Policy paper on urban strategic planning:

Local leaders preparing for the future of our cities

Includes regional reports and case studies

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United Cities and Local Governments UCLG has a democratic and decentralized structure with seven regional sections in Africa, Asia, Eurasia, Europe, Latin America, North America, Middle East, West Asia and a Metropolitan section, that conduct their own regional activities and are independent legal entities. Through its activities and those of its members, United Cities and Local Governments promotes local democracy, local autonomy and decentralization for a more equal, sustainable and united society.

UCLG currently has 15 committees that regularly bring together elected representatives and experts from across the world to share best practices, debate and innovate on a great variety of themes. The Committee on Urban Strategic Planning is presided over by the city of Rosario, Argentina, and metropolitan municipality of eThekwini in Durban, South Africa.

Under this leadership, 60 members of the UCLG committee, with their networks and association carried out a rigorous evaluation of their urban development strategies in the different regions and debated those experiences to draw out recommendations from their conclusions. It's not the ambition to cover all the countries, but learn through comparative evaluation of cities about their planning practice against the regional and national contexts.

The first draft of the global chapter has been recommended by the UCLG Executive Bureau in Chicago, April 2010, where it was presented by the mayor of Cologne, Juergen Roters.

The comments and suggestions received from UCLG members and partners since have been included and the paper is presented for adoption to the Executive Bureau in Mexico, November 2010.
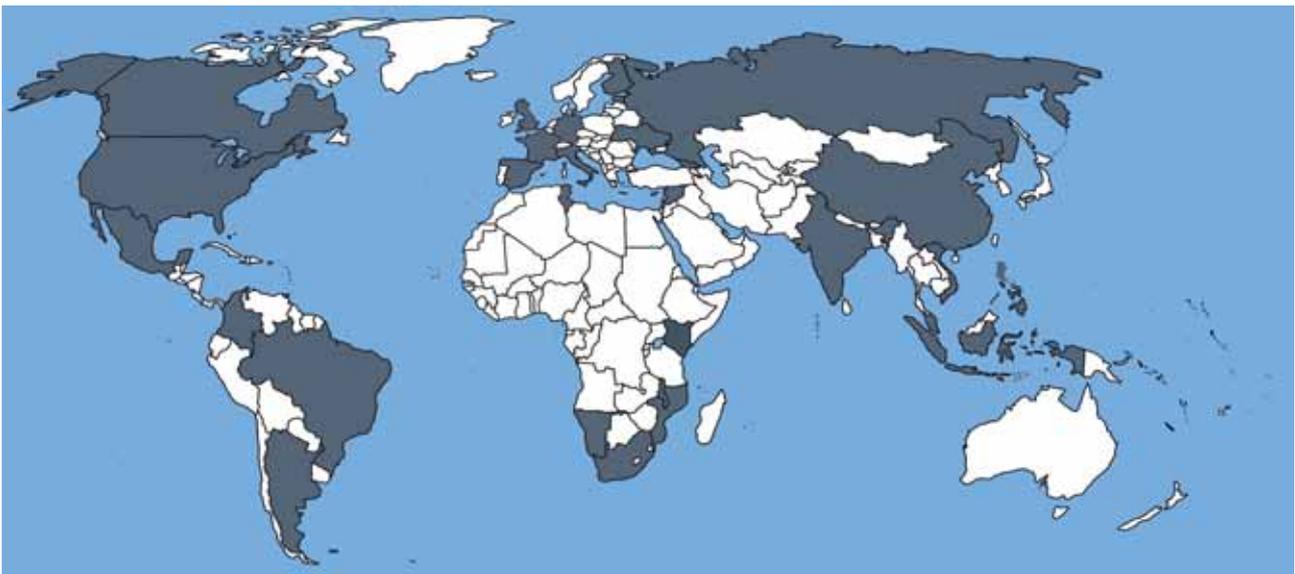
Countries of UCLG members contributing to the development of the paper

Forewords

The United Cities and Local Governments Committee on Urban Strategic Planning (USP) has developed a global position of local governments on strategic planning and urban development. This policy paper thus formulates general recommendations towards a strategic planning framework, as well as more specific recommendations to the principal actors involved, and, in its regional chapter concrete city experiences.

It might seem surprising that local authorities should occupy themselves with a topic that appears, at first glance, to be purely technical. However, when reading the document, you will see that strategic planning goes far beyond technical considerations. Urban Strategic Planning is not limited to just one sector like spatial or financial plans; instead, it encompasses and gives direction to them all. The impact of the City Development Strategy all over the world is not limited to the economic or spatial sphere, it is also social, institutional and, last but not least, political.

This makes strategic planning first of all a **leadership tool**, enabling local leaders to develop clear visions on urban development and political leadership. Indeed, strategic planning promotes the special potential of local governments. Local governments are in the best position to anticipate demands and react to them. Economic, environmental and social sustainability depends on this anticipation of demands instead of provision on request.

In order to improve and innovate planning processes, it is important to learn from impacts and results, and to permanently revise our task as local authorities in response to the confidence the citizens have given through their vote. By looking to the past, by looking to similar examples around the world and transferring that knowledge, cities can better prepare for the future. Over the last 2 years we have held a set of lively discussions, and shared the experience of more than 60 cities through a deeper comparative analysis and finally built the position presented here.

In my own city, we have experienced and are experiencing more than 10 years of transformation including the recovery from a national political crisis at the beginning of this century. The strategy has been crucial to this transformation, helping us to see the way forward and to act with consensus. When comparing our experiences and visions with my colleagues from other regions, we found similar approaches and concerns of the leaders although the contexts are very different. The challenge for us, the local leaders, is to guide the urban development to be sustainable and feasible, encourage progress and be responsive to all our citizens.

Miguel Lifschitz
Mayor of Rosario, Argentina
President of the UCLG committee USP

Having just successfully hosted the semi-finals of the 2010 FIFA World Cup, our city and its all people have been on a phenomenal journey that has taught us many lessons. The more important ones include believing in our ability to make things happen, having a bold and ambitious vision, enjoying committed and inspired political leadership, holding a clear and workable plan and most of all, affirming the critical role of having our citizens behind us all the way, ever ready to be mobilized and prepared to host the world.

What is important to note, however, is that unless a solid governance infrastructure had been laid in eThekwini, our success would not have been possible. Over the last decade great strides have been made in transforming our local government system into a more democratic and effective one. One of the cornerstones of our transformation process has been our City Development Strategy process that has helped us mobilize the energies of all sectors of our society towards the development of a common vision and strategy. The systematic implementation of this plan has helped our municipality turn the corner.

As Co-Chair of the UCLG Urban Strategic Planning Commission, Durban is indeed able to speak confidently of the need for effective implementable strategic plans. In this policy paper a robust framework for urban strategic planning has been crafted. Whilst focusing on the role that local government can play in creating enabling environments that support local action for urban sustainability and improved quality of life, the paper provides a set of clear recommendations for other actors (national government, private sector, NGOs, networks, etc.) involved in the built environment.

On behalf of the commission, allow me to thank all those who worked tirelessly in the preparation of this seminal piece of work. We hope that it will be a useful tool in helping shape the future of our cities.

Dr Michael Sutcliffe
Vice President, UCLG Urban Strategic Planning Commission
City Manager, eThekwini Municipality, Durban, South Africa

Executive summary

In addition to local and national governments, regional bodies such as the European Union and international development partners such as those committed to the Cities Alliance recognize in their strategies the need for a holistic understanding of urban planning. This is an important step forward for cities and their leaders, as it recognizes that cities face multiple challenges and local authorities play a crucial role in providing integrated responses.

In most regions, the responsibilities of local governments are limited to urban planning in the context of land use and infrastructure provision, and not necessarily in the context of all inclusive urban development strategies.

However, City Development Strategies (CDS) have evolved in the last decade as a tool to address new challenges and to provide a space for innovative policies which actively involve all stakeholders. Besides socio-economic and spatial development, it is increasingly relevant to address poverty reduction and climate change.

While dealing with differences between regional and national conditions, frameworks and practices, many similarities were found. Regardless of culture, region or language, mayors and local authorities that committed to strategic development are using the strategies as a powerful instrument for communication and negotiation with other government spheres, communities, and the private sector. Many cities have been guiding their development through innovative and participatory approaches to make strategic decisions, build consensus, monitor performance management and raise investment.

Planning practices in the different regions revealed the following trends:
- In Africa, where the decentralization process has yet to be completed in many countries, the CDS plays a frontrunner role for institutional responses.
- In Latin America, local competences and capacity have increased in the past few decades, many local governments have tackled inequality through inclusive strategies that put participative local democracy into action.

- In Europe, consolidation of urban regions, drastic changes in labor markets and different ways to fund services have led to new definitions of competitiveness and strategic plans helped to build long-term and local responses.
- In Eurasia, strategies helped to create confidence with stakeholders as the region makes the transition from centralized planning systems.
- In Asia, after some success with economic development, climate change and social dialogue are of utmost importance in strategic plans.
- In the Mediterranean region urbanization has negatively impacted on the coastline and the environment. While private investment is increasing, a more (social and environmental) balanced development model requires better intergovernmental cooperation.
- In Northern America, financial and infrastructure crises as well as increasing poverty have revived comprehensive planning and community development.

The UCLG committee has evaluated a comprehensive overview drawing out key issues from case studies and in order to provide recommendations to all actors involved:
1 Local governments are the main drivers of urban strategic planning.
2 Community groups, citizens and nongovernmental organizations are strategic dialogue partners, making local governments responsible to the population.
3 National governments promote and benefit from strategic planning as local governments are delivering, coherent programs and intergovernmental cooperation improves.
4 Associations play an important role, as strategic and urban planning emerges from local experiences and nurtures intergovernmental dialogues.
5 International partners that focus on planning, and support local management and its capacity.
6 The private sector benefits from the strategic process to assess the feasibility of investments.
7 The academic sector prepares the professionals and is nurtured by knowledge in cities.

Local leaders
preparing
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Global Chapter
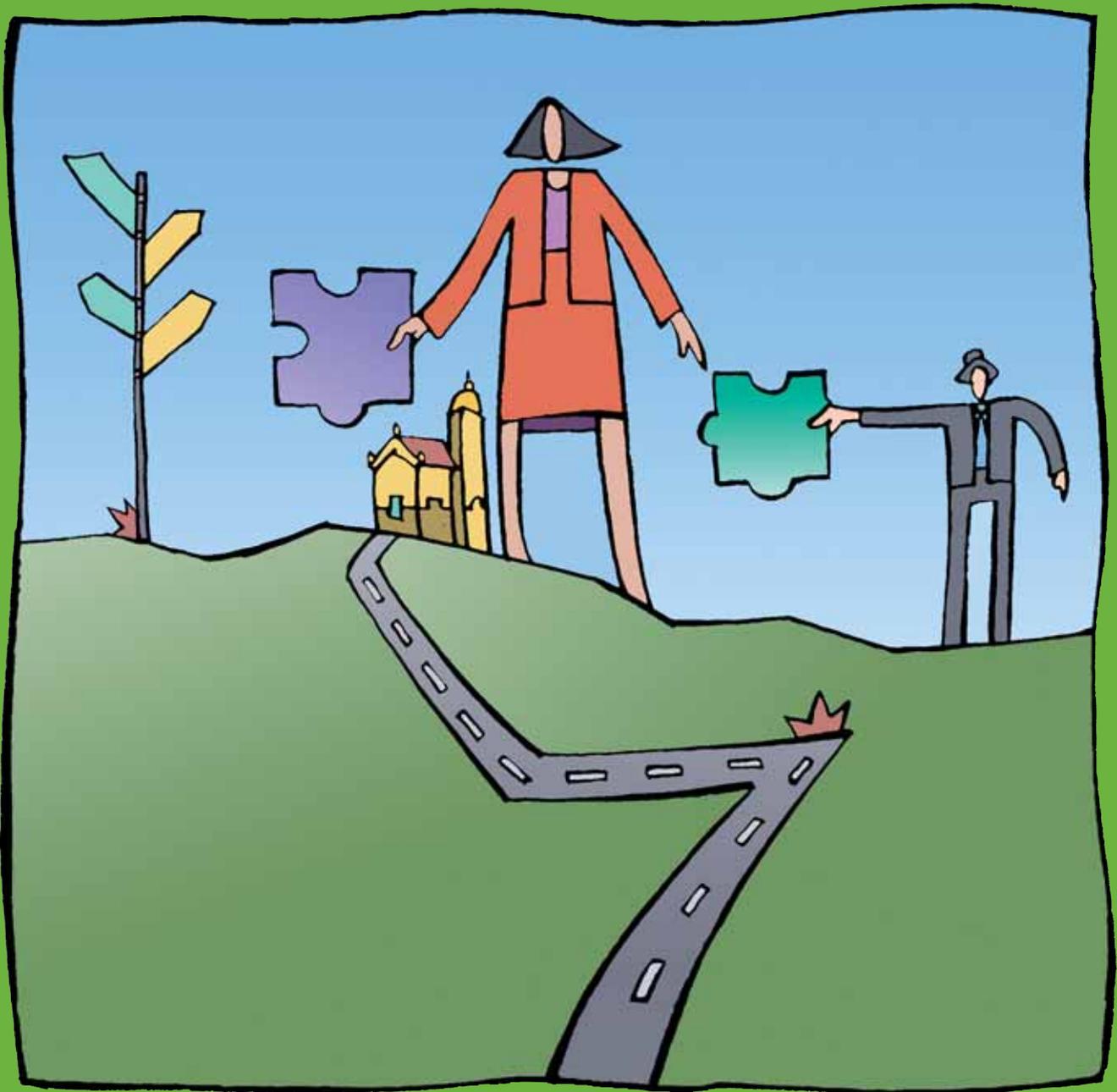
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Chapter 1:
Objective

1.1 Introduction

From the vibrant but over-crowded cities of Sao Paolo and Johannesburg, to the post-industrial cities undergoing urban regeneration such as Bilbao, Glasgow or Tblisi – the need for urban planning speaks for itself. Whether local governments struggle to provide shelter for a growing population in decent housing, or whether they struggle to afford health care services for an aging population, the one common experience that unites them all is that planning cannot be left to chance.

Statistics indicate that in this century urbanization will continue throughout the world. But very different types of cities are emerging. In Asia, for example, the current urban population of 38% is predicted to increase to 50% by 2015, with many people concentrated in metropolitan areas. In other regions such as Latin America, where 70% of the population is urban, middle-sized and small cities keep growing (UN Habitat 2009). In the northern hemisphere, cities often struggle to maintain an increasingly mobile workforce, and compete for both young, skilled workers and new enterprises as local industries decline.

Urban and rural population by region for the years 1975 – 1995 – 2015 (Source: BBC, based on UN DESA Population Division 2005)

History is filled with stories of both success and failure of urban planning that provide valuable lessons to direct cities on the best path toward development. Asian and African cities are not, however, repeating the mistakes that northern nations made in the past. Today, these vast continents populated by young and aspirational people, are experiencing even more rapid rates of urbanization as a result of economic migration, political conflict or climate change. Cities and their leaders play a crucial role in the agenda of transformation, thus providing new inspiration and answers to northern cities. In this sense, the distinction between "developed" or "developing" countries as defined by the World Bank is not necessarily applicable to cities. How cities adapt to their "urban evolution" is crucial to their survival and sustainable growth.

But what is it that really determines this success and how can it be measured? Is there any way to improve the chances of long-term success, not just over the terms of the elected officials, but for future generations?

