directed at urban areas have long been a significant plank of government policy, usually directed at the problems of the ‘inner cities’. However, in recent years this has changed and towns and cities have become regarded as assets, not liabilities. There has been a growing recognition of the importance of cities, particularly big cities, as drivers of national and regional economies.

The November 2000 Urban White Paper – *Our Towns and Cities: The Future: Delivering an Urban Renaissance* (DETR, 2000) set out the government’s vision for towns, cities and suburbs.

The main challenges it identified were:

- accommodating the new homes Britain will need by 2021, making best use of brownfield land;
- encouraging people to remain and move back into urban areas;
- tackling the poor quality of life and lack of opportunity in certain urban areas;
- strengthening the factors in all urban areas which will enhance their economic success;
- making sustainable urban living practical, affordable and attractive.

To a large extent this was the forerunner to the Sustainable Communities Agenda. The policy emphasis was on adopting long-term policies that addressed the combination of economic, social and environmental needs.

Although there is a strong tradition of departmental autonomy both in central and local government, there has been increasing emphasis on the development of more integrated, cross-sectoral policy. For example, the new statutory Regional Spatial Strategies incorporate a regional transport strategy, and provide a spatial framework to inform the preparation of local development documents, local transport plans and regional and sub-regional strategies and programmes that have a bearing on land-use activities. They should provide a broad development strategy for the region for at least a fifteen-year period and, amongst other things, identify the scale and distribution of provision for new housing and priorities for the environment, transport, infrastructure, economic development, agriculture, minerals extraction and waste treatment and disposal.

The recognition of the need for more skills development was the reason for the Egan Review of Skills. The report was commissioned by the ODPM in April 2003 to review the skills and training required to deliver sustainable communities. The report, *Skills for Sustainable Communities* was published in April 2004 (DCLG, 2004), with the government issuing its response in August of that year. The National Academy for Sustainable Communities (ASC) was subsequently established as a result, and describes its remit as a “national and international centre of excellence of the skills and knowledge needed to create communities fit for the 21<sup>st</sup> century”<sup>(47)</sup>.

Partnership working within local authority districts has become the norm, encouraged by numerous central government initiatives, and is often essential in order to bid for government funding. Almost all local authorities have now set up Local Strategic Partnerships (LSP), which are seen as a key mechanism for joining up public services at an authority-wide level. An LSP consists of a single non-statutory, multi-agency body that matches local authority boundaries, and aims to bring together the public, private, voluntary and community sectors to provide a single, overarching local coordination framework. However, LSPs rarely cover more than one local authority area. According to recent data only 3% of LSPs cover two or more neighbouring authorities (ODPM and DfT, 2003,p.6). One such example, however, is the South Yorkshire Partnership, which covers the unitary authorities of Sheffield, Barnsley, Doncaster and Rotherham. In 2007 the Lyons Inquiry will report on the future role, financing and funding of local government.

Strategic planning for metropolitan areas or city regions remains undeveloped, although it has been attracting increasing interest in recent years. For example, the Leeds City Region has been identified as a functional sub-region by the regional planning authority, and a set of policies and objectives are being developed for the area in the current work on developing the Yorkshire and Humber Regional Spatial Strategy.

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<sup>(47)</sup> Refer to ASC website on: <http://www.ascskills.org.uk/pages/about-ASC>.

### **Sustainable Communities in the United Kingdom: 2007**

As the Sustainable Communities Agenda, as set out in the Bristol Accord, originates in the UK national policy initiatives, it is clearly relevant to the United Kingdom.

With the publication of the Sustainable Communities Plan in February 2003 (DCLG, 2003), urban policy was now viewed as one element in a range of government policies contributing to better towns and cities that necessitates working across departmental boundaries. The main elements of the Sustainable Communities Agenda were contained in this document. Two five-year plans, *Sustainable Communities: homes for all* (ODPM, 2005a) and *Sustainable Communities: People, Places and Prosperity* (ODPM, 2005b), followed in January 2005. These reflected on the one hand the central importance of housing, particularly the need to increase the supply of housing where demand is greatest, within the original Sustainable Communities Agenda, and on the other the recognition that creating Sustainable Communities needed a more holistic approach involving the integration of environmental, economic and social policies as well as dealing with governance issues and improving the overall quality of life. The eight characteristics of a Sustainable Community contained in the Bristol Accord were developed in this document.

Other important urban policy initiatives have been:

- The establishment of English Partnerships as the national regeneration agency The Millennium Communities Programme, to demonstrate how sustainable, environmentally responsible communities can be built in the 21st century
- The Establishment of Urban Regeneration Companies
- Establishment of the Commission for Architecture and the Built Environment (CABE) to promote best practice in urban design
- The New Deal for Communities, with its associated Pathfinder programme <sup>(48)</sup> targeted at the most deprived urban neighbourhoods
- A National Strategy for Neighbourhood Renewal
- A new forum in City Region development Plans and the role of core cities.

The UK published its first sustainable development strategy, *A Better Quality of Life: A Strategy for Sustainable Development in the United Kingdom*, in 1999 (DETR, 1999). A subsequent strategy was published in March 2005 as *Securing the Future: Delivering UK Sustainable Development Strategy* (DEFRA, 2005a). The strategies are audited by the Sustainable Development Commission (OECD, 2006). Local authorities in the UK have been very active in Local Agenda 21 activity.

The UK is a partner in the European Urban Knowledge Network (EUKN). The Academy for Sustainable Communities is the National Focal Point.