The following document emphasises the role of local government in the planning process. Mayors are the crucial driving force behind the development of a strategy, but they cannot guarantee success. Many of the UCLG members that have contributed to this have had years of experience of City Development Planning and their self-evaluation has been invaluable. The regional examples show that through the success – and sometimes failure – of local government strategic planning, there is a wealth of experience that can be shared between planning authorities around the world.
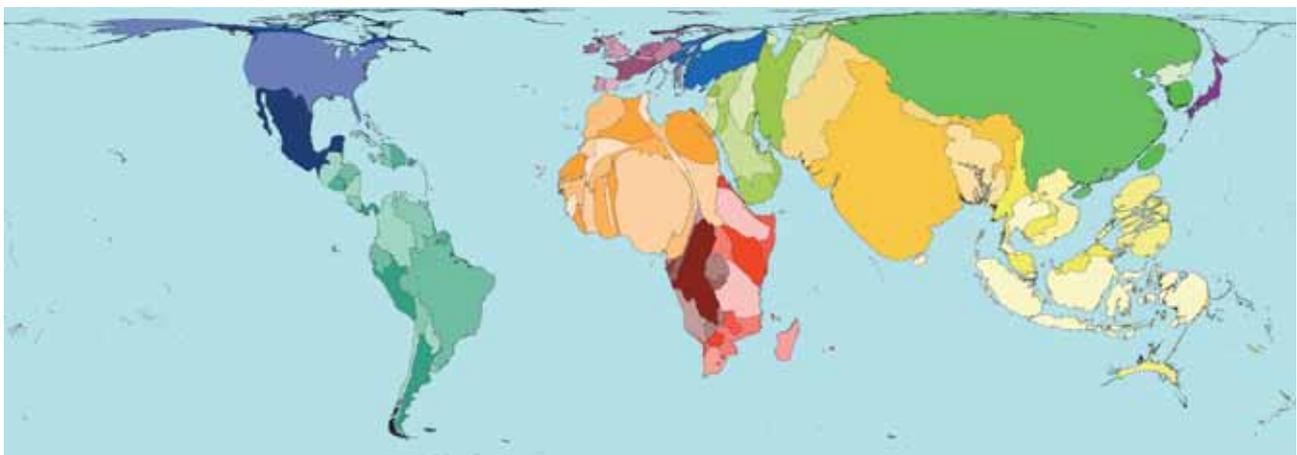
Expected urban growth between 2002 – 2015 (Source: www.worldmapper.org)

Nobody stays in a continent or in a province, everybody stays in a city. A city is like a human being, first a child, then it grows, gets old and might die. Local governments are the key for achieving broader political goals. You cannot have sanitation unless there is local government commitment. I am a fan of cooperation between local governments; we learn from each other, we avoid failures. (Amos Masondo, mayor of Johannesburg during a CDS launch in Lilongwe)

1.2 Statement of intent

Through the activities of its members, United Cities and Local Governments is committed to promoting a fair, sustainable and united society, based on local democracy, autonomy and decentralization, and focused on the general interest and that of its citizens.

United Cities and Local Government members encourage the building of a vision of the future in which strategic planning not only responds to the needs of the people, but enables close collaboration with all stakeholders, neighboring local governments and national and international partners. However, it must be noted, that City Development Strategies are a means, not an end in themselves; they are a tool for development, even if their success is measured through tangible results.

The paper has identified challenges facing cities in different regions and sets out recommendations developed from these findings. Decision-makers can refer to it when pushing for effective solutions to urgent problems in their cities. It will promote the use of strategic planning and integrated concepts to adapt to recent challenges with short-term actions that are part of a long-term strategy. It will push for municipalities to develop a positive vision; to be proactive, not just reactive.

It supports the lobbying of local government associations around the world for increased recognition and influence of local governments and the communities they represent.

The document will also enable local government partners and international agencies to reflect on their support, encourage networks to expand their outreach, and show national governments why they need to provide local governments with the necessary framework to implement strategic planning and enhance the possible contributions of the private sector.

1.3 Definition of urban strategic planning

Pressure on cities has never been as intense: fluctuations in population, migration, poverty, economic growth, global recession, lack of resources, de-industrialization, environmental degradation and climate change. All this is happening in a changing legal environment brought on by ongoing processes of decentralization or supranational institutions such as the European Union that influence urban development. Local leaders also have an important international role to play through their commitment to global goals, such as the UN Millennium Development Goals (MDG) (UCLG Campaign MDG 2005-2010).

The need for planning has never been so urgent. Around half of the world's population already lives in cities, a figure which is set to rise to 60% within a couple of decades according to the UN (UN Habitat 2009). In particular, target 3 of the UN's MDG 7, to halve by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation, is far from being met and is closely related to urban development. City leaders, regardless of whether they are in developing or developed countries, must be prepared.

• *Strategic planning provides a methodology which helps cities identify their strengths and weaknesses, while defining the main strategies for local development.*
Strategic planning helps decision makers select appropriate goals that steer towards that collective vision for the future, and is created through participation and partnership with citizens and stakeholders. Strategic planning differs from urban planning, and it complements other planning tools and usually results in a planning product such as a City Development Strategy. While

land use planning, urban planning, comprehensive or integrated development planning are often legally binding instruments or laws, strategies are flexible tools for long-term orientation and enable revision and adaptation to changing circumstances.
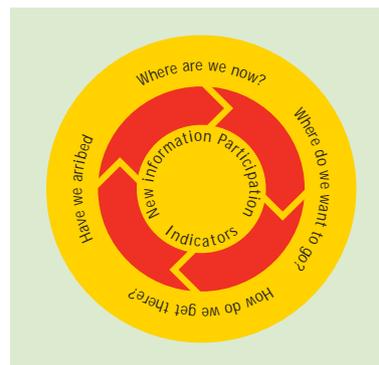
Source: Graphic based on UN Habitat promoting LED through strategic planning 2005

• *Strategic planning brings additional dimensions to technical planning and helps prioritise to efficiently allocate resources.*
A City Development Strategy is often highly focused on key points of leverage where impact is maximized, such as in economic growth. However, a City Development Strategy is also helpful in the opposite case, ie, if a city has to plan for shrinking resources due to a population decline.
Even where sectorial or spatial plans already exist, for example, for urban regeneration, strategic planning enhances their value by increasing the likelihood of the other objectives being met, by streamlining the planning process and making sure all objectives are complementary and do not clash or compete. Simultaneously, strategic plans can help enhance quality of life as they adopt an all-encompassing view of the city and metropolitan dynamics.

• *Strategic planning offers the possibility of involving a wider range of partners, especially from the communities and the private sector.*
Since local governments in democracies are accountable to their communities, strategic planning improves communication. This results in increasing the commitment of communities to rights and duties, for example, by observing laws and the payment of taxes, but also new partnerships as communities can act as non-profit service provider. The private sector has become an important player in urban planning and

development worldwide. Public private partnerships not only offer opportunities for investors, but increase the credibility and raise the profile for those involved in both public and private sectors through bilateral "endorsement".

At the same time, "strategic (spatial) planning moves away from the idea of government as a mobilizer of the public sector and provider of solutions to problems, towards an idea of governance … through the mobilization of a plurality of actors with different and even competing interests, goals and strategies." (Albrechts, Louis (2004): Strategic planning re-examined).

• *City Development Strategies build on understanding and developing all aspects of the city, integrating technical, environmental, political, social and economic interests in the same territory.*

The graphic above shows the understanding of a city as a system as described in the World Bank Urban and Local Government Strategy. Successful city systems work on safe and sustainable urban environments, progressive land and housing markets, pro-poor policies and support city economies.
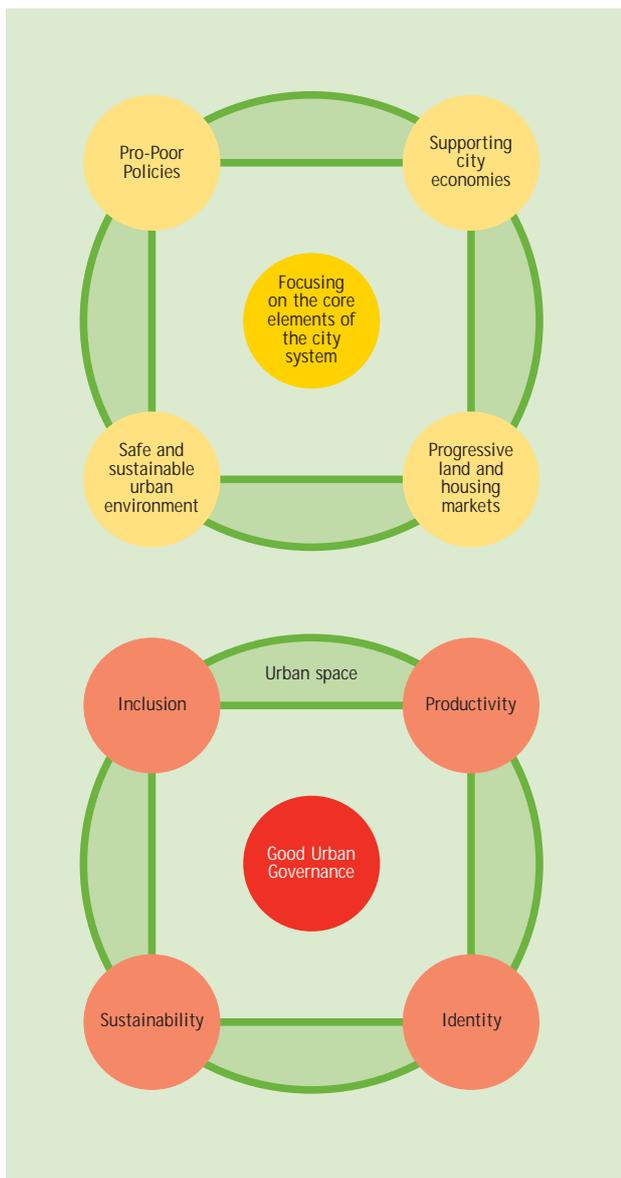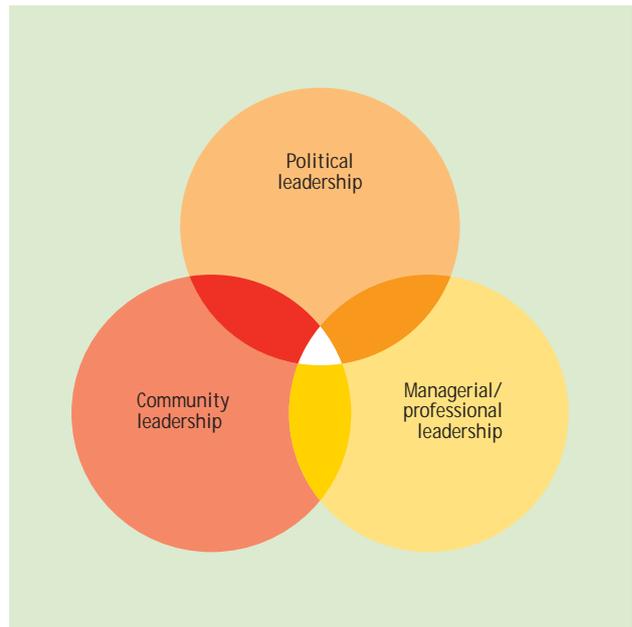
Three realms of local leaderships as core element to governance, Professor Robin Hambleton during EURA congress 2010

This description is an important step that shows stakeholders becoming more open to work with cities. However, the central role of local governance and local leadership needs to be emphasized to ensure that these city systems are able to deal with dramatic development and change, as the city system is highly dynamic and sensitive.

A debate on criteria held in the UCLG committee meetings in Istanbul 2008 and Guangzhou in 2009 revealed the following results: **Inclusion** is crucial in strategic urban planning. Strategies find new ways to involve stakeholders and to make sure that all residents have the opportunity and ability to share the social benefits of the city. Furthermore, it is crucial to embed local strategies in **cultural values** as those are intangible but crucial for motivation and a sense of ownership by citizens and good quality of life. Transparent and continuous **communication** will help to build a strategy based on these values. Only in this way can accountability be ensured, which is crucial for following up and ensuring the impact of all actions, independent of governing terms. A CDS helps to enhance **sustainability** in all aspects of city development, combining long-term vision with short-term action that takes **natural resources and their value** into account. This is closely related to the environment and to the territory through the **spatial form and the use of land**, and determines models of growth and connectivity. The spatial design of cities and their concept of public space and service provision are crucial to avoid segregation and allow multiple functions of all urban areas. This is relevant for **economic productivity**, that can further be improved through long-term strategies that support trade and local commerce, thus boosting the competitiveness of the city and providing jobs that enable residents to earn a living and access services.

City Development Strategies might not focus on the implementation of all those aspects, but if strategic planning is followed up, often all these issues might be addressed over time.

Sources: left: 'Systems of Cities' World Bank copyright 2009, right: UCLG debate 2010
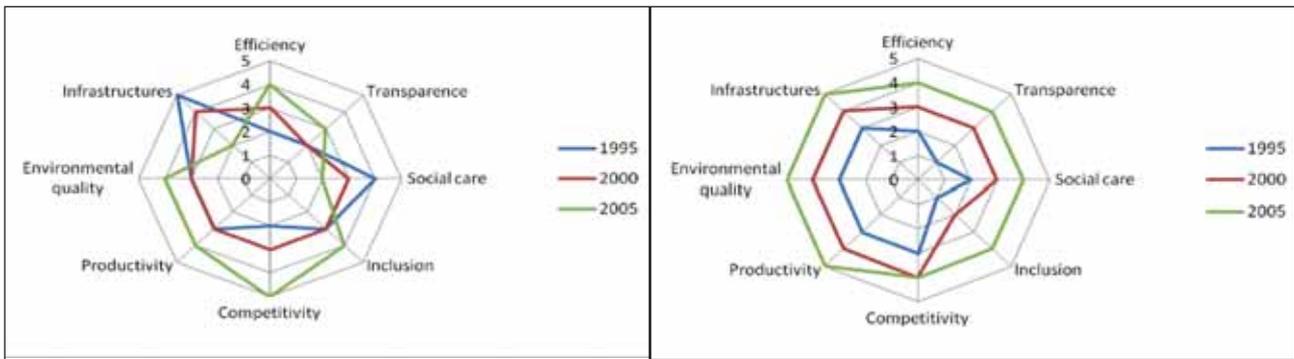
Different cities, different priorities, changing throughout time: New Delhi (left) and Bilbao (right, source: UCLG committee)

How are strategic plans done?

Without going deeper in the methodologies for CDS, from our case studies we can identify a management cycle, usually comprising three major sequential stages of development, as devised by the Cities Alliance Sub group on CDS:

The graphic shows that the CDS process is a cyclical planning methodology that is not ending when projects and activities are implemented. CDS builds on strong communication, monitoring and evaluation and institutionalization that helps to continuously revise assessment, planning and implementation in order to improve performance.

Cross cutting and support activities related to participation, institutionalization, capacity building, communication, monitoring and evaluation.

Chapter 2:
Challenges

In the following pages, the main challenges for cities of all regions are summarized. The way local governments tackle the challenges and examples of responses are detailed and analyzed in the regional chapters.

The influence of local governments is no longer confined to their territorial region. Their position at local, national and international levels has been strengthened as decentralization has spread around the world over the past few decades. And to a greater extent than ever before, the national economic growth of a country is determined by what goes on in its cities.

But the increased influence of local governments in the 21st century also brings with it a multitude of new challenges: tackling the effects of climate change, socio-spatial transformations in neighborhoods and economic and institutional adjustments of the administration to changing tasks that require mayors and local decision makers to find new interpretations for their role. However, it is important to recognize that challenges are not necessarily negative, and that navigation by fear can be counter-productive.

How can challenges be converted into opportunities to find innovative methods for urban development? Dealing proactively with trends such as an increase in migration can enrich a city's culture, boost its economy and raise its competitiveness.

2.1 Global challenges to strategic planning:

1) Demographic change and migration

Changes in the population are occurring in cities worldwide; however, they can take very different forms. European cities for example have to deal with aging populations, especially in Eastern European countries where population is declining and cities are shrinking. In the future, international migrants will become an increasingly essential part of populations in European and Mediterranean cities. International migration is increasing, although it slowed slightly in 2009 due to the global recession. There are now 214 million international migrants in the world today, (UNDP Human Development report 2009), who are often drawn to opportunities for work and
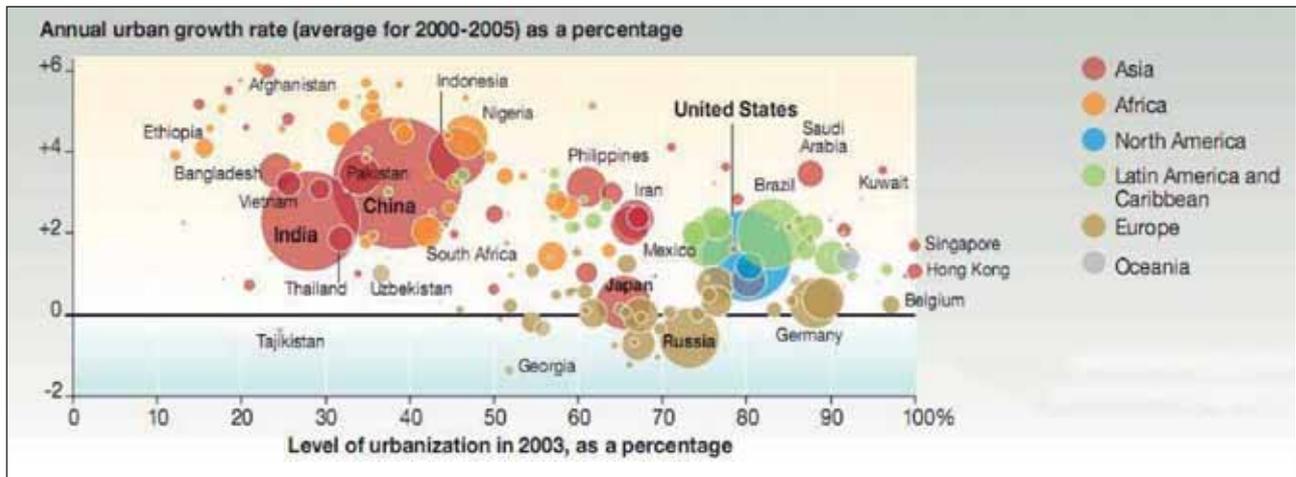
Urban growth and levels of urbanization (Source: Le monde diplomatique, Atlas of Globalisation 2006)

access to services in cities. Attitudes to these "population explosions" have shifted dramatically over the past 10 years, as fears of uncontrolled urban growth have been changing and growth is being harnessed as a positive factor in sustainable urban development by a number of cities and their partners (Swedish International Development Agency SIDA Tannefeld/Ljung: "More urban less poor" and the 2009 Word Bank Development Report WDR "Reshaping economic geography".).