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<sup>(48)</sup> For more information see: <http://www.neighbourhood.gov.uk/page.asp?id=581>.

The table below gives the values for the United Kingdom and EU2-5 for those Sustainable Communities headline indicators recommended in Chapter 5 that are currently available from Eurostat. The indicators are defined in Table 5.2 (Volume 1). Where possible data is provided for 2004, but where it is not available for 2004 it is provided for the nearest available year.

Theme	Available Sustainable Communities headline indicators	United Kingdom (2004)		EU-25 (2004)	
Active, inclusive and safe	At-risk-of-poverty rate after social transfers (%)	19.0	<sup>6</sup> <sub>p</sub>	16.0	E
Well run	Voter turnout in national elections (%)	61.4	<sup>6</sup>	70.0	E
	E-government availability (%)	34.0		52.0	
Well connected	Modal split of passenger transport (car, bus, train) (%) <sup>3</sup>	88.1		84.9	<sup>1</sup>
		6.4		8.6	<sup>1</sup>
		5.5		6.5	<sup>1</sup>
	Level of internet access (%)	56.0		42.0	
Well served	Spending on human resources (education) (%) <sup>4</sup>	5.4		5.2	<sup>2</sup> E
	Lifelong learning (%)	29.4		9.3	<sup>2</sup>
	Health care expenditure (%)	7.8	<sup>e</sup>	7.4	<sup>e</sup>
Environmentally sensitive	Total greenhouse gas emissions (index base year = 100)	85.9		99.1	<sup>1</sup>
		target 87.5		target 92.0	
	Share of electricity generated from renewables (%)	3.7		14.2	<sup>2</sup>
	Domestic material consumption (Index 1995 = 100) <sup>5</sup>	98.2		102.4	<sup>1</sup>
	Municipal waste treatment, by type (landfilled) (kg per capita)	419.0		243.0	<sup>2</sup>
	Protected areas for biodiversity (%)	6.5		12.1	<sup>6</sup>
Thriving	Growth rate of GDP per capita (%)	2.7		2.3	<sup>2</sup>
	Total employment growth (%)	1.0		0.7	<sup>2</sup>
	Business demography – birth rate (%)	14.3		NA	
Well designed and built	No suitable indicators available				
Fair for everyone	No suitable indicators available				

Notes: <sup>1</sup> EU-15, <sup>2</sup> EU-27, <sup>3</sup> 2002, <sup>4</sup> 2003, <sup>5</sup> 2001, <sup>6</sup> 2005 E=Eurostat estimate, e= estimated value, p=provisional value, NA=Not available

Source: Eurostat, 2007

## **Annex 2. Indicators most relevant to Sustainable Communities available from Eurostat<sup>(49)</sup>**

These are structured into the eight characteristics of Sustainable Communities contained within the Bristol Accord, with the name of the theme or topic where they are located within Eurostat in brackets.

### **N.B. SDI = Sustainable Development Indicator, Str I = Structural Indicator**

#### **Active, inclusive and safe:**

- Total unemployment rate (SDI – Economic development)
- At-risk-of-poverty rate after social transfers (SDI – Poverty and social exclusion headline indicator)
- Inequality of income distribution (SDI – Poverty and social exclusion)
- People living in jobless households (SDI – Poverty and social exclusion)
- Early school-leavers (SDI – Poverty and social exclusion)

#### **Well run:**

- Voter turnout in national parliamentary elections (SDI - Good governance)
- E-government on-line availability (SDI – Good governance)
- E-government usage by individuals (SDI – Good governance)
- Share of individuals using the Internet for interacting with public authorities (Science and technology – Information society)

#### **Well connected:**

- Modal split of passenger transport (SDI – transport)
- Level of internet access – households (Str I– Innovation and research)
- Broadband penetration rate (Str I – Innovation and research)

#### **Well served:**

- Lifelong learning (SDI – Economic development)
- Expenditure on care for elderly (SDI – Ageing society)
- Health care expenditure (SDI – Public health)
- Spending on human resources (education) (Str I – Innovation and research)
- Total number of practising physicians (Population and social conditions – Health care)
- Number of dentists (Population and social conditions – Health care)
- Hospital beds (Population and social conditions – Health care)
- Four-year-olds in education (Population and social conditions – School enrolment)
- Pupil/teacher ratio in primary education (Population and social conditions – School enrolment)

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<sup>(49)</sup> Refer to Eurostat home page at:

[http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1090,30070682,1090\\_33076576&\\_dad=portal&\\_schema=PORTAL](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1090,30070682,1090_33076576&_dad=portal&_schema=PORTAL).