Asia and Africa are facing a continuation of the rapid urbanization seen over the past 20 years, and rural-urban migration persists. Rapid urbanization is not only concentrated on mega cities such as Lagos or Mexico City. Smaller cities face enormous growth rates. Such an example was provided by the city of Mzuzu, a city of 130,000 inhabitants in Malawi, where the annual growth rate is 4.5% per year, and 41% of that growing population is younger than 14 years old. Mzuzu had a population of 25,000 in 1980, a figure that is projected to decuple to 280,000 by 2025. The bulk of urban growth is expected to be in small- to medium-sized settlements of 100,000 to 250,000 people (UN Habitat 2009). Local governments must consider future population trends or even transformations when planning for their city.

2) Globalisation of the job market

Economic policies may have to adjust to accommodate changes as traditional family enterprises decrease and the mobility of highly skilled people that accompanies globalization increases. International companies and investors are not fixed to one region or even country anymore. Instead, companies are constantly evaluating where the most suitable conditions prevail – cheap labor costs, low land prices, and possible incentives such as tax breaks, infrastructure or government grants or aid. However, even if those requirements are fulfilled, there is no guarantee for local governments that a company will stay for a long period. Developed countries in particular have been losing jobs in manufacturing since the 1970s (ILO 2009), although many cities have tried to compete for companies to settle (see also metropolisation). Meanwhile, in developing countries, foreign direct investment increased tenfold over the last 10 years (UNDTAD 2010).
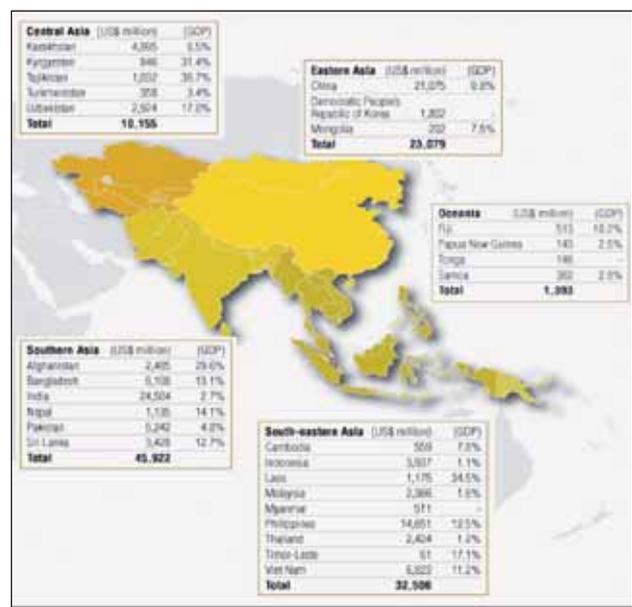
Remittances and share of GDP in Asia (Source: IFAD, Sending money home: Worldwide remittances to developing countries, 2006)

While strategies in the past looked more to settle employment providers, in recent years, the so-called soft factors such as quality of life are also becoming increasingly important and contribute to a city's competitiveness. "Creative capital" (a term coined by the US geographer Richard Florida) brought by high-skilled residents who have the potential to create innovative enterprises is now an asset many cities compete for by improving quality of life and standards of education. The growth of the Indian IT sector is a good example of how the provision of skilled labor can attract foreign investment and raise the competitiveness of a city or region. But mobilisation of employees simultaneously increases as workers follow often short-term job opportunities. Work migration – long and short term – is now common in many areas of the world.

3) Poverty and unmet MDG

Poverty is increasing and many of the Millennium Development Goals still have to be met in cities. Poverty is a global challenge and is worsening rapidly due to the increase in slum populations worldwide, which is expected to rise to 1.7 billion by 2030,

with the highest proportion in Sub- Saharan Africa (UN Habitat 2009). Local governments in all regions are requested to provide social services, welfare or minimum infrastructure without counting on sustainable financing to address these challenges. Successful policies for social inclusion and poverty reduction must be provided with the human, infrastructure and financial resources required for their development. They must ensure universal access to basic services and safeguard the rights of urban dwellers. This includes not only water and sanitation, but also education, transport or health and special attention to disadvantaged groups.

Only a few countries such as Brazil have achieved part of the MDG and prioritized the fight against poverty hand in hand with the "right to the city". Meanwhile, local governments in all regions manage to design innovative local policies for poverty reduction and social inclusion with limited resources (see UCLG observatory on social inclusion).
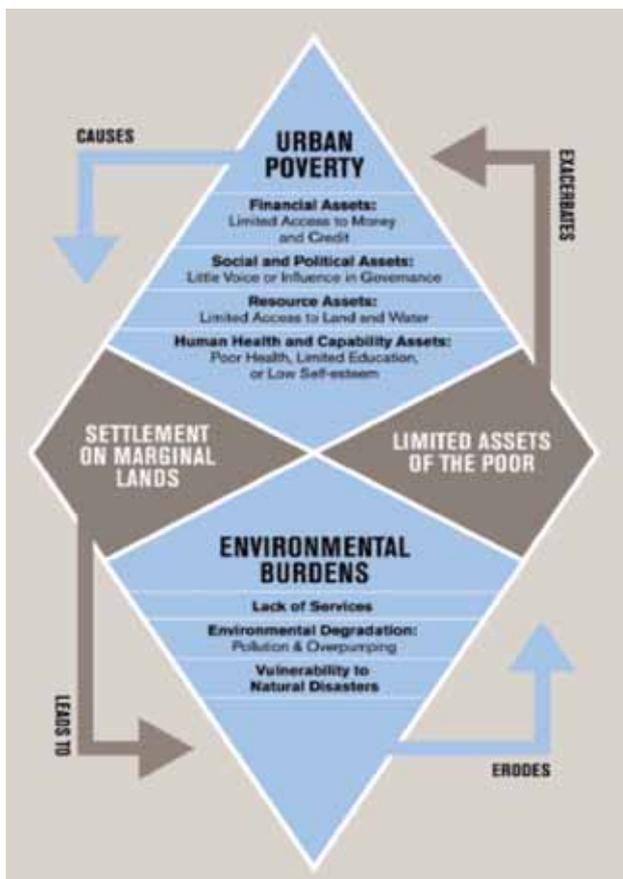
Urban poverty and environmental burdens (Source: IDRC 2006)

4) Segregation

At the same time, segregation in urban areas is increasing. Urban sprawl happens unequally, as urgent pressure leads to massive urbanization that then becomes ghettoized. New urban developments become neighborhoods dominated by certain ages or income groups. While the high income population will insist on more control, privacy and connectivity, the low income population is forced to live on the periphery, where there are lower levels of services and infrastructure. As a result, city areas become divided: the business districts demand services by day, the peripheries only

come alive by night and movement between the two happens during peak hours. This is a challenge that both developed and developing countries face. Meanwhile, cities have to deal with an unequal demand for social services, gentrification and the spread of gated communities that only rich residents can afford.

Gated communities or gated commercial areas are not a sustainable answer to the creation of urban environments, as private interests and exclusivity prevails over the public interests of a city that is accessible for all residents. There is a trend towards the privatization of public space through urban design proposed by private developers, resulting in parks, green spaces or squares that are not accessible to people living in inferior conditions.

Many cities, especially in the South, face the emergence of informal settlements on open land as the urban poor are drawn to job opportunities and services in cities. Such settlements are often problematic because public services are insufficient and living standards are poor, therefore increasing the vulnerability of the population. Although from a merely technical point of view it is most often cheaper to provide infrastructure on undeveloped land than improving that in existing settlements, it is important to remember that reallocation can lead to increased segregation.

New settlements are often too far in distance for people of lowest income that depend very much on their social fabric and need to live close to job opportunities in an urban environment. Anticipation, land management and regularization and social dialogue are crucial instruments for slum upgrading and prevention.

If left unattended, social inequities can widen the poverty gap between citizens and communities within cities as increased migration brings together different ethnicities, religions and cultures. The need for socially integrated cities cannot be overlooked, but urban policies should also be respectful and work towards social diversity and help to shape new and flexible identities of cities.

5) Spatial patterns and urban growth

Designs for individual buildings are easy to export, but the urban design cannot be transferred in the same way. Many cities just grew organically and did not plan for the number of citizens who would depend on the city as a place for trade, jobs, education, transport, healthcare and specialized services. Furthermore, former masterplans focused more on engineering streets, connections and highways, than a vision directed towards enhancing a neighborhood's quality of life. Exceptions can be found in cities that were designed to provide a full range of services for a large population, such as Brasilia, Chandigarh (designed in 20th century), Barcelona or Berlin (designed in the 19th century). Large-scale growth has also been predicted and accounted for in Lujiazui and Puxi near Shanghai (Worldwatch Institute 2009) or Tijuana, Mexico, that plans a new city for 1 million inhabitants. These cities envisage offering a centre, complete with services, universities, commercial and public spaces and parks for a population to live and work.

6) Metropolisation and rise of urban regions

Urbanization is not happening in all territories with the same intensity. While in certain regions cities grow physically into each other, other regions are relatively undeveloped or even shrink. The urban regions become powerful city clusters; this phenomenon responds to a geographic proximity of competitive elements (World Bank Development report 2009). City regions such as the east coast of China, the Gauteng region in South Africa, the Ile de France in Paris, the Frankfurt region or metropolitan areas of Lima, Jakarta or Lagos, concentrate the economic wealth and population of a country. Economic growth frequently goes hand in hand with urban sprawl. Urban growth transcends territorial boundaries and the central city has a minor share in population but offers essential services and jobs. The interdependency of the centre and the periphery leads to a collapse of existing infrastructures and congestion. Local governments face unexpected limitations in management and provisions of public services, for example, transport or drainage, as their responsibility is defined for a limited territorial boundary that is not necessarily efficient for managing the service. It is necessary to coordinate policies and services between municipalities of the same metropolitan area, as well as between local and regional authorities, by a revision of the tools, instruments as well as negotiation. While land management works on a municipal level, a more integrated approach is required on the regional level. From this standpoint, both taking care of people (health, education, social services, housing and employment) and improving their services such as mobility should be prioritized. In this sense, the historical concept of the central city where uses and functions are located following a sort of hierarchy is changing, towards metropolitan governments or even towards a concept of city region. Local governments of UCLG defend public interest and equal access to public services for all.

To prosper as a region, it is crucial for neighbors to cooperate rather than compete. Agreements have to be achieved through new forms of inter-municipal cooperation, or "metropolitan strategies" that have to find a place in the political landscape.

Metropolitan Mega-Regions in Europe (Source: Richard Florida 2008 http:/creativeclass.com/)

7) More political power for local authorities

Decentralisation gives elected administrations or citizens greater powers of decision making and implementation, enabling them to allocate resources in ways that are appropriate for the area. After growing in popularity over the past couple of decades, the experimental phase of decentralization has matured with the identification of weaknesses and strengths of the system. According to the UCLG GOLD report, 15,800 local authorities in Latin America are now elected, compared with only 3,000 in 1973 (UCLG 2008). This has presented an opportunity to increase accountability and transparency, to better respond to crises and improve citizen participation, service delivery, social cohesion and inclusion. At the same time, decentralisation brings with it greater responsibility for local governments, which requires sound planning. A major and recurring obstacle is that the transfer of political power is not always accompanied by an equal transfer of financial resources and the capacity to manage new responsibilities.

8) New actors for developing a city and providing services

Citizens increasingly participate as actors in urban development through new approaches such as participatory budgeting, community action planning or neighborhood initiatives. Such participation increases a sense of community ownership of the plans and encourages new forms of partnership with civil society organizations, for example, for the provision of social services. In addition, the informal sector, which in many cities in the developing world contributes substantially to the urban economy, is gaining greater recognition and new cooperation mechanisms are required.

Local governments have limited financial resources and expertise to deliver infrastructure, such as the construction of social housing, schools, sewerage or transport. In Europe, for example, since the 70s, German and French governments reduced their participation in the construction of social housing, and public services such as water or waste disposals are managed increasingly by the private sector. When local governments sell their assets they lose influence over the quality and quantity of the service provided. As a result, large urban developments and regeneration in deprived areas require cooperation with the local private sector.

9) Decline in public funding for development

The global economic recession has had a dramatic impact on financial resources for local governments around the world as investments and revenues from business taxes or planning applications decline.

For local governments, the main impact of the recession is more delayed than for national governments as tax revenue is collected a year in arrears and will have a delayed impact on local budgets and national transfers, while demand for services such as welfare support and public housing increases.

Improved management is therefore crucial to increase efficiency as are skills sharing and knowledge of best practice. Countries in the developed world are struggling with the

recession, as local governments struggle with high social costs related to unemployment. The lack of comparable data makes it difficult to evaluate the impact in all regions. Countries in Southern Africa (Bakrania S&B Lukas 2009) and Asia were expected to suffer, but the experience reported by the Asian crises in the late 90s shows that the capacity to adapt to crises is much higher than, for example, in European countries. Positive leadership during an economic downturn and strategic responses are vitally important to help stimulate economic recovery.

10) The environment and climate change

Pressures of poverty and population on the natural environment are intensifying, as urban areas expand into rural areas, which can lead to a loss of agricultural land and deforestation. Demand for natural resources such as agricultural and green areas or clean water intensifies with population growth.

With the ongoing urbanization and the scarcity of urban land, more and more people will be forced to settle in high-risk areas. These populations are usually the most vulnerable, and thus the ones most affected by natural disasters. According to UN Habitat (UN Habitat 2009), four out of 10 non-permanent houses are located in risk-prone areas. The cities with the highest risk (Dhaka, Manila and Jakarta) all have a high urbanization rate and large low-income groups

This is of particular concern where sea level rises or altering rainfall patterns are linked to climate change. Climate change is one of the major challenges of the new millennium. Major cities, particularly in developing countries, are often built in coastal regions and are particularly vulnerable to disasters such as flooding, hurricanes and typhoons. In South-East Asia, 36% of the urban population lives within the low-elevation coastal zone and are highly exposed to risk by flooding (UN Habitat 2008).

However, risks can be mitigated by resourceful urban planning and adaptation measures and commitment to building

standards can prevent some disasters such as flooding, land slides or damage from earthquakes. Adaptation is a vital part of any sustainable strategic plan, and prioritization is crucial in Asia, as pointed out in the debates in that region.

11) New and accessible building technologies

Skyscrapers in China these days do not necessarily look all that different from skyscrapers in New York. Jakarta adopted the rapid bus system of Bogota which in turn built on the experience in Curitiba. Technologies are constantly being developed and adapted, and new patterns and innovations are increasingly found in developing countries, where urban infrastructures are massively developed. While the technology is available, building standards are more a question of formality and informality and of rich and poor. An earthquake of a magnitude of 7.5 might not cause much damage in Chile, but its effects in a country such as Haiti are devastating.

Building destroyed during the earthquake and tsunami in Aceh, Indonesia, April 2005
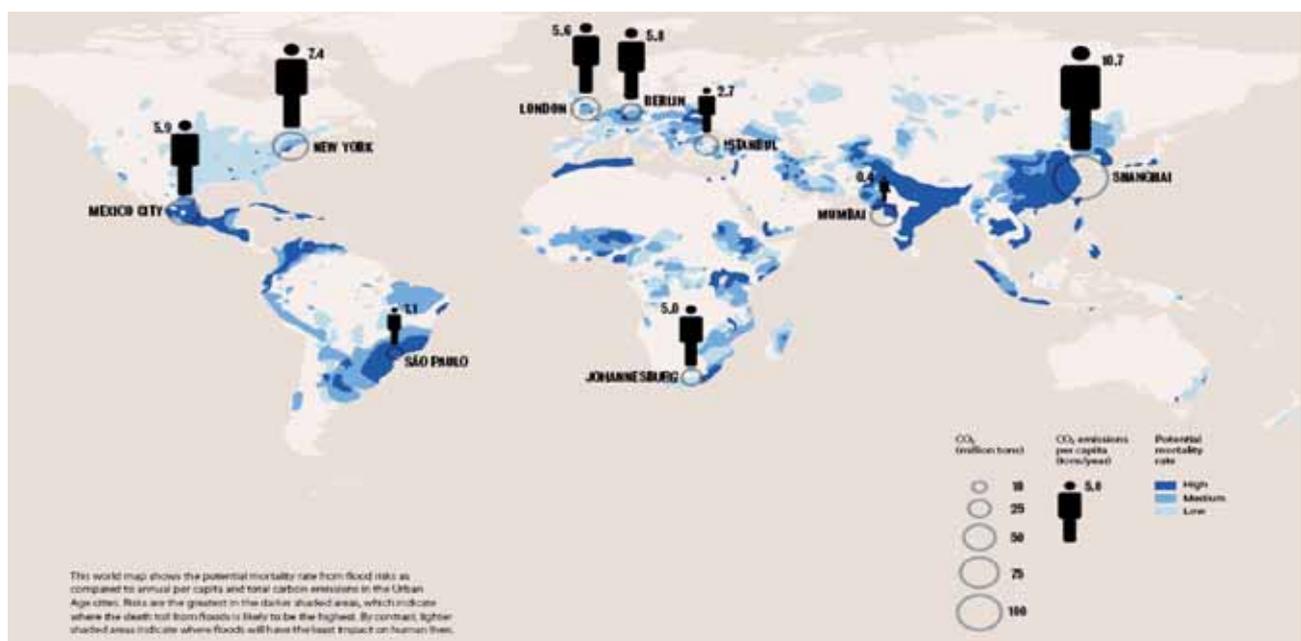
Comparison of Flood Risks and Carbon Emissions (Source: Urban Age Institute 2010)

However, the widespread use of new technologies can also have unintended consequences. Some traditional building techniques are disregarded, although are better adapted to local risks than techniques and standards that are adapted from Europe or North America.

12) Preparing for energy uncertainty and limits of growth

Not only do fossil fuels and energy sources such as oil and gas contribute to climate change, they also are limited resources. Experts agree that energy shortages are to be expected in this century. Cities need to start preparing for this situation now and try to break their dependence on oil, especially by addressing alternative transport and domestic energy use. New concepts for energy supply must include other aspects of a city, such as food and the energy required to transport it from farm to fork. This may result in greater investment in local sources and project shorter cycles, such as in local agriculture. In particular, cities concentrated on labor structures that depend on high energy consumption or industrial productivity might have to rethink their approach of the city as a place of consumption only (Adrian Atkinson- the future of cities 2010 - unedited). The FAO predicts basic foodstuffs becoming unaffordable in many cities (FAO 2008 km.fao.org/UNFPAFoodCrisis_Demographics) while some cities anticipate a population decline because people are moving back to the countryside where they can provide for themselves. The scarcity of resources also affects and possibly limits economic growth, which is so far taken for granted, and which in turn will imply other developments such as higher unemployment, increasing poverty and possibly further de-urbanization.

13) Global communications and partnerships

The internet has become a powerful tool for citizen information and participation, both globally and at neighborhood level. E-governance has become a powerful tool for local governments over the past decade. Not only does it allow online access to services and information for citizens, businesses, investors and researchers, but it also allows for two-way communication and enables citizens and businesses to interact online with their local authorities. But e-
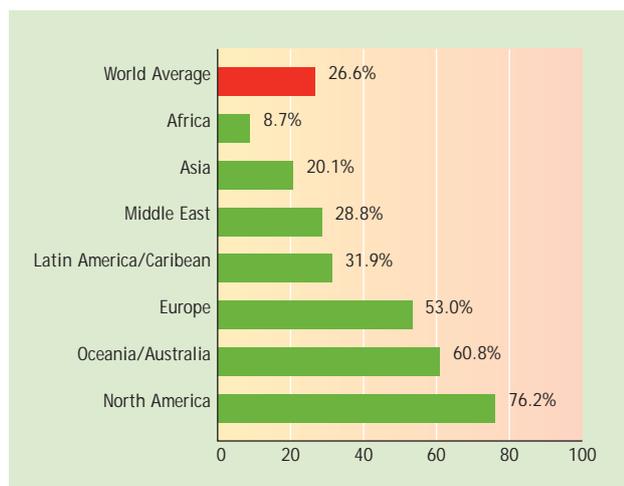
Percentage of population with access to the internet (Source: Internet World Stats 2010)

governance can only be relevant when there is a high number of internet connections, which is still associated with wealthy and formal urbanized areas. Thus, ensuring digital inclusion is essential if applying e-governance tools.

Global communication and information also changes capacities of local government in access to data, trends and practices. Furthermore, networks and associations can learn from each other. These networks and associations are not only an important resource for cities, but they are also a unifying voice in international negotiations.

For developing countries, initiatives such as the Cities Alliance (CA) are a useful coalition of development partners that recognizes the role of the cities in the global development. CA has become a force in tackling poverty in urban areas in the developing world by supporting and channeling international funding to City Development Strategies (CDS) and slum upgrading.

2.2 Key findings:
It is clear that planning cannot be seen in isolation; rather it has to be embedded in a region's cultural, historical, economic and political framework

These conditions influence leadership and community involvement, as well as the degree of planning competences. As set out in the regional chapters, there are similarities and differences in the approaches of planning in the different regions. Europe, which has a long history in planning, has already set in motion many planning mechanisms, and North American cities have experienced a range of planning processes "driven by talking technocrats" that provoked a rejection of planning. Thus, the impact of strategic planning is not as obvious as it is in other regions. Meanwhile, Latin America has a younger, but very active planning culture, with many cities applying strategic urban planning. Building on successful methodologies for participation, many of them developed by NGOs, the understanding of strategic planning in Latin America is increasingly focused on consensus building and accountability to the citizens, while in other regions strategic planning is seen as a technical competence controlled by local governments. Strategic thinking in Asia has evolved in the business sector and cities have many experts available, especially with regards to economic development. In Eurasia, strategic planning is enabling the transition from an autocratic planning culture of public sector provision by projecting and negotiating the future of cities. Many African cities still lack human resources to build the strategy and their main challenge for strategic planning lies with the involvement of all stakeholders, including the informal sector, and the building of capacities.

In the wide-ranging examples of strategic planning from the seven regions discussed in this paper, we also found several similarities, shown in the following key features:

- **A plan refers to a specific territory, building an integrated and holistic vision for the future.**
- **The quality of a plan lies in the participatory process, which generates learning and positive behavior and stakeholder commitment to joint objectives.**
- **This commitment generates performance oriented management inside local governments.**

- **A plan succeeds when results and change are tangible and measurable.**
- **Successful strategic planning is characterized by strong leadership, usually from a mayor or his cabinet, who acts as intermediary and facilitates an "enabling environment for stakeholder action".**
- **A plan succeeds when it motivates investment that can come from different sources it does not necessarily need to be equipped with its own resources for urban development.**
- **A plan is legitimatized if impacts are communicated and tangible.**
- **City Development Strategies are a necessary tool for cities that need to plan beyond their boundaries and to refine their inter-municipal co-operation.**
- **Strategies encourage multi-level governance where national, provincial and local governments commit as partners to the same goal.**

2.3 Advantages of urban strategic planning

Governance and cooperation:
- it can help local government establish performance-based management that creates sustainable economies and social capital
- it can identify more clearly the challenges facing a local community and respond to those challenges more directly and more effectively than the national government
- it can provide more coherence and better communications between administrative structures to coordinate public actions through multi-level governance
- it is a tool for change management that helps to prioritise and improves institutional responses and local decision-making

Mobilization of stakeholders and consensus
- it supports and structures dialogue between stakeholders, eg, private sector and citizens, and can help to develop consensus-based solutions
- it provides new perspectives and opportunities for social inclusion
- it can provide continuity between local administrations, so that plans are not abandoned once different councilors come to power, thereby creating stability for citizens

Positive urban growth bringing MDG to the ground
- it can help to find solutions and the integration of formal and informal settlements into one system
- it can help to identify the demand for service and resources

Develop innovative and sustainable city concepts
- it recognizes tangible and intangible cultural assets that add value to the quality of life
- it builds opportunities on emerging trends and creative potential
- it places environmental issues as a priority for the sustainable development of the city
- it can be a platform to develop concepts and new models of housing, energy and mobility
- it provides flexible instruments for local government to rapidly respond to natural disasters

Implementation
- it helps to direct the budget of local and national government budgets and orient long and short term private investment
- it makes it easier to balance fewer resources with the demand from more people
- it generates a broader understanding of responsibilities
- it provides certainty for the long-term investments of citizens and private enterprises

2.4 Weaknesses of strategies

Local governments have seen plans fail when:
- clear boundaries between their responsibilities and those of the central government were not established. The transfer of functions must ensure that local governments have the necessary capacity to perform their functions.
- Plans focused only on local economic development, which sidelines other aspects of urban development, including: the organisation of territory, sustainability, civic citizenship, cultural identity, and democracy, among many others.
- The focus was only on municipal action programs. Moreover, strategies supported only by the local government are very fragile when an electoral change happens.
- Weak strategic content with objectives that are very general and vague can lead to a lack of responsibility to deliver amongst competent bodies.
- Strategies were constructed for the wrong reason and/or have no clear focus, sometimes just intended for city marketing, and were not connected to the tasks nor with a clear commitment to implement.
- Potential of people's support was ignored or reduced, as when limited to providing information
- Problems were only solved as they arose. Cities from all regions, especially in Africa and Europe reported the experience of "being imprisoned in daily management and trouble shooting".
- Support was lacking from higher tier governments or there was "disconnection" between local and national government.
- Lack of leadership by the local government led to strategies driven by experts or groups without political legitimacy
- Financing fell short and there was insufficient relation to the municipal budgets.
- Lack of ability to push for joint commitment from all stakeholders and cross-city working with neighboring municipalities.

The documents can end up being shelved due to:
- Lack of communication or conviction.
- Inaccessible academic or technical style.
- No assessment of local assets and distinctiveness.
- No assessment of demand side opportunities.
- Lack of tools to implement at the specified scale.
- Lack of delegation.
- Lack of investment, allocation of capacity/resources.

2.5 Common characteristics of successful plans

- citizen participation was used as a resource for explicit local knowledge of the challenges and expectations.
- implementation performance indicators were established during the development process.

- involvement of the private sector which had transparently attracted investment.
- self-government and autonomy facilitated self-determinism for local governments.
- all spheres of government communicated and were committed to the same goal.
- strategic actions were prioritized beyond the most urgent matters
- mayor backed the committed leadership driving the strategy.
- bespoke strategy had been designed, rather than copied as "blueprints"
- aspects of social, economic, institutional, cultural and physical change were attempted to be integrated.
- administration was ready for internal change.

Looking ahead, it is predicted that sustainable resource management, poverty reduction, inter-municipal cooperation and climate change will or should become crucial aspects of strategic planning. Future strategies must face the threat of climate change by encouraging investment in energy efficient technology, low carbon transport and demonstrate leadership on the sustainable use of resources such as water or land.

Chapter 3: Recommendations

3.1 Criteria for urban strategic planning

The evaluations of the experiences of the seven regions that collaborated on this document, have revealed essential guidance on the state of the strategies and its implementation. A wealth of examples reported in the following regional chapters illustrates these experiences and learning on strategic planning more closely.

However, the findings indicated that the highest impact has been achieved when strategic plans addressed some specific issues. In this process, some questions come up that are useful to keep in mind throughout the development of the strategy. Besides other conditions, the following eight conditions required have been debated as the most prevalent to ensure the success of strategic planning:

1) **Strategic plans must establish clear priorities which are synchronized with other spheres of government; enabling multi-governmental interventions; must be performance driven;**
2) **Strategic plans must be sustainable, based on clear values, on proper and updated data and use resources transparently;**
3) **Strategic plans must be cooperative, including in particular, both public and private sector participation;**
4) **Strategic plans, with particular consideration of sectoral and spatial plans, must pay specific attention to poor, vulnerable and marginalized people;**
5) **Strategic plans must reflect proper principles and models of urban development, taking into account local spatial patterns and sustainability of the urban growth and land use, giving preference to a compact city model;**

6) **The new generation of strategic plans should anticipate demand and address the urgent challenges of the depletion of natural resources, environmental degradation and mitigation of climate change, and adaptation to its effects;**
7) **Strategic plans must contribute to the construction of social capital, and recognise and build on the characteristics of the region and its people;**
8) **Strategic plans contribute to the identity of cities and their distinctiveness, and are a unique opportunity to align local narratives to regional, national and international challenges.**

3.2 Recommendations

Taking into account the diversity of actors involved, we address the recommendations to the following groups:
- local governments
- national governments
- academic sector
- international organizations
- NGOs and local communities
- the private sector
- local government associations, networks and UCLG

3.2.1. Recommendations to local governments

UCLG estimates that currently many of the world's local governments do not have any kind of effective planning mechanism or personnel dedicated to this task. Numerous African and Asian municipalities reported that they could not count on dedicated planners or even engineers to follow the process. However, small and medium sized cities will be under particular pressure from urbanization in the coming decade.

Experience shows that:

- The management of cities and the provision of public services such as water, sanitation, shelter and roads requires an integrated approach, which should address all aspects of development. National and provincial governments tend to focus on sectorial planning, such as roads or transport networks, while local governments can address economic, social, environmental and spatial aspects jointly through their strategic planning.
- The challenges of each city are varied: fast-growing communities, response to the urban poor in developing cities, or changing local economies in shrinking cities require different responses. In all cases, it is necessary to use the planning process to create common understanding of the priorities and goals and maximize resources.
- Examples from all regions show that planning is a crucial task for all local governments, sometimes required by law and sometimes required in preparation for negotiations. In all cases, it helps to coordinate public intervention and brings different government levels together as partners. All planning exercises need careful attention, leadership and constant innovation.
- Most of the local governments need to develop local capacity to provide responses to the phenomenon of urbanization, the demand for jobs and quality of life. Capacity ideally is built within the working context.
- The strategic process is a tool for improving communication and mobilizing stakeholders and citizens to involve in urban development processes. Even if the support of experts is indispensable, the strategy needs to be communicated by local leaders and politicians.
- Every city has a *genius loci* – a very unique sense of place and specific assets, that are not necessarily quantified nor attributed a tangible value. The distinctiveness of a place – heritage, creativity, customs, environmental or social fabric – should be incorporated into the strategy.

Therefore, we recommend **local governments**:

1) **develop urbanization policies that promote economic growth, poverty reduction and environmental sustainability and spatial integration.**
2) **fully commit themselves to lead strategic planning processes to be inclusive and participatory.**
3) **allocate necessary human and financial resources in-house for responsible public participation to increase accountability and real ownership.**
3) **build specific strategies with long-term partners and ensure sustainability of public investments in conjunction with other government spheres.**
4) **find networks and partners with other municipalities to share and improve capacity and support the development of learning tools of networks and associations.**
5) **communicate the plan clearly and concisely to all stakeholders.**
6) **focus on the unique characteristics of the city and its people.**

3.2.2 Recommendations to national governments

Urbanization and the associated changes to the economy, environment and social fabric are the major challenges of the century. Urban development needs to be at the top of the agenda for national policies and investment.

In this regard, it is crucial to promote and construct related programs and interventions in partnership with local governments that go beyond the delegation of competences.

By applying the concept of multi-government, national government can benefit from local governments' capacity to anticipate demands and challenges, and its ability to plan for more precise and integrated responses. In this way, decentralization can enable greater flexibility on decision making for local governments.