**Environmentally sensitive:**

- Urban population exposure to air pollution by particulate matter (SDI – Public health)
- Urban population exposure to air pollution by ozone (SDI – Public health)
- Proportion of population living in households considering that they suffer from noise and from pollution (SDI – Public health)
- Total greenhouse gas emissions (SDI – Climate change and energy headline indicator)
- Gross inland energy consumption, by fuel (SDI – Climate change and energy headline indicator)
- CO<sub>2</sub> intensity of energy consumption (SDI – Climate change and energy)
- Energy intensity of the economy (SDI – Climate change and energy)
- Final energy consumption, by sector (SDI – Climate change and energy)
- Gross electricity generation, by fuel used in power-stations (SDI – Climate change and energy)
- Share of electricity generated from renewable sources in gross electricity consumption (SDI – Climate change and energy)
- Share of main energy sources in total electricity generation from renewables (SDI – Climate change and energy)
- Combined heat and power generation (SDI – Climate change and energy)
- Energy intensity of industry (SDI – Climate change and energy)
- Share of bio-fuels in total fuel consumption (SDI – Climate change and energy)
- Domestic material consumption (SDI – Production and consumption patterns headline indicator)
- Municipal waste generated (SDI – Production and consumption patterns)
- Municipal waste treatment, by type of treatment method (SDI – Production and consumption patterns)
- Electricity consumption by households (SDI – Production and consumption patterns)
- Area occupied by organic farming (SDI - Production and consumption patterns)
- Enterprises with an environmental management system (SDI – Production and consumption patterns)
- Population trends of farmland birds (SDI – Management of natural resources headline indicator)
- Built-up areas (SDI – Management of natural resources)
- Total energy consumption of transport (SDI – Transport)
- Car share of inland passenger transport (SDI – Transport)
- Energy consumption of transport, by mode (SDI – Transport)
- Protected areas for biodiversity: Habitats Directive (Str I – Environment)
- Total fresh water abstraction per capita (Environment and energy – Water)
- Population connected to urban waste water collecting systems: total (Environment and energy – Water)
- Population connected to urban waste water treatment: total (Environment and energy – Water)
- Amount of waste generated (Environment and energy – Waste)
- Renewable energy primary production: biomass, hydro, geothermal, wind and solar energy (Environment and energy – Production and imports)

**Thriving:**

- Growth rate of GDP per capita (SDI – Economic development headline indicator)
- Total investment (SDI – Economic development)
- Real GDP growth rate (SDI – Economic development)
- GDP per capita in PPS (SDI – Economic development)
- Total employment rate (SDI – Economic development)
- Total employment growth (SDI – Economic development)
- Long-term unemployment rate (SDI – Poverty and social exclusion)
- Business investment (Str I – Economic reform)
- Business demography – birth rate (Str I – Economic reform)

**Well designed and built:**

- Share of households living in a house (Population and social conditions – Income and living conditions)
- Share of households living in overcrowded houses (Population and social conditions – Income and living conditions)
- Share of households owning their accommodation (Population and social conditions – Income and living conditions)

**Fair for everyone:**

- Official development assistance (SDI – Global partnership headline indicator)
- Sales of selected Fair trade labelled products (SDI – Global partnership)
- Bilateral official development assistance, by category (SDI – Global partnership)



### **Annex 3. Indicators most relevant to Sustainable Communities within Urban Audit 2001 <sup>(50)</sup>**

These are structured into the eight characteristics of Sustainable Communities contained within the Bristol Accord, with the spatial level at which information is available in brackets.

**A refers to core city (administrative definition)**

**L refers to larger urban zone**

**S refers to sub-city district**

**FTE = Full Time Equivalent**

#### **Active, inclusive and safe:**

- Number of homeless people / total resident population (A)
- Number of recorded crimes per 1000 population (A, L, S)
- Numbers of murders and violent deaths per 1000 population (A, L)
- Number of car thefts per 1000 population (A, L)
- Unemployment rate (A, L, S)
- Proportion of households reliant upon social security (A, L, S)
- Proportion of students not completing compulsory education (A, L)
- Students in higher education per 1000 resident population (A)
- Proportion of the land area in recreational, sports and leisure use (A, L)
- Number of concerts per 1000 residents (A)
- Annual attendance at concert per year (A)
- Number of cinema seats per 1000 residents (A)
- Annual cinema attendance per resident (A)
- Number of museums (A)
- Annual visits to museums per resident (A)
- Number of theatres (A)
- Annual attendance at theatre per resident (A)
- Number of public libraries (all distribution points) (A)
- Are you satisfied with sports facilities? (perception survey)
- Are you satisfied with cinemas? (perception survey)
- Are you satisfied with cultural facilities? (perception survey)
- Do you agree that foreigners who live here are well integrated? (perception survey)
- Do you think in 5 years it will be more pleasant to live here? (perception survey)
- Do you feel safe in this neighbourhood? (perception survey)
- Do you feel safe in this city? (perception survey)

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<sup>(50)</sup> Refer to Urban Audit database on Eurostat website at:  
[http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1996.45323734&\\_dad=portal&\\_schema=PORTAL&screen=welcomeref&open=/&product=EU\\_MASTER\\_urban\\_audit&depth=2](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996.45323734&_dad=portal&_schema=PORTAL&screen=welcomeref&open=/&product=EU_MASTER_urban_audit&depth=2)

**Well run:**

- Proportion of registered electorate voting in EU elections (A)
- Proportion of registered electorate voting in national elections (A)
- Proportion of registered electorate voting in City elections (A)
- Official city internet web site (Yes/No) (A)
- Number of visits to official city internet web site (A)
- Number of administration forms available for download from official web site (A)
- Number of administration forms which can be submitted electronically (A)
- When you contact administrative services do they help you efficiently? (perception survey)
- Do you think resources are spent in a responsible way? (perception survey)

**Well connected:**

- Percentage of journeys to work by rail/metro (A, L)
- Percentage of journeys to work by bus (A, L)
- Percentage of journeys to work by tram (A, L)
- Percentage of journeys to work by motor cycle (A, L)
- Percentage of journeys to work by bicycle (A, L)
- Percentage of journeys to work on foot (A, L)
- Average speed of inner-city car traffic during the rush hour (A)
- Average waiting time for a bus in the rush hour (A, L)
- Length of public transport network per capita (A, L)
- Length of public transport network as a proportion of land area (A, L)
- Road accidents (death or serious injury) per 1000 population (A, L)
- Multimodal accessibility (index, EU27 = 100) (A, L)
- Number of public internet access points (A)
- Proportion of households with access to broadband (A)
- Percentage of households with internet access at home (A)
- Are you satisfied with public transport? (perception survey)
- Are you satisfied with public internet access? (perception survey)
- Are you satisfied with internet access at home? (perception survey)