National governments and the European Commission have to make sure municipalities and territories progress and evolve, including rural territories or economically less competitive regions. Some require more support to increase management capacity and ensure service delivery, including specific programs to mitigate loss of potential through population decline.

Devolution transfers of authority to lower tiers of government should be based on the principle of subsidiarity. Greater autonomy implies heavier responsibilities with devolved powers. The distinctions between responsibilities must be clear, not only to avoid confusion between local and national tiers of government but also to provide clarity for citizens and investors.

However, in some cases national governments "cast off" responsibility in the name of empowerment, ie transfer of competences without the resources.

Local governments need the competence, capacity and fiscal and legal frameworks to deliver public services. When these three elements are in place, performance is stronger and the service is better.

Therefore, we recommend national governments:

1) **Recognize the challenge of urbanization as a priority and commit themselves to integrated local planning processes to deliver local investment, with a concurrent plan covering all spheres of government and the private sector.**
2) **Improve framework of inter-governmental relations that support strategic planning and promote cooperative (multi-level) governance on the principle of subsidiarity.**
3) **Encourage planning of local governments, with specific support to rural and smaller towns to analyze the demands and build on their competitive qualities.**
4) **Minimize the overlap of functions and reporting lines and confer greater capacity for political decisions and financial autonomy upon municipalities and regions.**

3.2.3. Recommendations to academic sector

In order to implement strategic planning, local governments require broad-based knowledge. Academic institutions can play a vital role in improving the effectiveness of strategic planning by increasing professional capacities and providing courses of relevant academic study.

The academic sector is also crucial in providing data and analysis to enable a solid overview of the state of the city and the required monitoring.

Therefore we recommend the academic sector:
1) **Promote planning capacities for all local governments, including small and medium cities and towns**
2) **Encourage and support networking, building the capacity of municipalities, and report and research on practices in local governments within and between regions and countries.**
3) **Improve the opportunities and capacity at academic institutions to build skills for current and future professionals.**

3.2.4. Recommendations to international institutions

The urban agenda requires more attention from international development partners, institutions and partners. Cities have an essential role to play to meet the Millennium Development Goals on the mitigation of climate change, food supply, poverty, health and peace. Increasingly, international initiatives such as Cities Alliance claim to "recognise urban growth as an inevitable and positive reality" and "reject the false tension between urban and rural poverty".

Policies for urbanization need to be based on local needs and local governments as they are the levels of power closest to the people. In the past, cities have contributed to reshaping the international agenda through global initiatives and campaigns such as the UN Agenda 21, access to public services, social inclusion, Millennium Development Goals or the right to the city and housing. As UCLG stated in its position on aid effectiveness, cities are crucial for the urban development challenges of this century. International partners can build on existing local initiatives and promote cities as full partners for development.

Transparency of policies for urban development must be enhanced through more direct contact between cities and global partners who negotiate exclusively with national governments, frequently from the perspective of cities as objects to be developed rather than an intrinsic dynamic.

Therefore we recommend international institutions:
1) **Recognize urban growth and urbanization as crucial for the fight against poverty and as a priority for international support in developing countries.**
2) **Adapt a more integrated approach to strengthening local governance and support the legal frameworks to be developed enabling planning to be implemented.**
3) **Provide information on financing opportunities and adapt the instruments (loans, grants, investments, guarantees) to the outcomes of planning and implementation of local strategies.**
4) **Support management capacity building inside the municipalities to structure baseline data, and to encourage strategic planning processes providing human, financial and technical resources primarily to small and medium sized cities.**
5) **Assist local governments in consulting and communicating with their communities and for**

networking and sharing experiences through city to city cooperation.

3.2.5 Recommendations to NGOs and local civil society

A city is shaped by its residents. They live and work in the city, they form it through their daily actions, and they make it a unique and livable space. Urban strategic planning can give a new role to Non Governmental Organizations (NGOs) and civil society organizations representing the population in contributing to the development of the city. The inputs from this group are valuable, because they are aware of the impact of planning on citizens and thus their participation legitimizes the planning process. They possess local knowledge that can be immensely useful for developing and implementing strategic urban planning.

Furthermore, involving all parts of the local population creates a sense of ownership that prevents conflicts and increases efficiency. Today, many new approaches and tools for participation are being used in cities all over the world, such as participatory budgeting. Participation implies a more active concept of citizenship both by the citizens and the local government.

Therefore we recommend NGOs and civil society:
1) **Actively participate in the planning processes, from identifying and verifying problems and priorities to monitoring actions, insisting on impact at the local level.**
2) **Encourage all groups of the population, no matter what income, gender, ethnicity or age, to become involved and promote the opportunity of bottom up decision making.**
3) **Exchange learning from participatory experiences, thus profiting from former failures and successes.**

3.2.6. Recommendations to private sector

Large sections of urban development are financed and developed by private urban development agencies on a commercial basis. Public private partnerships are now an established way of achieving specific goals. Opportunities for cooperation range from capital building projects to outsourced services and large urban development.

The private sector has greater flexibility to act quickly and there is also an acknowledged reciprocal "brand endorsement". Local authorities can benefit from the association with high-profile private sector stakeholders, and the private sector can increase its credibility and be seen to be investing not just for economic reasons.

For private stakeholders, a good strategy reveals many opportunities to invest. However, the local government has to make sure that the public interest prevails over the private, especially when preparing strategies to reduce poverty or to achieve the Millennium Development Goals.

Therefore we recommend that the private sector should:
1) **Assume social and environmental responsibilities for land and infrastructure development.**

2) **Commit themselves to the development of compact sustainable cities with quality public spaces and embrace inclusive and sustainable urban development.**
3) **Commit to transparent partnerships as part of the planning process and visualize strategic plans as means to resolve tensions and achieve good outcomes for all.**
4) **Cooperate and follow regulatory policy frameworks giving priority to long term engagement over short term investment.**

3.2.7. Recommendations to associations, networks and UCLG

Associations perform an essential role as the representative body negotiating between local governments and national departments. They are crucial for ensuring that the local authority has all the legislative and fiscal powers to carry out its work. In addition to this primary role, associations facilitate networking and contact to support measures and networks.

The city networks operate on the principle that there is no better teacher than experience: cities that have successfully implemented their own plans are crucial in disseminating their successful strategies and networks and associations are the perfect forum for this. Networks around the world provide valuable resources in terms of upscaling, networking and sharing best practice.

United Cities and Local Governments has positioned itself as the united voice and world advocate of democratic self-government. It sees strategic urban planning as a key element for sustainable urban development. Through its many members and partners across the world, it can contribute markedly to the propagation of applying City Development Strategies. However, UCLG recognizes that in many cities, the existing conditions are still lacking the necessary resources, knowledge and capacities for the successful development and implementation of strategic plans. UCLG can contribute here by serving as a platform to share experiences between municipalities and associations worldwide.

We propose and recommend to associations, networks and UCLG:
1) **Encourage and support networking, building the capacity of municipalities, and report on practices within and between regions and countries, develop knowledge banks.**
2) **Promote planning and outcomes of all local governments, including small and medium cities and towns, while improving links to programs and partners.**
3) **Deliver evidence that support those strategic plans once completed and draw recommendations to strengthen local governments institutionally.**
4) **Support lobbying to the national ministries to create the conditions that will enable the preparation and implementation of strategies.**
5) **Assist in raising resources for networking on planning.**

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This document is a result of debates on recommendations and conclusions between UCLG members during:
- UCLG World Council committee meeting November 2008 Istanbul
- UCLG World Council committee debate November 2009 Guangzhou
- Comittee meeting in Rosario May 2009
- January 2010 network debate (Cideu Metropolis AERYC Medcities), Barcelona
- Round table Word Urban Forum Rio February 2010 Johannesburg Durban Ille de France Rosario and Belo Horizonte Norwegian association
- Aspac meeting June 2010a Batam, Indonesia
- Metropolis debate on urban growth November 2010

Local leaders
preparing
for the future
of our cities

Africa

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Part 1:
Context and general trends

1.1 Context and general trends

Africa's transition to an increasingly urban economy is transforming the continent's position as a predominantly village society. The continent's population of more than 933m is characterized by youthfulness, with a median age of 20. Since the majority of the population is of working age, the number of migrant workers is high and rates of urbanisation in some areas in Africa are now reaching 70% (UCLG 2008). Lagos, Nigeria's capital until 1991, had a population of 665,000 in 1963, a figure that had swelled to an estimated 15.5m in the metropolitan area by 2006. But such intense urbanisation is not consistent across Africa. For example, Malawi has a high rate of urban growth because its rural areas cannot support its growing population, yet at the moment only 18% of its population is urban. Furthermore, population and hence urbanisation trends are difficult to predict because of variable factors such as conflict, climate change and HIV/AIDS.
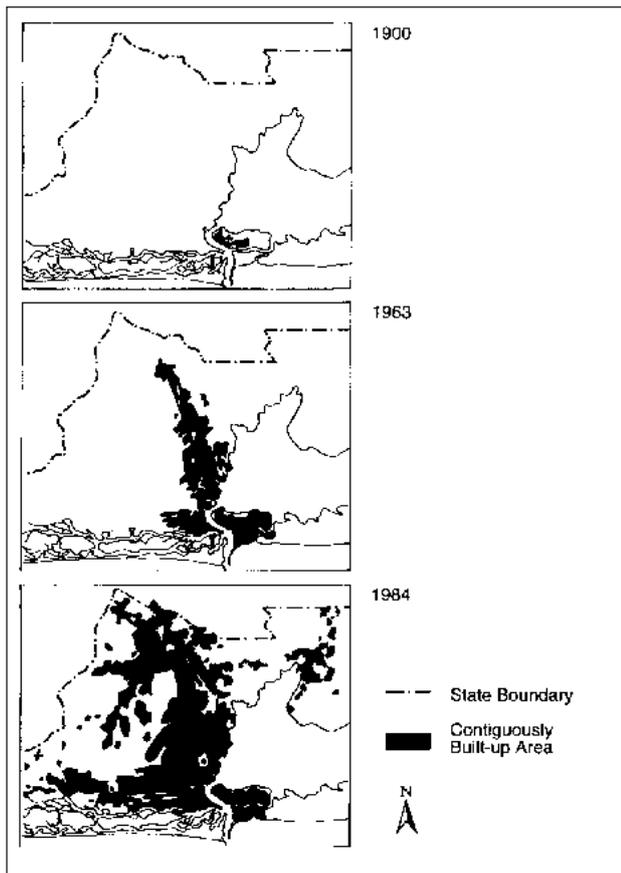
Social cohesion and a sense of community is strong despite the different nationalities and languages across the southern continent. However, migration can occasionally lead to violence, such as that seen in Johannesburg in 2008.

To deal with this level of complexity, growth and variation in a constructive fashion and to avoid sprawling informal settlements, it is important that developing countries share their experiences and the mechanisms that they have in place to address urban growth. With service delivery, investment and urban development focused at the local level, increasingly local governments not only have to plan strategically, they also have to be creative and insistent on the implementation of their strategic plans.

This regional report aims to show that strategic planning is an appropriate and effective response to the pressures of urbanisation on Southern Africa's cities and municipalities. It looks at challenges, trends and solutions to strategic planning issues at municipal level in South Africa, Mozambique, Malawi and Namibia. Johannesburg, Durban and Lilongwe are cited as case studies.

This paper is intended as input to the policy paper on the legal and institutional framework and enabling environment for strategic urban planning. It aims to show how the African examples can help enrich the policy paper in strategic planning internationally.

1.2 Urbanisation and informal settlements

It is important to recognize that the driving forces for urbanization are not the same in all countries in Africa, which currently has a continental growth rate of 3.23% (UN DESA 2007). Urban growth peaked at 5% across Africa after independence. But "input control" into the cities had the unintended consequence of not reducing urban growth per se, but increasing unauthorized land occupation. This in turn led to the proliferation of informal settlements – UN Habitat predicts that 70% of the urban population in Africa will be living in slums by 2025.

Countries such as South Africa are only now starting to deal with those settlements in a more positive way.

Lagos: Built-up area from 1900 – 1984 (Source: UNU 1997)
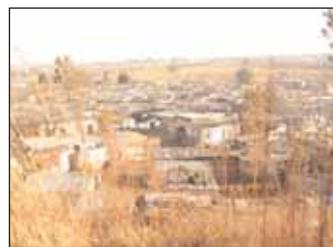
Informal settlement in Johannesburg, South Africa (urban age 2010)

1.3 Impact of conflict

In other countries, additional factors make the pattern of urbanisation even more complex. For example, in Angola and Mozambique, urbanization has been driven largely by civil conflict which forced many rural residents to flee to relatively safer urban areas. About 4.5 million Mozambicans were displaced to urban areas during the 1980s (Chenje 2000). In Mozambique, particularly, and to a certain extent also in South Africa, civil strife severely impacted on the rural livelihood base. People fled to urban centers to escape from violence and fighting in rural areas which contributed to rural-urban migration and the growth of urban centers. The destruction of the rural livelihood base has contributed to urban growth rather demand for labor in urban-based industry and services (Jenkins 2003).
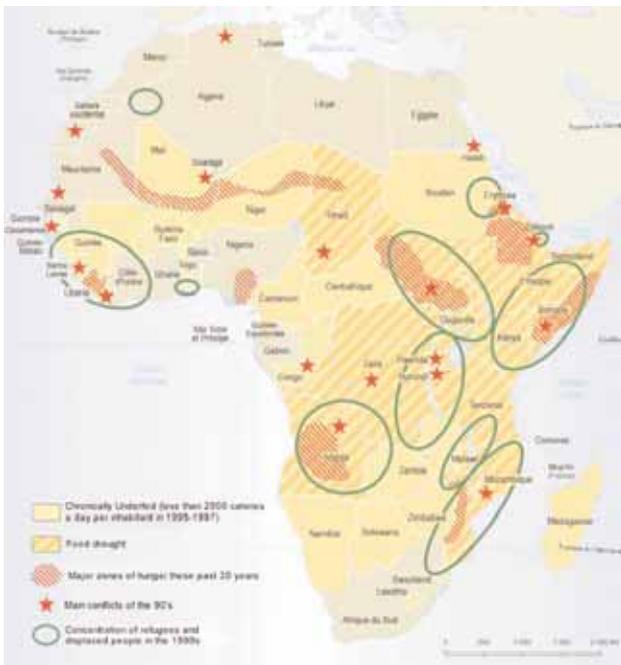
Hot spots in Africa (Source: Le monde diplomatique 2007)

1.4 Planning challenges in Africa

Common experiences have led to common responses and there are remarkable similarities between local government and municipal planning across countries in southern Africa. For example, in South Africa and Mozambique the current municipal structures and boundaries are characterized by the following:
• Municipalities are newly established
• Municipalities are vast in geographic extent
• Most municipalities face increasing demand for services
• Most municipalities have a limited tax base, and limited ability to generate revenue
• Most municipalities have a weak organizational structure and low levels of capacity, and there is a need to develop strong capacity building programs
• Municipalities are characterized by complex land use patterns and different forms of tenure, some of which involve traditional authorities
• Focus for local government is now on developmental local government, incorporating a more long-term and strategic approach

• Both urban and rural areas are incorporated within one municipality's boundaries, which creates problems for strategic planning and appropriate planning capacity. There is a need to ensure that the benefits of urban development are spread to the more rural hinterland.
• Incorporation of traditional authority areas into municipalities is difficult.
• There are historical backlogs in service delivery and inequitable provision of services and opportunities across municipalities, due to apartheid or the colonial legacy of the country.

During the UCLG Association of Municipalities (ANAM) workshop, several municipalities in Mozambique reported on key issues associated with strategic planning in their areas. Key issues that arose in these municipalities could apply to many of the other municipalities covered by this report:

• Sanitation, roads and management of urban soil were priorities
• Lack of ability to raise revenue was a serious challenge, as well as the need to implement participatory governance and transparency more effectively.
• Lack of a City Development Strategy or alternative strategic plan, although all recognize the importance of doing so as soon as possible. Many municipalities reported that they plan on an ad hoc basis. Nampula is an exception and developed Nampula 2015 in line with the province's 2020 agenda, and has developed a vision for this.
• Most municipalities do not have a strategic planning unit or department, and planning does not have a high profile within the municipality. ANAM is building in-house capacity for strategic planning to provide assistance to municipalities.
• Most municipalities indicated that they need increased capacity building, and a reorientation of existing capacity in line with a strategic plan.
• Most municipalities indicated frustration at the role of the state representative. They maintain that the terms of reference for this person need to be clearly defined and communicated to all relevant parties and cooperative governance addressed.

1.5 Contiguous authorities and gradualism

A major difference in local government is that in South Africa, there are wall-to-wall municipalities (ie all areas of the country fall under municipal government), whereas in all other countries under consideration in this report, this is not the case. For example, in Mozambique, gradualism is practiced and all land is mainly public property and seems to be more susceptible to corruption with regard to land allocation.

1.6 Local capacity and resources

Many municipalities have relatively low levels of capacity and are unable to engage effectively with other spheres of government or organs of state (and in Mozambique's case, with donors), as equal partners in the overall strategic planning process. It is extremely important that municipalities share their experiences, and develop a platform for constructive engagement with each other, and with other spheres of

government. The call for capacity building inside municipalities should be a priority for international assistance and for local governments. Local government associations can play a major role, putting forward issues of common concern, and help to negotiate with national government.

1.7 Decentralisation

While decentralisation has been enshrined in the constitution of a number of southern African countries, some countries such as Mozambique and Malawi, where even the concept of municipalities is relatively new, have found that the transfer of devolved powers from central government has not been matched by funds, local capacity or other resources. But as in South Africa, most countries have found clear divisions of responsibilities and defined spheres of governance vital to the decentralisation process. Strategic planning, therefore, may be set up for failure if the process of decentralisation has not met basic criteria. But the relevance and potential for decentralisation in southern Africa where the process is relatively new, is acknowledged through the experiences of all the examples covered in this chapter. Decentralisation in southern Africa is still in the early stages yet can already count some real successes, for example, in South Africa's developmental local government.

1.8 The need for strategic planning

The success of strategic planning depends on political will, institutional framework, thematic focus, participatory processes and technical capacity.

With decentralization and increasing levels of urbanization, governments now understand their role and the role of planning "in a different way, and target their action at what is practical, equitable and efficient, and not be tied to what has

been traditional in planning and land use control. This suggests a different form of planning which would be more participatory in order to focus and guide broader private sector and community activity, as opposed to attempting to control and block this" (Ibid.). A realistic analysis of each situation, including the local political dynamics, is promoted under a strategic planning approach, with recognition that a negotiated settlement might be implemented, rather than an optimal one, or one based on consensus (Ibid.).

Anticipating demands due to growth needs for a municipality in the southern African region is crucial. For example, planners in municipalities must consider how future growth will affect traffic within a municipality and plan to avoid potential problems in the future.

A key tool in managing urbanization in a sustainable manner is developing a long-term strategic plan for development. Such strategies are given different names in different contexts. However, City Development Strategy (CDS) is a term being promoted by the Cities Alliance. A CDS provides a long term strategy, usually 20 – 50 years.

Strategic planning occurs in four main stages, each of which requires specific skills:
(a) Planning – identification of issues, objectives and strategies.
(b) Resource allocation – human and financial resources are committed to the projects.
(c) Implementation – the actual execution of the projects which address the objectives.
(d) Monitoring and review – during the planning stage, performance indicators are formulated to monitor implementation and its impact. The outcome of monitoring sometimes results in the adjustment of the plan and implementation program.

Part 2:
Local government in South Africa and case studies

2.1 Context

Following South Africa's democratic elections in 1994, the constitution provided for three spheres of government, each with specified powers and functions – national, provincial (9 provinces) and local (283 municipalities). Progress towards developmental local government based on the Local Government White Paper has occurred in three phases – establishment, consolidation and sustainability – which was expected to be complete for most municipalities by 2010. Alarmingly, a sizeable portion of municipalities seem still to be in the establishment phase (Department

of Local Government and Traditional Affairs 2007).

At local level, the boundaries of municipalities were redemarcated in 2000, resulting, for the first time, in wall-to-wall municipalities across the country. Three types of municipalities now exist, metropolitan municipalities such as Johannesburg, Durban and Cape Town, and district municipalities consisting of several independent local municipalities, each with different powers and functions.

A complex legislative and policy framework has been put in place to support local government in its new developmental

Municipalities in South Africa (Source: electoralgeography.com)

obligations, accompanied by sweeping institutional changes designed to address the inequalities associated with apartheid. In some cases, however, there have been conflicting spatial outcomes. For example, the housing subsidy's promotion of stand-alone houses and the need for cheaper land has encouraged urban sprawl. This contrasts with the goals of efficient and sustainable development planning, which promotes compact and sustainable settlements, close to economic opportunities.

2.2 Developmental local government in South Africa: legal and policy framework for urban planning

South Africa's constitution emphasises developmental local government and municipalities are key to achieving the objectives of[1]:
• Providing democratic and accountable government for local communities.
• Ensuring the provision of services to communities in a sustainable manner.
• Promoting social and economic development.
• Promoting a safe and healthy environment.
• Encouraging the involvement of communities and community organisations in the matters of local government, and
• Promote rights associated with, for example, the environment, water and health care.

2.3 Strategic approaches

With the introduction of developmental local government, the importance of following a strategic and integrated approach to service delivery has become imperative.
To play an effective developmental role, and to improve performance with respect to service delivery, municipalities will need[2]:
• Strategic capacity to assess, plan and develop innovative programs to meet local needs and to make a significant contribution to social and economic development.

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1   Constitution, Sections 152 (1) and 152 (2)
2   White paper on Local Government
3   See the White Paper on Local Government Pages 102-103
4   Act No 32 of 2000

• Integrated capacity to co-ordinate and integrate outputs from inside and outside the administration to ensure developmental outcomes[3].

Several key national policies relating to strategic spatial development at local level have been developed. The National Spatial Development Perspective (NSDP) provides a spatial framework for, and strategic approach to, development across the country while the Provincial Growth and Development Strategy (PGDS) and Integrated Development Plans (IDP) provide more rigorous assessments of potential by combining this with local knowledge and research. The Municipal Systems Act[4] shifts the focus to developmental government including meaningful community participation, integrated development planning, service delivery and performance management.

2.4 Integrated Development Plans (IDPs)

Integrated development plans are the main planning instrument of South African local governments. IDPs are a statutory requirement of the Municipal Systems Act and the key tool of developmental local government. The planning process involves working with residents to establish an overall vision for the municipality, and planning strategically to ensure equitable service delivery across the municipality, promote economic development, provide infrastructure and ensure the long-term sustainability of the municipality.

The IDP is made up of the following core components:
• The analysis:
  An assessment of the existing level of development, which includes identification of communities with no access to basic services.
• Development strategies:
  – The municipality's vision (including internal transformation needs).
  – The council's development priorities and objectives.
  – The council's development strategies.
• Projects
• Integration:
  – A spatial development framework.
  – Disaster management plan.
  – Integrated financial plan (both capital and operational budget).
  – Other integrated programs.
  – Key Performance Indicators and performance targets.
• Approval.

Integrated Development Planning is a management tool, and thus holds a very high status because it enables municpalities to:
• Obtain access to development resources and outside investment.
• Provide clear and accountable leadership and development direction.
• Develop a cooperative relationship with its stakeholders and communities.
• Monitor the performance of officials.
• Provide officials with a mechanism to communicate with the councilors.
• Enable officials to contribute to the municipality's vision.
• Enable officials to be part of the decision-making process.

2.5 Key issues: alignment of strategies, policies and implementation

There is a danger that the proliferation of policies and strategies with different spatial concepts and units of analysis could complicate activities at local level.

Functional regions
Legislation can encourage a more narrow focus on particular geographic areas, which is reinforced by a program of decentralisation. For successful strategic planning, it is important to consider cross-boundary linkages.

Adopting an asymmetrical approach
The current legislation and policy framework tends to treat all municipalities as similar in many respects. However, there are significant variations in their capacities, the issues they face, geographic extent and economic potential. Given the social, economic, demographic and institutional variations across space, policies need to address this asymmetry, rather than adopting a generic, one-size-fits-all approach.

2.6 Johannesburg case study

Johannesburg is South Africa's largest city and the country's premier business location. The municipal area is 1600km^2 in extent and populated by about 4 million people, although the wider region has some 10 million people. It generates 16.5% of national output and it is part of a conurbation that generates one-third of national output. More than 70% of the top 100 companies are headquartered in the city and the City Deep container terminal handles 30% of the country's exports. Johannesburg grew at a rate of 4.5% pa between 1996 and 2004, compared to 2.9% for the country as a whole. The city experienced a contraction of economic activity in 2008/09 during the global economic downturn.

Johannesburg has very high levels of unemployment; about one-fifth of the population is estimated to live in poverty; and the city experiences high levels of income inequality. Gender and generational inequalities and spatial inequalities complete the picture of inequality. Although access to clean water, sanitation and refuse removal are high (over 90%), a large number of people live in less than adequate shelter in backyard shacks, overcrowded formal houses and informal settlements.
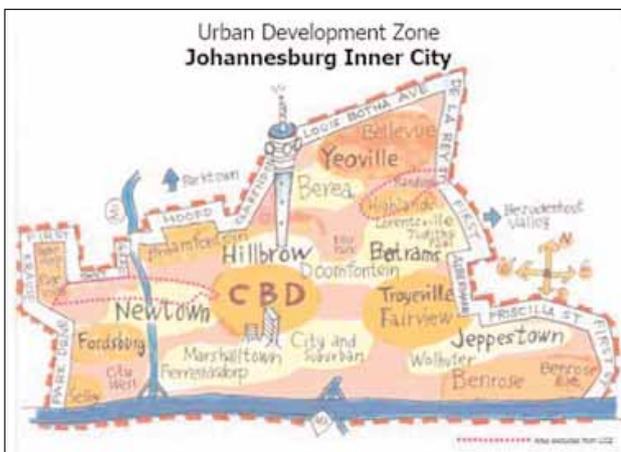
The Integrated Development Plan (IDP) is a statutory medium-term (5-year) strategic plan that guides socio-economic and spatial development and service delivery within a municipality. The City of Johannesburg's 2006/11 IDP was finalized and approved after the local government elections in March 2006. The most important features of the IDP's conceptualization, production and implementation are set out as follows:
- Political will and support: The IDP was initiated with the full support of the mayor, which was essential for driving the formulation, consultation and approval processes.
- Coherent planning frameworks: It was formulated in conjunction with the Growth and Development Strategy that defined the city's long-term (30 years plus) vision and strategy. This ensured coherence between the city's different planning frameworks and instruments.
- Link to performance management system: The IDP was married to the performance management system to ensure implementation, monitoring and evaluation of the defined commitments.
- Stakeholder participation: There was an extensive process of stakeholder participation at the sector level, on a geographic basis and citywide.
- Intergovernmental alignment: The IDP was developed in close conjunction with other spheres of government and adjacent municipalities to ensure intergovernmental and inter-municipal alignment and integration.

The IDP has proven to be a robust instrument for urban strategic planning in Johannesburg. It has been systematically implemented, is monitored on an ongoing basis and reviewed annually to respond to changing internal and external conditions. A new 5-year IDP will be developed after the next local government elections scheduled for 2011.

2.7 Durban case study

Durban's City Development Strategy is defined by its strong vision: by 2020, the eThekwini municipality (the Zulu name of the municipality), aims to position itself as *Africa's most caring and livable city*, following a plan titled *Imagine Durban*.

Durban is South Africa's second biggest city, one of the continent's busiest ports and main transit point for international imports and exports, and a major center for tourism. However, it also has to face a number of problems similar to Johannesburg, among them a massive segregation that can be mainly traced back to apartheid planning.

The development of the City Development Strategy started around the turn of the 20th century, when the city became aware that many of its major projects only benefited the white minority. The city realized that it needed a new strategic vision to improve the quality of life for all of its residents.

A conference involving a range of key stakeholders was held where fundamental resolutions were taken to define a clear vision for the city.
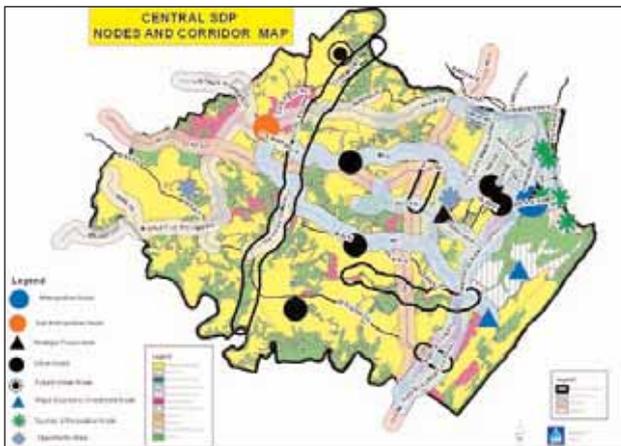
Source: eThekwini municipality

Durban's strategy is composed of short-, medium- and long-term strategies. The city has identified 8 action plans with key focus areas that outline a set of programs and projects with budgets and timeframes for delivery, including concrete action plans for slum upgrading. Service delivery is critical as are integration and alignment processes. Infrastructure especially in informal settlements has been upgraded, and the city has made considerable interventions on public spaces, in particular on its famous beaches.

Since 2002, over 90,000 homes have been provided by the municipality, and in the last three years over 40,000 people have been connected to mains electricity. Since 2006, nearly

half a million more homes have domestic refuse collected. Millions have been spent by the council each year to provide hundreds of kilometers of new roads, pavements, and build new pedestrian bridges (eg average of 11 bridges a year over the last three years) to help citizens reduce travel times to and from work, school and recreation.

The new, 70,000-seater stadium (above), built for the 2010 FIFA World Cup, is seen as a long-term investment that can be repurposed for other activities that will continue to generate income for the city.

Durban would not have achieved what it has thus far without political leadership and vision. The municipality also places great emphasis on taking small, but consistent steps, rewarding innovation and ensuring that all stakeholders are included.

Part 3:
Local government in Mozambique and case study

3.1 Context

Municipalities in Mozambique were established by law in 1997 and local government elections took place in 1998 for the first time. The country is in the process of undergoing an asymmetrical process of decentralization, known as gradualism, whereby areas are being given municipal status on a case by case basis. Municipal mandates are increasing from providers of local services such as parks, roads, public safety, public lighting, municipal policing and solid waste, to more complex social services including aspects of education and health. The increase in demand for services is not, however, being accompanied by an expansion of employment, formal economic activity and revenue.

Strategic planning for sustainable development in urban areas and municipal government is not taken as seriously as it should be because of an historical emphasis on rural development. However, municipalities in Mozambique can play a significant role

in addressing challenges related to poverty. They have the key responsibility in the regularization of land tenure, improvement in tenure security and formalization of corrupt land markets, which are fundamental to establishing assets among the poor.

Despite their new status, limited financial resources and weak technical and professional capacity, municipalities in Mozambique have been able to deliver some services, spend a fair portion of their budgets on investments, and a municipal tax culture is slowly emerging.

3.2 Decentralisation and gradualism: legal and policy framework for urban planning

Mozambique's current social and economic transformation is centered on the implementation of a decentralization policy, which is expected to stimulate democracy, political equity and participation, through autonomous and democratically elected

local governments. This is expected to enhance accountability, transparency and good governance, increase efficiency in management and financial performance through increased revenue generation and rational expenditure decisions, and provide a better environment for public-private partnership (PPPs) (Cuereneia 2001).

The law of local finance gives powers to local authorities to raise their own revenues from fees for advertisements, construction, cemeteries, some permits and various licenses for economic and professional activities. Central government also transfers funds to local authorities via the Municipal Compensation Fund, and may transfer funds for local investment to complement and reinforce the local investment capacity (Ibid.).

3.3 Transfer of powers

Most municipalities are now responsible for local traffic, vehicle licensing, drainage, markets, cemeteries, building licensing, parks and municipal police. However, there is a lack of clarity around responsibilities for management of urban space, land, environmental conservation, agriculture, youth, sport and culture, and infrastructure related to public health, water and sanitation services. Several further functions are likely to be transferred to municipalities. These include health and education although the basis of this transfer is not yet clear. There is some confusion around roles and responsibilities, or powers and functions of different spheres of government. Local municipalities often find themselves having to fulfill unfunded mandates. Steps need to be taken to clarify roles and to ensure that local government has the necessary capacity to carry out its responsibilities. To ensure success, central government needs to provide financial, material and human resources.

3.4 Local capacity and participation

Municipal capacity is often very weak, and needs to be strengthened, particularly with regard to strategic planning and service delivery.

Capacity building programs are needed to support municipalities to develop their own plans. This needs to include the basic instruments of effective spatial planning, with guidelines and manuals on how to produce local plans. These need to be able to be communicated effectively to local citizens and potential investors.