**Well served:**

- Number of hospital beds per 1000 residents (A, L)
- Number of doctors (FTE) per 1000 residents (A, L)
- Number of dentists (FTE) per 1000 residents (A, L)
- Children 0-4 in day care (public and private) per 1000 children (A, L)
- Computers per 100 pupils at primary education level (A)
- Computers per 100 pupils at secondary education level (A)
- Are you satisfied with schools? (perception survey)
- Are you satisfied with hospitals? (perception survey)
- Are you satisfied with doctors? (perception survey)

**Environmentally sensitive:**

- Winter smog: number of days sulphur dioxide concentrations exceed  $125 \mu\text{g}/\text{m}^3$  (A)
- Summer smog: number of days ozone concentrations exceed  $120 \mu\text{g}/\text{m}^3$  (A)
- Number of days nitrogen dioxide concentrations exceed  $200 \mu\text{g}/\text{m}^3$  (A)

- Number of days particulate matter concentrations exceed 50  $\mu\text{g}/\text{m}^3$  (A)
- Concentration of lead in ambient air in  $\mu\text{g}/\text{m}^3$  (A)
- Proportion of residents exposed to outdoor day noise levels above 55 dB (A)
- Proportion of residents exposed to sleep disturbing outdoor night noise levels above 45 dB (A)
- Carbon dioxide emissions per capita (A)
- Total carbon monoxide emissions (A)
- Total methane emissions (A)
- Total non methane volatile organic compounds emissions (A)
- Total sulphur dioxide emissions (A)
- Total nitrogen dioxide emissions (A)
- Consumption of water ( $\text{m}^3$  per annum) per capita (A)
- Electricity use per capita (A)
- Collected solid waste (domestic and commercial) per capita pre year (A)
- Proportion of solid waste processed by landfill (A)
- Proportion of solid waste processed by incinerators (A)
- Proportion of solid waste that is recycled (A)
- Do you think air pollution is a big problem here? (perception survey)
- Do you think noise is a big problem here? (perception survey)
- Do you think this is a clean city? (perception survey)

**Thriving:**

- GDP per head of resident population (A, L)
- Number of companies with Head Quarters in the city quoted on national stock market (A)
- New businesses registered as a proportion of existing companies (A)
- Proportion of net office floor space that is vacant (A)
- Proportion of the land area in commerce, finance and business use (A, L)
- Is it easy to find a good job here? (Perception survey)

**Well designed and built:**

- Proportion of households living in houses (A, L)
- Proportion of households living in apartments (A, L)
- Proportion of households living in owned dwellings (A, L)
- Proportion of households living in social housing (A, L, S)
- Proportion of households living in private rented housing (A, L)
- Average price per  $\text{m}^2$  for an apartment / median household income (A, L)
- Average price for a house per  $\text{m}^2$  (A, L)
- Annual social housing rents to median household income (A, L)
- Average annual rent for an apartment per  $\text{m}^2$  (A, L)
- Average annual rent for a house per  $\text{m}^2$  (A, L)
- Proportion of dwellings lacking basic amenities (A, L, S)
- % of dwellings connected to potable drinking water system (A)
- % of dwellings connected to sewerage treatment system (A)
- Proportion of the area in green space (A, L, S)
- Proportion of urban area under special planning conservation measures (A, L)
- Green space to which the public has access per capita (A, L, S)

- Proportion of population within a 15 minutes walk of green space (A, L)
- Are you satisfied with green space? (perception survey)
- Do you think it is easy to find good housing at reasonable price? (perception survey)
- Are you satisfied to live in this city? (perception survey)

**Fair for everyone:**

There are no variables that adequately relate to this

## **Annex 4. Selected indicators relevant to Sustainable Communities from UK Egan Review (2004) and Audit Commission (2005)**

These are structured into the eight characteristics of Sustainable Communities contained within the Bristol Accord. Indicators are from the Egan Review unless otherwise indicated.

**Indicators derived from survey data are marked with (s).**

**AC = Audit Commission**

**LA = Local Authority**

### **Active, inclusive and safe:**

- % who feel they 'belong' to the neighbourhood/community (s)
- % who feel that their local area is a place where people from different backgrounds get on well together (s)
- % who feel a great deal involved in the local community (s)
- % who are satisfied with local cultural/sports/leisure services (s)
- Extent anti-social behaviour is a problem in the area (s)
- Domestic burglaries per 1,000 households and % detected
- Other crimes (violent offences, theft of a vehicle, sexual offences) (AC)
- % who feel 'fairly safe' or 'very safe' after dark whilst outside in local area (s)
- % who think that people being attacked because of the colour of their ethnic origin, etc is a very big or fairly big problem in their area (AC)
- % who feel 'fairly safe' or 'very safe' after dark whilst outside (AC)
- % within 20 minutes travel time of different sports facility types (AC)
- % of children and people over 60 that live in households that are income deprived (AC)

### **Well run:**

- % satisfied with the overall service provided by LA (s)
- Extent respondents feel the council keeps residents informed about benefits and services it provides (s)
- % of adults who feel they can influence decisions affecting their local area (s)
- Election turnout (AC)

### **Well connected:**

- % finding it easy to access key local services (s)
- % using different modes of transport
- % satisfied with LA provided district transport services (s)
- % with access to ADSL broadband
- Number of pedestrian and cyclist road accident casualties (AC)
- % of residents who think that for their areas, over the last 3 years, public transport / traffic congestion has got better or stayed the same (AC)

### **Well served:**

- Average length of stay in temporary accommodation of homeless households
- % of children in schools maintained by the local education authority achieving certain standards

- % of patients waiting more than 3 or 6 months for treatments
- Number of primary care professionals per 100,000 population

**Environmentally sensitive:**

- Household energy use per household
- Household water use per person per day
- % of LA owned and managed land without a nature conservation designation, managed for biodiversity
- % satisfied with waste recycling facilities (s)
- % of new homes built on previously developed land
- % of household waste recycled
- % who are concerned about different types of noise in their area (s)
- Average number of days where air pollution is moderate or high for NO<sub>2</sub>, SO<sub>2</sub>, O<sub>3</sub>, CO or PM<sub>10</sub>
- % of relevant land and highways assessed having combined deposits of litter and detritus
- % satisfied with the cleanliness standard in their area (s)
- % of river length assessed as of good biological and chemical quality (AC)
- Volume of household waste collected (AC)

**Thriving:**

- % of people of working age in employment
- % satisfaction with the local area as a business location (s)
- Regional GDP per capita
- % user satisfaction with town centre (s)
- Job density (AC)

**Well designed and built:**

- % of new dwellings which have high environmental ratings
- % of non-decent/unfit homes
- Average property prices
- % satisfied with their home (s)
- % of LA's parks and open spaces which are accredited with Green Flag award or equivalent
- Total number of new housing completions (AC)
- Affordable dwellings as % of new housing completions (AC)
- Household accommodation without central heating (AC)
- % of all housing that is unfit (AC)
- House price to income ratio (AC)

**Fair for everyone:**

There are no indicators that adequately relate to this.

## **Annex 5. Recommended local level Sustainable Communities indicators for individual Member States**

Source for indicators is Egan Review unless otherwise indicated.

**AC = Audit Commission report**

**UA = Urban Audit**

**LA = Local Authority**

### **Active, inclusive and safe:**

- % who feel they 'belong' to the neighbourhood/community
- % who feel that their local area is a place where people from different backgrounds get on well together
- % who feel a great deal involved in the local community
- % within 20 minutes travel time of different sports facility types (AC)
- % who are satisfied with local cultural/sports/leisure services
- Extent anti-social behaviour is a problem in the area
- Domestic burglaries per 1,000 households and % detected
- Other crimes (violent offences, theft of a vehicle, sexual offences)
- % who feel 'fairly safe' or 'very safe' outside after dark
- % who feel 'fairly safe' or 'very safe' outside during the day (AC)
- % of children and people over 60 that live in households that are income deprived (AC)

### **Well run:**

- % satisfied with the overall service provided by LA
- % of adults who feel they can influence decisions affecting their local area
- Proportion of registered electorate voting in national elections (UA)
- Proportion of registered electorate voting in local elections (UA)
- Number of administration forms available for download from official web site (UA)

### **Well connected:**

- % finding it easy to access key local services
- % using different modes of transport
- Length of public transport network as a proportion of land area (UA)
- % satisfied with LA provided public transport services
- Number of pedestrian and cyclist road accident casualties (AC)
- Percentage of households with internet access at home (UA)
- % with access to ADSL broadband
- Number of public internet access points (UA)

### **Well served:**

- % of children in schools maintained by the local education authority achieving certain standards
- Children 0-4 in day care (public and private) per 1000 children (UA)
- Computers per 100 pupils at primary education level (UA)

- Computers per 100 pupils at secondary education level (UA)
- Are you satisfied with schools? (UA)
- Number of primary care professionals per 100,000 population
- Number of hospital beds per 1000 residents (UA)
- % of patients waiting more than 3 months for treatment
- Are you satisfied with hospitals? (UA)

**Environmentally sensitive:**

- % of new homes built on previously developed land
- Household energy use per household
- Carbon dioxide emissions per capita (UA)
- % of river length assessed as of good biological and chemical quality (AC)
- Average number of days where air pollution is moderate or high for NO<sup>2</sup>, SO<sup>2</sup>, O<sup>3</sup>, CO or PM10
- % who are concerned about different types of noise in their area
- Volume of household waste collected (AC)
- % of household waste recycled
- % satisfied with waste recycling facilities
- Household water use per person per day
- % of LA owned and managed land without a nature conservation designation, managed for biodiversity
- % of relevant land and highways assessed having combined deposits of litter and detritus
- % satisfied with the cleanliness standard in their area

**Thriving:**

- GDP per head of resident population (UA)
- Proportion of the land area in commerce, finance and business use (UA)
- % satisfaction with the local area as a business location
- New businesses registered as a proportion of existing companies (UA)
- Number of companies with HQs in the city quoted on national stock market (UA)
- % user satisfaction with town centre

**Well designed and built:**

- Green space to which the public has access per capita (UA)
- Are you satisfied with green space? (UA)
- Proportion of households living in owned dwellings (UA)
- Average price per m<sup>2</sup> for an apartment / median household income (UA)
- Average price for a house per m (UA)
- Annual social housing rents to median household income (UA)
- Affordable dwellings as % of new housing completions (AC)
- Annual social housing rents to median household income (UA)
- Proportion of dwellings lacking basic amenities (UA)
- % of dwellings connected to sewerage treatment system (UA)
- % of new dwellings which have high environmental ratings
- % satisfied with their home
- House price to income ratio (AC)

**Fair for everyone:**

There are no indicators that adequately relate to this.