Often planning is contracted to consultants, but cannot be implemented due to lack of resources and appropriate skills. But technical assistance from the public sector reform unit could contribute significantly to the planning and implementation of the transfer of competencies. Capacity building and fiscal reforms are needed to strengthen municipalities in the transfer of competencies.

Popular participation is a key principle underlying the new municipal system. Effective and accountable developmental local government requires meaningful community participation and involvement. Increased participatory governance, which draws on the involvement of multiple stakeholders including civil society, needs to be deepened. Effective public participation

increases accountability as do transparency in procurement processes, such as Maputo's participatory budget.

Several other municipalities have developed effective methods of involving their residents in planning and implementation, such as in Montepuez and Dondo, where community radio has been used for civic education and to publicize municipal activities.

3.5 National policy

Municipalities need to be seen as partners with national government and engage more meaningfully in national policy processes. Municipalities are underrepresented within National Policy Frameworks and central government needs to support inclusion of municipalities as agents of development in its policies and programs. Participation would also allow municipalities to have a stronger voice at national level.

3.6 Strategic planning

Strategic planning for urban development is relatively recent and not always regarded as a priority in Mozambique. To counter this it has been recommended that preparation and support for municipal service delivery should be fully incorporated into the reform strategies and plans being formulated by each ministry and linked to fiscal policies.

Municipalities cover large geographic areas in Mozambique, and include both urban and more rural areas. Strategic planning teams need to integrate spatial, sector and operational planning and budgeting. It is important that key ministries such as health and education are consulted during this planning process to facilitate integration. Thus decisions about the location of schools and health facilities would be based on locally articulated priorities that can support achievement of national policies and targets.

3.7 Budgets and revenue

In most municipalities, financial management systems are weak, and preclude effective strategic planning and control of development. Budgets are not usually tied to strategic planning, or seen as part of the overall strategic management of the municipality. Financial management changes need to be implemented in accordance with legislation.

Most municipalities have very limited financial resources or ability to generate their own revenue which hampers their ability to perform their mandates. However, some municipalities have made significant progress in revenue enhancement and financial management, such as Maputo which has increased its revenue by 55% in the past 2 years.

3.8 Donor funding

Donor funding tends to be unpredictable and earmarked for capital projects. Mechanisms need to be put in place whereby municipalities are involved in the formulation and planning of aid funded projects that affect their areas of jurisdiction. Donors' activities need to take into consideration various planning documents and priorities identified by the municipalities, and should incorporate a process whereby

programs and projects funded by donors are transferred to municipalities, along with the requisite capacity building and skills transfer.

3.9 Organisational structure

Many municipalities have not reviewed their organizational structure in line with their increased responsibilities, or to correspond with the more strategic requirements of developmental and decentralized local government. Some like Maputo, however, have reorganized their staffing and salary structures through a full restructuring process and personnel strengthening plan, linking recruitment and remuneration to performance and increased revenue generation by the municipality.

3.11 Poverty reduction

Municipalities can embark on a range of activities which contribute to poverty alleviation. In particular, they can improve access to basic services, school facilities, land use planning and can work closely with the National AIDS Council to support those affected by HIV/AIDS.

3.12 Urban-rural relations

In both South Africa and Mozambique there is a dynamic relationship between urban and rural areas, with constant flows of people, goods and income between them. Thus development strategies need to take into account both urban and rural areas, and understand the dynamic relationship that operates between them.

3.13 Alignment of planning and implementation

Although a municipality might develop plans and implement them, there is no mechanism whereby the activities of other actors are coordinated, eg land might be developed by the municipality, but there may be no roads or electricity provided to the area as the priority areas of the different authorities might not coincide.

3.14 Role of politicians

Political expediency seems to override strategic planning, and causes tension between technical staff and politicians, and between spheres of government. In some cases, such as allocation of land, politicians are seen to do this selectively, using land as a tool of power, and not in line with strategic urban planning.

3.14 Maputo case study

Maputo City is Mozambique's capital, and is the largest urban agglomeration in the country (1.1 million people and

1.7 million including the adjacent municipality of Matola – according to the 2007 census). It has a critical role to play in the economic transformation of the country as it is the main contributor of national Gross Domestic Product (40%) and of fiscal resources (70%).

The government of Mozambique and the Maputo Municipal Council recognized that the city needed major improvements in urban service delivery. They also acknowledged that such improvements would primarily depend on the capacity of the city to undertake key institutional and financial reforms to ensure greater autonomy, capacity and sustainability.

Strategic planning is seen by Maputo as establishing a target or destination, and ways to reach that, ie envisaging solutions for anticipated problems and allows for an integrated and sustainable approach to problem solving, rather than one that is ad hoc.

Supported by an initial World Bank loan of $30m, the Maputo Municipal Development Program, ProMaputo, aims to strengthen the capacity of the city council to develop, manage and maintain quality service delivery to its 1.3m citizens. The program has three main components: Institutional Development and Municipal Governance, Municipal Finance and Planning, Infrastructure Rehabilitation and Service Delivery Improvements.

Maputo sees strategic planning as establishing a target or destination and ways to reach that with the citizen as the end user. Three stages are followed in this strategic planning process: diagnostic, vision formulation and operational planning with private sector partnership. To increase accountability and monitor performance, Maputo has implemented surveys on the quality of services provided in the form of a citizens' report card. A forum for consultation by the mayor has been developed with Maputo citizens, who have identified 32 projects with a budget, has been developed. Maputo City is currently undertaking its third annual Citizen Report Card conducted by independent researchers and has launched a participatory budgeting program. The graphic below shows the 3 steps of CDS development.

Strategic Analysis → Formulation Strategy → Operational Plan
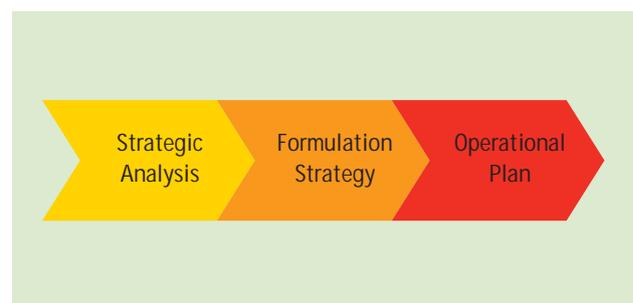
Part 4:
Local government in Malawi and case study

4.1 Context

Malawi is a low income country with a predominantly rural economy. The urban centers hold about 18% of the population, although the urbanisation rate is one of the highest in Africa. The rural areas, especially in the south, do not provide subsistence for the growing population. In the last 10 years the national development focus has switched from agriculture to business (Lilongwe Planning Board) but agriculture is still the mainstay of the economy (80% of GDP).

It was only in 2000 that the first local government elections were held and subsequent local elections, scheduled for 2005, did not take place. Local government elections set for November 2010, have been postponed again until April 2011. There are therefore no elected councilors in office, and assemblies consist only of technical staff.

Local government in Malawi still appears to be primarily in the establishment phase with devolution of sector funds beginning only in 2005. Current programs are aimed at addressing capacity issues in local authorities (Ibid.).

4.2 Overview of the legal and policy framework for urban planning

The Malawi Vision 2020 defines national goals, policies and strategies designed to improve development management. It emphasises strategic long-term thinking, citizen participation, strategic management and national learning to ensure that 'by the year 2020, Malawi will be secure, democratically mature, environmentally sustainable, self-reliant with equal opportunities for and active participation by all, having social services, vibrant cultural and religious values, and being a technologically driven middle-income economy' (CLGF 2009).

The 2006 Malawi Growth and Development Strategy (MGDS) is an operational strategy aimed at implementing projects and programs to achieve Malawi's Vision 2020. The MGDS identifies goals, outcomes and key strategies, including the expectation that in the medium term, local assemblies will have full control of development planning.

Local governments in Malawi are guided by the National Decentralisation Policy (1998) with most decentralised functions being mandatory. Phase 1 of the decentralization process saw several sector functions (primary education, primary health, forestry, natural resources and community) transferred from central government ministries. While pilot

programs have been set up, transfer and implementation are slow and remain a challenge (Ibid.).

But the decentralisation process remains incomplete with central government seeing local government as too weak.

4.3 Strategic planning at a local level

There appears to be little or no capacity for strategic planning at a local level. There is little effective cooperation between central government and local authorities for long-term strategic planning. Further, there are conflicts of interest between different spheres of government, and overlaps in functions eg building permits where the national ministry of housing providing permits for low density areas and the local assembly provides permits for high density (and generally poorer) areas. Most of the prime land within the city does not belong to the assembly; as a result there are problems of duplication and development control. However, the City of Lilongwe is currently undergoing a strategic planning process with the guidance of the City of Johannesburg (see 4.5 Lilongwe case study).

4.4 Key issues arising for strategic planning for local development in Malawi

Capacity issues

Capacity issues appear to be critical for both local authorities and central government in speeding up the process of decentralisation. A lack of resources and appropriate skills leads to a lack of planning and implementation.

Lack of implementation

Extensive restructuring and planning processes have been undertaken by the central Malawi government. Resources and financial frameworks that enable local governments to implement and deliver services properly have been set up. However, the local revenues of local governments are very low, despite property tax income opportunities. Local governments do not have reliable data and other baseline information to allow effective planning and monitoring of progress and implementation. This is with specific reference to the implementation of planning and managing at a local government level.

4.5 Lilongwe case study

Lilongwe has a rather short, but profound history in strategic urban planning. The city participated in the City Futures

workshop in Johannesburg 2007, after which the City of Lilongwe and Johannesburg started a mentoring partnership with the support of UCLG.

The challenges faced by Lilongwe are extensive – widespread poverty, high HIV rates and rapid urban growth of 5% a year mainly due to rural-urban migration. Such rapid urbanization in particular poses a challenge to the city in service delivery and infrastructure development, especially in the absence of a local parliament. The need for a City Development Strategy was recognized to establish management capacity and prepare local administrations and the process started in 2008.

The CDS development process was divided into 3 phases – preparatory, strategy development and implementation plan.

The process was funded by Cities Alliance, the Lilongwe City Assembly and the city of Johannesburg. Johannesburg dedicated staff to act as mentors, and gave valuable input in the strategy development. The preparatory phase included a revision of internal proceedings that revealed and overcame severe weaknesses in operability, management and response. Lilongwe decided to title its CDS "A Shared Future", thereby giving a vision to its future planning processes.

The CDS contains a 5-year implementation plan that identifies priority actions, including financial and capacity requirements for delivery. It also names several areas of intervention, such as urban services, governance and the environment. It looks at improving the access to services for the poor, upgrading infrastructure and improving institutional accountability. The strategy is projected for the period from 2010 until 2015. It foresees, for example, the enhancement of local capacities, the adoption of a new land use system, and the improvement of housing delivery. The CDS also looks at the institutional framework by introducing performance management.

As the CDS is well prioritized and has already achieved a higher performance of the assembly and its leaders, it is catalysing support from national government and from donors that want to support good governance and housing. A Japanese agency plans to invest in infrastructure development. Lilongwe was one of the first cities to benefit from the UCLG mentoring program and has noted several advantages of the methodology. By learning from a city with a long-standing experience in urban strategic planning such as Johannesburg, obvious mistakes can be avoided. Technical support is invaluable and mentoring helps stakeholders be more confident in participating.

Part 5:
Local government in Namibia

5.1 Context

Namibia has a large land mass, but fewer than 2 million inhabitants. Huge areas of the country are desert and settlements are located in challenging climatic conditions. Water is a scarce resource and agriculture is limited. The largest city, Windhoek, has approximately 300,000 inhabitants. Income for local government comes primarily from property tax. The privatization of public services, such as electricity, represents a challenge with regard to income generation for many municipalities.

Following independence in 1990, Namibia has substantially reformed local government to make it more democratic. The 3-tier government structure includes central government (which comprises several ministries and departments), 13 regional councils and 56 local authorities. These local authorities are

made up of three categories of local government: Part I and Part II municipalities, town councils and village councils.

Namibia faces growing urban poverty meaning that most local authorities are faced with non-payment for services. Also, given the deregulation of core services (ie electricity distribution) local authorities have lost access to primary income-generators.

5.2 Overview of the legal and policy framework for urban planning

The Namibian constitution ensures local democracy and the central Namibian government has several national strategic frameworks that guide development processes and programs. Vision 2030 aims to transform Namibia from a middle income country to a highly developed nation by 2030.

The Regional Councils Act (1992) and the Local Authorities Act (1992) supplies the legal framework for the decentralisation of government. Namibia's local authorities are responsible for most municipal infrastructure including roads, storm drainage, water supply, sewerage, street lighting and solid waste management. Many local governments lack resources, both in terms of funding and institutional capacity that is required to effectively execute their municipal responsibilities (Ibid.). However, some capacity is provided by Local Government Associations that are funded through membership subscriptions.

Functions decentralised to local governments have so far been done so without the necessary fiscal resources. Local government financing is ad hoc, with the exception of village councils. Support for local authorities occur as reactive bailouts instead of proactive structured transfers (subsidies) to sub-national levels of government (ALAN 2009).

5.3 Trends and challenges

Towns are experiencing rapid growth from rural-urban migration, with increasing pressures on services, housing and jobs. Social and health issues such as the impact of HIV/AIDS, high levels of alcohol and substance abuse, violence, poverty and unemployment create additional pressures at local level. Municipalities also struggle to deal with environmental pressures such as climate change, natural disasters, water shortages, pollution, etc.

Suitable land is becoming increasingly scarce. All land in municipalities is publicly owned, and occupants are charged basic services and rates. Land is now being sold by municipalities. However, while this generates income for municipalities it is not sustainable and prime land is often sold cheaply.

Legislative framework

There is no conducive legal framework for local government and municipalities struggle to interpret imprecise legislation. Although a legislative framework exists for the decentralisation of powers and functions to a local level, implementation has been slow. In addition, the legislation does not always address critical issues and tends to have a 'one-size-fits-all' approach.

Municipalities generally have poor infrastructure and lack resources to renew and maintain what they do have. Funds from central government are paid to the regional level, with the result that local priorities are often not addressed, as a result of a lack of cooperation between local and regional government.

Capacity

Capacity issues appear to be critical for both local authorities and central government. A lack of resources and appropriate skills leads to a lack of planning and implementation. The skills capacity challenge is sometimes addressed by hiring consultants, which does not promote skills transfer or internal skills upgrading. However, there is an increasing recognition of local governments by national ministries when implementing specific programs, eg housing.

Municipalities have also inherited staff who worked under the previous system and are resistant to change. In addition, they tend to have poor management systems, particularly with regard to financial management and human resources. These systems are not in line with the overall strategic goals of the municipality, and lead to poor revenue collection.

Political context

Political interference, in-fighting and corruption are also problems, related to a lack of understanding of the roles and responsibilities of politicians and officials, insecurity and the lack of a commonly understood and articulated vision. Like South Africa, municipalities also experience interference from traditional chiefs.

Revenue and ad hoc funding and investment

Municipalities suffer from underfunding from central government. Bulk services are privatized, in particular electricity, which precludes them from earning revenue. The main source of funding for municipalities is property tax. Municipalities incur costs relating to the high levels of poverty of their residents, and incidences of vandalism and poor maintenance.

Funding is ad hoc and there are no structured as it primarily occurs as a reactive source of funding, where a municipality

Values	Current contribution to GDP	Changes expected due to climate change	Affect on GDP, millions N$ per year	Confidence in range of change
Use values				
- Cereal production	0,5%	Decrease (10 - 20%)	- 16 to - 32	Low to Medium
- Crop production	1,0%	Decrease (10 - 20%)	- 32 to - 65	Low to Medium
- Livestock production	4,0%	Decrease (20 - 50%)	- 264 to - 660	Medium
- Traditional agriculture	1,5%	Decrease (40 - 80%)	- 197 to - 395	Medium to high
- Fishing	6,0%	Increase (30%)/decrease (50 %)	0 to - 990	Low
- Tourism	2-3%	Increase/Decrease	-	Low
- Forests	+ *	Unchanged	0	Low
Non-use value	+ *	Decrease	-	Low
Total value			- 509 to - 2 142	
* not included in the traditional national accounts				

Possible Climate Change Effects on GDP per Sector in Namibia (Source: IIED 2007)

requires a 'bailout'. There are no structured transfers or subsidies from national government to regional councils or local authorities.