## **Annex 6. Briefing: Regions for economic change**

**February 2007**

NB: This initiative is still evolving and subject to change. This briefing outlines our current understanding.

### **Introduction**

1. On 8 November 2006 the European Commission published the communication 'Regions for Economic Change' (REC). In line with the Lisbon goals of more jobs and growth, the European Commission wants to stimulate economic modernisation and strengthen competitiveness in European regions by promoting exchanges of experience and good practice between the different regions. This new interregional co-operation instrument will be part of the Objective 3 (Territorial Co-operation) of the EU Cohesion policy 2007-2013.
2. The results of the exchange of experiences and good practices should be mainstreamed into the Convergence and Competitiveness Programmes (Objective 1 and 2) of the Structural Funds. It is seen as a weakness of current INTERREG IIIC activities that good ideas are not fused into the main Structural Funds programmes.
3. The Local Government Association Briefing has formulated a separate briefing and position (September 2006) on INTERREG IV as a whole. This briefing applies only to the new instrument of REC.

### **Features of REC**

4. The EU Co-operation objective (better known as INTERREG) is one of the three objectives of the new EU Cohesion policy for 2007-2013 (along with Objective 1 (Convergence) and Objective 2 (Competitiveness and Employment)). The Co-operation objective (INTERREG IV) consists of three strands: A) cross-border, B) transnational and C) interregional.
5. The REC initiative will be the delivery mechanism and 'brand' for INTERREG IVC.
6. REC is set up to enhance the exchange of experiences developed within the interregional co-operation strand and urban development network programmes (URBACT) of the INTERREG programme.
7. The total budget for REC will be €375M, deducted from the INTERREG IV and URBACT budget for 2007-2013. There is no additional new money being made available. The cost of one network amounts to €0.5M to €4M, so we can expect the building of a considerable number of new networks with this budget. The funding for each network may vary considerably.
8. Member states, regions and cities will participate on a voluntary basis: there are no new obligations.

9. With the new instrument, the European Commission would like to ensure a faster evaluation and dissemination of new initiatives into the mainstream Structural Funds programmes. It aims to draw on the experience and best practice of high performance regions in order to transfer it to regions wishing to improve.
10. REC will serve as a two-way bridge between thematic development and mainstream programmes. Regions which have developed best-practice ideas will have the chance to have them evaluated under REC and quickly disseminated throughout the EU.
11. A 'Regio Stars' conference will be organised once a year at which prizes will be awarded for the best ideas coming from projects. This conference will coincide with the Spring Council, which discusses every year the progress made in the Member States with regard to the Lisbon goals. The first conference will take place on 7 and 8 March 2007 in Brussels, and will launch a new website regarding the exchange of experiences. The website will contain information on 50 projects on themes like research, technological innovation and the information society.
12. Regions wanting to participate in REC networks need to have the agreement of the Managing Authorities, which are responsible for the implementation of the Structural Funds operational programmes in their region. The agreement of the Managing Authorities also means that they should be committed to mainstream the results of the networks in the different Structural Funds Programmes (Convergence and Competitiveness).

### **The proposal regarding REC**

13. The REC initiative is about partnership in action: different regions and cities together address some of the core policies of the European Union.
14. The European Commission has drawn up a list of 30 themes for co-operation under the new initiative, based upon the following four objectives, subdivided in different themes:
  - Improving the attractiveness of the Member States, regions and cities by a better access, quality of services and protection of the environment;
    - Increasing adaptability;
    - Improving air quality;
    - Moving to a low carbon economy;
    - Improving quality of water supply and treatment;
    - Moving to a recycling society;
    - Making healthy communities;
    - Integrated policies on urban transport
    - Developing sustainable and energy-efficient housing stock;
    - Improving monitoring of environment and security by and for the regions;
  - To stimulate innovation, entrepreneurship and growth of the knowledge economy by strengthening research, innovation and IT methods;
    - Improving the capacity of regions for research and innovation;
    - Bringing innovative ideas to the market more quickly;

- Training and retaining researchers;
  - Helping to restructure regions most heavily dependent on traditional industries;
  - Bringing e-government to regions and to business;
  - Better ICT connections between regions.
- To create more and better jobs by getting more people to work or stimulating companies to invest in human capital;
  - Improving qualifications for innovation;
    - Promoting entrepreneurship;
    - Meeting the demographic challenge;
    - Promoting a healthy workforce in healthy workplaces;
    - Integrating marginalised youth;
    - Managing migration and facilitating social integration;
    - Improving the adaptability of workers and enterprises;
    - Expanding and improving education and training systems;
    - Increasing employment of older workers.
  - Use growth potential by paying attention to specific geographical circumstances.
    - Managing coastal zones;
    - Reaping the benefits of the sea;
    - Achieving sustainable urban development;
    - Re-using brownfield and waste disposal sites;
    - Preventing and reducing floods;
    - Supporting the economic diversification of rural areas.
15. One network will be set up around each of the 30 themes. Each network will consist of about 20 regions. Each network will set up joint working and action programmes. A rule of thumb is one region, per Member State, per network (making each network much bigger than current IIC networks). A group of regions, which wish to set up a network, will choose one lead region (to introduce the project application).

*Source: Local Government Association Briefing, United Kingdom. February 2007*



## Annex 7. Sustainable Communities: translation of the term into official EU languages

LANGUAGE	TRANSLATION
BG	Устойчиви общности
CS	Udržitelná společenství
DA	Bæredygtige samfund
DE	Nachhaltige Gemeinschaften
EL	Βιώσιμες κοινότητες
EN	<b>Sustainable Communities (original)</b>
ES	Comunidades sostenibles
ET	Säästvad kogukonnad
FI	Kestävät yhteisöt
FR	Collectivités viables
HU	Fenntartható közösségek
IT	Comunità sostenibili
LT	Tvarios bendrijos
LV	Dzīvotspējīgas kopienas
MT	Komunitajiet Sostenibbli
NL	Duurzame gemeenschappen
PL	Spoleczności trwałego rozwoju
PT	Comunidades sustentáveis
RO	Comunități durabile
SK	Trvalo udržateľné komunity
SL	Trajnostne skupnosti
SV	Hållbara samhällen

Source: European Parliament Translation Service except from BG and RO, 2007



## **Annex 8. Leipzig Charter on Sustainable European Cities**

**Draft: 12 January 2007**

### **We declare:**

We, the ministers responsible for urban development in the Member States of the European Union, consider the European cities which have evolved in the course of history to be valuable and irreplaceable economic, social and cultural assets.

With the objective of protecting, strengthening and promoting our cities, we strongly support the EU Sustainable Development Strategy, building on the Lille Action Programme, the Urban Acquis and the Bristol Accord. In doing so, all three dimensions of sustainable development, that is economic prosperity, social balance and consideration of environmental aspects must be considered simultaneously and equally.

Our cities possess unique cultural and architectural qualities, strong forces of social inclusion and exceptional possibilities for economic development. They are centres of knowledge and sources of growth and innovation. At the same time, however, social inequity, exclusion and environmental problems can also be found in our cities. In the long run, cities cannot fulfil their function as engines of social progress and economic growth as described in the Lisbon Strategy unless we succeed in maintaining the social balance within and among cities, protecting their cultural diversity and establishing high quality in the fields of design, architecture and environment.

We increasingly need integrated strategies and coordinated action by all persons and institutions involved in the urban development process which reach beyond the boundaries of individual cities and communities. We must improve the coordination of the sectoral policy. We need a better coordination of policies between the local, regional, national and European levels.

We strongly welcome the statements and the recommendations set out in the Territorial Agenda for the European Union, the European Charter "Network Vital Cities" and the Commission's communication "Cohesion policy and cities: the urban contribution to growth and jobs in the regions". We further recognize the importance of the Aalborg Commitments as a valuable contribution to strategic and coordinated action at a local level.

### **We recommend:**

#### **Firstly: to make greater use of the integrated urban development policy approaches**

For us, integrated urban development policy means simultaneous and fair consideration of the concerns and interests which are of relevance in urban development. It coordinates key areas of urban policy within a specific area in terms of space, subject matter and time. This will make it possible to tap urban growth potential effectively and to remedy development deficiencies.

An integrated urban development policy is a key prerequisite for implementing the EU Sustainable Development Strategy. Its implementation is a task with a European dimension.

The reconciliation of interests facilitated by an integrated urban development policy forms a viable basis for a consensus between the state, cities, citizens and businesses. By pooling knowledge and financial resources, the effectiveness of scarce public funds will be enhanced.

Public and private investments will be better coordinated with each other. Integrated urban development policy involves actors external to the administration and enables the citizens to play an active role in shaping their living environment. At the same time, these measures will provide more planning and investment certainty.

We recommend that European cities consider developing integrated urban development strategies for the city as a whole. These implementation-orientated planning tools should

- describe the strengths and the weaknesses of cities and neighbourhoods based upon an analysis of the current situation,
- define consistent development objectives for the urban area and develop a vision for the city,
- coordinate the different neighbourhood, sectoral and technical plans with each other and ensure the planned investments will help to promote a well-balanced development of the urban area,
- focus and coordinate the use of funds by public and private sector players in terms of space,
- be coordinated at local and city-regional level.

This also includes strengthening the city-regional coordination. Only by doing so, partnership between cities and rural areas as well as between small, medium-sized and large towns and cities within city-regions can be achieved. Integrated urban development policies provide us with a set of instruments which have already proved their worth in numerous European cities in developing modern, cooperative and effective governance structures and are indispensable for improving the competitiveness of European cities. They facilitate an anticipatory coordination of settlement, economic and infrastructure development by taking account of the existing demographic and energy-policy conditions. Within the scope of an integrated urban development policy, we consider the following strategies for action to be of crucial importance for strengthening the competitiveness of European cities:

– **Creating and ensuring high-quality public spaces**

The quality of public space, urban cultural landscapes and of architecture and urban development play an important role for the living conditions of the urban population. As soft locational factors, they further constitute important locational factors for knowledge industry businesses, a qualified and creative workforce and for tourism. Therefore, the interaction of architecture, infrastructure planning and urban planning must be intensified in order to create attractive, user-orientated public spaces and achieve a high standard in terms of building culture. The strategy of mixing work, residential and recreational use in urban neighbourhoods has proved to be especially sustainable. Creating and ensuring functional and well-designed urban spaces and infrastructure is a task which must be tackled jointly by the state and the local authorities, but also by citizens and businesses.

– **Modernizing infrastructure networks and improving energy efficiency**

Technical infrastructure networks must be improved at an early stage and adapted to changing needs in order to meet future requirements for urban living quality. Urban transport must be reconciled with the different land-use requirements for housing, work areas, the environment and public spaces. Sustainable urban transport can thus make an important contribution to the quality of living as well as to locational and environmental quality. Energy efficiency of existing and new buildings, an economical use of natural resources and economic efficiency during operation are key prerequisites for a sustainable public utility service infrastructure.

Optimized and efficient infrastructure networks and energy efficient buildings will lower the locational costs for businesses and residents.

– **Proactive innovation and educational policies**

Cities are places where a lot of knowledge is created and also imparted. The full exploitation of a city's knowledge potential depends on the quality of its pre-school and school education, on the transfer opportunities for lifelong learning, the excellence of its universities and non-university research institutes and on the transfer network between industry and the scientific community. Integrated urban development policy can contribute to improving these factors, for example by bringing the stakeholders together, by supporting networks and optimizing locational structures. Integrated urban development promotes social and intercultural dialogue.

Integrated urban development strategies and cooperative urban development management can contribute towards a purposeful use of the potential of European cities particularly with regard to competitiveness and growth, as well as to reducing disparities within and among neighbourhoods. They provide the citizens with an opportunity for social and democratic participation.

**Secondly: that special attention be paid to deprived neighbourhoods within the context of the city as a whole.**

Within one city, considerable differences may exist in terms of economic and social opportunities in the individual city areas, but also in terms of the varying quality of the environment. In addition, the social distinctions and the differences in economic development are often continuing to increase which contributes to destabilization in cities.

We must aim to offer prospects and support to the residents in urban neighbourhoods which are disadvantaged in economic, social and environmental terms as well as in terms of their physical infrastructure. Against this background, we consider the following strategies for action, embedded in an integrated development policy, to be of crucial importance for deprived urban neighbourhoods.

– **Pursuing strategies for upgrading the physical environment**

Economic activity and investments on one hand and high-quality urban structures, a sound environment and a modern and efficient infrastructure on the other hand are closely interlinked. For this reason, it is necessary to improve the design, the physical condition and the energy efficiency of the existing building stock in deprived neighbourhoods, too. High quality architecture, urban development and public spaces can strengthen people's identification with their neighbourhoods and thus make these neighbourhoods more attractive. In order to increase the sustainability of investments into upgrading the physical environment, they must be embedded in a long-term development strategy which also includes, inter alia, the public and private follow-up investments.

– **Strengthening the local economy and the local labour market policy**

Measures to obtain economic stabilisation in deprived neighbourhoods must also exploit economic forces inherent in the neighbourhood themselves.

In this context, labour market and economic policies which are tailored to the needs of the individual neighbourhoods will be the appropriate instruments. The objective is to create and secure jobs and to facilitate the start-up of new businesses.

Especially access opportunities to local labour markets must be improved by offering demand-orientated training. Increased use must also be made of the employment and training opportunities in the ethnic community.

– **Proactive education and training policies for children and young people**

Many deprived neighbourhoods must bear the additional burden of poor transport connections which reduces the amenity value of these areas.

In order to resolve this problem, transport planning and traffic management in these areas must increasingly aim to reduce the negative impacts of transport on the environment and to organise transport in a manner which will better integrate these neighbourhoods into the city and region as a whole. This will also require an efficient public transport system as well as appropriate networks for pedestrian and cycle traffic.

The better we manage to stabilize deprived neighbourhoods economically, to integrate them socially and to upgrade their physical environment and transport infrastructure, the better the chances will be that our cities will remain places of social progress, growth and innovation in the long term.

**We emphasize that:**

Our cities need enough scope for action in order to perform local tasks in a responsible manner. We would like directives and regulations at European level to be examined closely in the future with a view to obtaining a well-balanced urban development within the framework of the existing institutions and procedures.

The principles of urban development policy must be laid down at national level and the stimuli for innovative solutions should also be created at national level, as well as at other levels. We need a competition for the best urban development ideas and instruments.

Our cities need a sound financial basis which provides long-term stability. Therefore, the European structural funds must continue to form an integral part of public funding of urban development. The use of these funds must be focused closely on the existing difficulties and take into consideration the opportunities and difficulties in Member States. If not already provided for, the local authorities should develop the necessary skills and efficiency to implement integrated urban development policies.

At the same time, financial and funding instruments should also be optimised and adapted to the changing needs of cities. In this context, it must be examined what contribution public and private financial institutions can make at national as well as at European level. We see further need for action regarding the link-up of state funding instruments for urban development with guarantees and funds from financial institutions.

We must stop considering urban development policy issues and decisions in an isolated manner. Our cities should also be pillars of city-regional development and assume responsibility for territorial cohesion. In order to do so, our cities must network more closely with each other at European level.

We will continue to promote and intensify the exchange of experience between policy makers, practitioners and researchers at local, regional, national and European level in the future in order to reinforce the urban dimension of the EU Sustainable Development Strategy.

We are looking ahead with confidence.

Europe needs strong cities.

*Source:* The January 2007 draft Leipzig Charter is part of the work programme of the German EU Council Presidency (2007) in the area of transport, building and urban development. Full text and further information is available from the web site of the German Federal Ministry of Transport, Building and Urban Affairs at:

<http://www.bmvbs.de/en/EU-Council-Presidency/Programme-of-work/Leipzig-Charter-.2712.982774/Leipzig-Charter-on-Sustainable.htm>

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