Municipalities suffer from a lack of investments and economic development and do not have the strategies to attract these. The SMME sector tends to be neglected, although it plays a significant role in the economy. Municipalities tend to concentrate on trying to attract major investment to the detriment of local investors. They also fail to identify projects to investors, and have insufficient data for investment decisions. Local investors often seem to view outsiders as a threat, and there is resistance to new business in some cases.

Excurse: Douala, Cameroon

The present report focuses on Sub Saharan Southern Africa. Although the committee on planning does not count active members in the western African subregion, a short case description of Douala, Cameroon, gives an insight into the context:

Cameroon has one of the highest urbanization rates in Africa, with an expected increase to 60% of the population living in cities in 2020. The highest concentration lies on the two centers Yaoundé, the administrative capital, and Douala, the economic capital.

Local governments are left without their own resources partly because of the tax system, in which most taxes go to the state and not local governments. However, reforms are underway, mainly with the support of French cooperation. In addition, the cities lacked an integrated planning approach, relying mainly on isolated sectoral plans.

The City of Douala has developed, through a participatory process, a CDS in cooperation with Cities Alliance which targets poverty reduction and sustainable growth and development and the inclusion of the informal sector. The City Development Strategy was published in October 2009 and identified four main strategic axes and fields of intervention:

Source: Communauté Urbaine de Douala 2009

- Improving the quality of life of all inhabitants
- Improving urban governance
- Improving economic competitiveness of the city
- Positioning the city as sustainable and environmentally-friendly

The Douala Urban Community has also created a Directorate of Research, Urban Planning and Sustainable Development to reflect on future urbanization. The role of this directorate is to orient strategic choices for the urban community at the level of the agglomeration. The directorate responds to fragmentation resulting badly coordinated sectoral approaches and offers a platform for local authorities to plan.

Part 6:
Local government in Kenya

6.1 Context

The Local Government System (LGS) in Kenya evolved from the pre-independence village headman ordinance in 1902. Chiefs were appointed by the colonial government to manage administrative units referred to as local governments. Nairobi and Mombasa were established in 1903 as townships to serve European settlers. (Muia, 2005).

The purpose of the local government system at that time was to control the local communities. In the Local Authority Ordinance of 1912, selected chiefs were appointed to head councils. In 1919 the local government system witnessed some change when Nairobi Municipality was allowed to have a mixed race council but without Africans. By 1950 the local government system had been assigned the functions of "representation for decision making; resources mobilization;

agency for central government and link between local community and central government" Ndegwa (1971). However, the 1962 local government bill provided for the establishment of municipal, county, urban and local councils.

6.2 Planning legislations in local authorities in Kenya

The Local Government Act Cap 265 of the laws of Kenya passed by the national assembly in 1977 regulates planning in local authorities. The law has been amended several times to address the changing local government environment and provided councils with the power to impose fees and charges, and acquire land and deal in planning issues, among others.

Local authorities that have works, town planning and markets departments handle planning, control and regulation of land use; buildings and development control; roads and bridges, public access; traffic signs; packing controls; preparation of strategic plans, planning and design of markets.

6.3 Challenges

All local authorities are now supposed to have strategic plans. They are also supposed to implement local authority service delivery action plans (LASDAP) which requires local authorities to involve the community in planning and implementation of programs at local authority level.

However, many local authorities lack both physical and financial resources to implement effective strategic planning. Until 2008 there were fewer than 30 planners in all the 175 local authorities. However, the government employed more than 100 planners and deployed them to local authorities. This was a good step but more planners are needed and the financial resources are inadequate.

The local government system in Kenya is divided into four categories: city; municipal; county; and town councils. As of 2009, the system has 175 local authorities composed of one (1) city council (Nairobi); forty five (45) municipal; sixty seven (67) county; and sixty two (62) town councils (see table right).

Types and Number of Local Authorities in Kenya		
Category	Local Authority	Total No.
I	City Councils	1
II	Municipal Councils	45
III	County Councils	67
IV	Town Councils	62
Grand Total		175

6.4. Challenges and opportunities

A number of strategies are being put in place to address the issue of lack of resources in local authorities.

1 **City Development Strategies** (CDS). The Association of Local Government Authorities of Kenya, the umbrella organization for local authorities is working on a programme to pilot 10 local authorities to implement an inclusive and comprehensive strategic planning process, starting with city profiles to identify internal and external resources, opportunities and challenges that need to be addressed when planning and implementing local authority programmes.
2 The **Kenyan central government** (with the support of the World Bank, SIDA and AFD) is about to implement the Kenya Urban Programme (KMP). This programme is intended to address institutional, financial and infrastructural challenges faced by local authorities in providing services. Strategic planning will be one of the elements in the programme.
3 The **draft Kenyan constitution** addresses the issues of devolution of powers, responsibilities and resources to local authorities. The Draft Constitution was approved in a referendum by 67% of voters, and will devolve powers to local government. Chapter 11 of the constitution gives government devolved powers to make laws and to implement programmes. Chapter 12 provides that 15% of the country's national revenue is transferred to local authorities, giving them a substantial rise in reliable financial resources. Staff will need to be trained and qualified members of staff retained to implement the new legislation.

Part 7:
Conclusion and recommendations

7.1 Conclusion

Faced with huge political pressure to deliver, increased levels of responsibility, weak capacity and lack of revenue raising ability, often confused roles and responsibilities with other spheres of government, municipalities more than ever must

recognize the need for strategic planning, allocate the necessary resources to this, and elevate the role of the planning department to allow them to take well-informed decisions about their future development. Increased responsibility for service delivery, attracting investment, and managing urban development, means local governments not

only have to plan strategically, they also have to be creative and aggressive in the implementation of their strategic plans.

As indicated earlier, it is extremely important that municipalities share and learn from their experiences, and develop a platform for constructive engagement with each other, and with other spheres of government. The call for capacity building inside municipalities should be a priority for international assistance and for the ministries of local governments. It is in this regard that the respective local government associations can play a major role, putting forward issues of common interest and concern, and combining the political power of local governments to constitute a formidable force to negotiate with national government.

7.2 Regional Recommendations

Local governments should
- Recognise the need for planning in general and strategic planning specifically and to allocate appropriate resources and time, with an integrated development planning manager, in addition to a municipal planning department.
- Recognise that strategic plans need to be short and clear, and easily communicated and that strategic planning is a long-term process, that transcends electoral mandates.
- Achieve effective strategic planning with strong local leadership and political support at all levels.
- Put in place mechanisms to increase the revenue raising ability of municipalities and reduce their reliance on central government transfers, and on donor funding.
- Ensure clear and transparent criteria for funding from central government to ensure stability and facilitate strategic planning.
- Involve all stakeholders in the development of a clear strategic vision.
- Encourage sustainable investment from the private sector
- Encourage a participatory approach, and "ownership" of the planning process by local officials, politicians and residents which increases accountability of municipal officials.
- Implement a strong framework to avoid duplication of functions and align the planning and actions of all players at local level and promote cooperative governance.
- Develop resources and capacities to make sure there is the local competence to perform the municipality's mandate and carry out its strategic plan.

- Strategic planning needs to be tied to the budget and the performance of senior municipal personnel needs to be monitored.
- Promote dialogue, skills and knowledge sharing between networks and municipalities.
- Intermunicipal cooperation: collaboration works best if done in line with needs and aspirations of neighboring municipalities.

National governments should:
- Enable and empower local governments to fulfill their mandate through legislation and clear lines of funding.
- Accept the importance of strategic planning for developmental local government.
- Transfer funds and capacity building efforts from central government.
- Recognise that local government has been mandated on behalf of the electorate.
- Recognise that local governments are best placed to allocate resources.
- Recognise that it is impossible for even the most competent municipality to accomplish all its goals alone.

International institutions should:
- Recognise local governments as negotiating partners.
- Avoid delay in implementation of projects.
- It is important that international partnerships link and support existing strategies to be implemented, and are conducted in conjunction with municipal representatives, and that mechanisms are put in place for sharing experiences (both positive and negative) across municipalities within, and between, each country.

Associations and NGOs should:
- Facilitate regional knowledge sharing, networking and mentorship programs.
- Facilitate technical assistance, skills training and capacity building.
- Help local governments develop sustainable and equitable relations with the private sector.

Private sector should:
Commit to sustainable and equitable projects.

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Local leaders
preparing
for the future
of our cities

Asia

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Part 1:
Context and general trends

1.1 Overview

Asia is experiencing rapid urbanisation, largely thanks to the industrialisation of countries such as China and India. But the world's most populous continent is also culturally and politically diverse, with economic extremes of wealth and poverty. The influence of Asian cities on the world stage is increasingly apparent. Between 2008 and 2025, Shanghai is expected to soar up the global city GDP rankings from 25th place to 9th, and Mumbai is expected to rise in the same period from 29th to 11th place.[1]

To capitalise on this economic expansion and improve urban productivity, equity and sustainability, cities must devise new cooperative arrangements and form strategic interventions: focused, integrated, participatory, long-term, relevant and sustainable.

This regional section paper provides a snapshot of the planning systems adopted by Asian countries with reference to China, Indonesia, Philippines and Vietnam, and proposes policy responses to improve intervention. Case studies on cities of Batam, Calbayog, Daegu, Delhi, Jakarta and Ghangzhou have been included.

1.2 A rapidly urbanizing region

Asia is the world's largest continent, covering 29.9% of the earth's land area. But it is also the most populous continent, with approximately 4 billion people, or 60% of the world's population. About half of the 100 largest urban agglomerations[2] in the world are in Asia, and 9 Asian agglomerations rank in the top 15 – more than any other continent.

In Asia, approximately 40% of inhabitants already live in cities. By 2050, Asia will host 63% of the global urban population, or 3.3 billion people. China will reach the 1 billion urban population mark by 2030, and is expected to be 70% urban by 2050.

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1 PriceWaterhouseCoopers report on emerging market city economies, November 2009
2 The term "urban agglomeration" refers to the population contained within the contours of a contiguous territory inhabited at urban density levels without regard to administrative boundaries or commuter flows. It usually incorporates the population in a city or town plus that in the suburban areas lying outside of but being adjacent to the city boundaries.
3 Asian Development Outlook 2009

Top 15 Agglomerations (UN Population Division 2009)			
Rank	Agglomeration, Country	Population 2010 est.	Population 2025 est.
1	Tokyo, Japan	36,668,510	37,088,417
2	Delhi, India	22,156,810	28,567,826
3	São Paulo, Brazil	20,262,493	21,650,903
4	Mumbai, India	20,040,868	25,809,977
5	Ciudad de México, Mexico	19,460,212	20,712,767
6	New York-Newark, USA	19,425,069	20,636,047
7	Shanghai, China	16,575,110	20,016,885
8	Kolkata, India	15,552,080	20,111,977
9	Dhaka, Bangladesh	14,648,354	20,935,801
10	Karachi, Pakistan	13,124,793	18,725,211
11	Buenos Aires, Argentina	13,074,389	13,708,193
12	Los Angeles, USA	12,762,091	13,677,047
13	Beijing, China	12,385,263	15,018,304
14	Rio de Janeiro, Brazil	11,949,619	12,650,430
15	Manila, Philippines	11,628,288	14,916,106

Many cities in China are growing at staggeringly high growth rates of more than 10% per year, including Chongqing, Xiamen and Shenzhen which can be attributed to a variety of factors; including the adoption of a pro-urban approach to economic development by the government of China, shifting from a state-directed process under a planned economy to a state-guided process within a market system; administrative reclassification of predominantly rural settlements as cities; and in-migration.

1.3 Vibrant economy though slowing

Urban areas in Asia contribute about 80% of the continent's gross domestic product (2004). Leading the pack of Asia's vibrant economy are the robust economies of China and India, although they are far from immune to the global economic crisis.

According to an Asian Development Bank report[3], GDP growth in 2009 for developing countries in Asia will be 6 percentage points lower than in 2007 and 3 percentage points lower than in 2008.

1.4 Urban - rural inequality

Many countries in the region, particularly China, are grappling with income disparities between rural and urban areas. China

has one of the widest income gaps between rural and urban areas of any country in the world. This type of rural-urban inequality has increased in the last two decades mainly as a result of economic liberalization and concentration of economic activities in urban areas or city regions.

Beijing, the capital of China, is the most equal city in Asia; its Gini coefficient is not only the lowest among Asian cities, but is the lowest in the world (0.22). But Hong Kong has the highest Gini coefficient among all Asian cities, and a relatively high value by international standards (0.53). Recent analyses suggest that India is undergoing an inequality trend somewhat similar to that of China as a result of economic liberalization and globalization.[4]

1.5 Unmet MDG goals

The year 2009 is past the halfway mark to 2015, the target year for accomplishing the eight Millennium Development Goals. Asia has made strong progress on poverty reduction, with many countries expected to reach the target of cutting extreme poverty in half by 2015. However, the economic crisis threatens to to dramatically slow down sharply the pace of further poverty reduction. In recent years, several natural disasters have struck Asia that will set back development gains, including earthquakes, landslides and severe flooding in Indonesia and the Philippines.

A collaborative effort among cities should also be forged to plan for responses to natural disasters and to make progress on other MDGs such as the reduction in child and maternal mortality rates, nutrition, sanitation and education.

1.6 Inadequate shelter for the poor

Slum concentrations throughout Asia vary widely from an average of 43% in Southern Asia and 37% in Eastern Asia, to 24% in Western Asia and 28% in South-Eastern Asia. The high concentration of slum households in Southern Asia can be associated with a variety of factors, including lack of investment in the sub-region's housing sector, poverty and instability.

Slum households in Eastern Asia are highest in Mongolia, comprising 65% of that country's households, mainly resulting from a lack of appropriate housing.

1.7 Land delivery systems

At the edge of many cities vast tracts of rural lands are being converted to urban uses. So-called land hoarding or land banking have made access to affordable and serviced developable areas a problem in such Philippine cities as Metro Manila and Iloilo, and in Indonesia. In the peri-urban areas of

Ho Chi Minh, the rapid spread of development is completely out of control, making it almost impossible to serve with urban infrastructure.[5]

In China, land supply is leading to the dispossession of farmers, loss of agricultural land and conversion to other uses such as industry. Conversion to urban uses increase land values and becomes the source of revenue for local budgets to fund infrastructure and essential services.

Cities have been urged to plan strategically and address the needs of the future. Cities needed to devise more responsive local regulatory planning systems and fiscal incentives, increase local capacity and invest in new infrastructure without neglecting environmental sustainability and efficient urban form. Unless challenges are given attention, there is every chance that urban expansion will become less sustainable in the coming years.[6]

1.8 Water, sanitation and waste

Cities tend to struggle most with localized, immediate and health-threatening environmental issues. One in three Asians has no access to a safe drinking water source that operates at least part of the day within 200 metres of the home (ADB 1997). Almost one in two Asians has no access to sanitation services and only 10% of sewage is treated at primary level (ADB, 1997). The situation varies from one country to another but is generally worse in urban areas.

The World Health Organization's Global Burden of Disease project attributes 58,000 annual premature deaths to urban air pollution.[7]

1.9 Climate Change

Cities consume a large amount of the world's energy, and industries consume more than 50% of total energy in mega cities such as Beijing, Shanghai and Kolkata.

According to the Intergovernmental Panel on Climate Change global emissions must peak in 2015 and be reduced by 50% to 80% below 1990 levels by 2050 to avoid the catastrophic impact of climate change. China and India, classified as advanced developing economies, account for 10% and 3%, respectively, of the man-made greenhouse gases now in the atmosphere, compared with 75% for the developed world (World Resources Institute). But India and China, which has recently become the world's largest emitter of carbon dioxide, are more vulnerable to climate change than advanced developed countries.

It is projected that China and India will experience median temperature increases of 8 or 9 degrees Fahrenheit more than Western Europe.[8] China's south and west are experiencing a sevenfold increase in rainfall compared with the 1950s. Pacific cyclones are expected to become more severe, with stronger winds and extreme rainfall.[9]

Flood risks are also rising with the threat of climate change. In Asia, the dominance of port cities is even greater than Africa and Latin America: 18 of the region's 20 largest cities

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4   UN Habitat. State of the World's Cities 2008/09
5   Professor Adrian Atkin of TU Berlin, Germany
6   World Bank, East Asia Project, *Sustainable Development on the Urban Fringe*, Draft Final Report, January 2007
7   UNEP Asia Pacific Environment Outlook
8   Report of the Intergovernmental Panel on Climate Change (IPCC), 2007.
9   Begley, Sharon. "China and India will Pay" *Newsweek* August 27, 2009
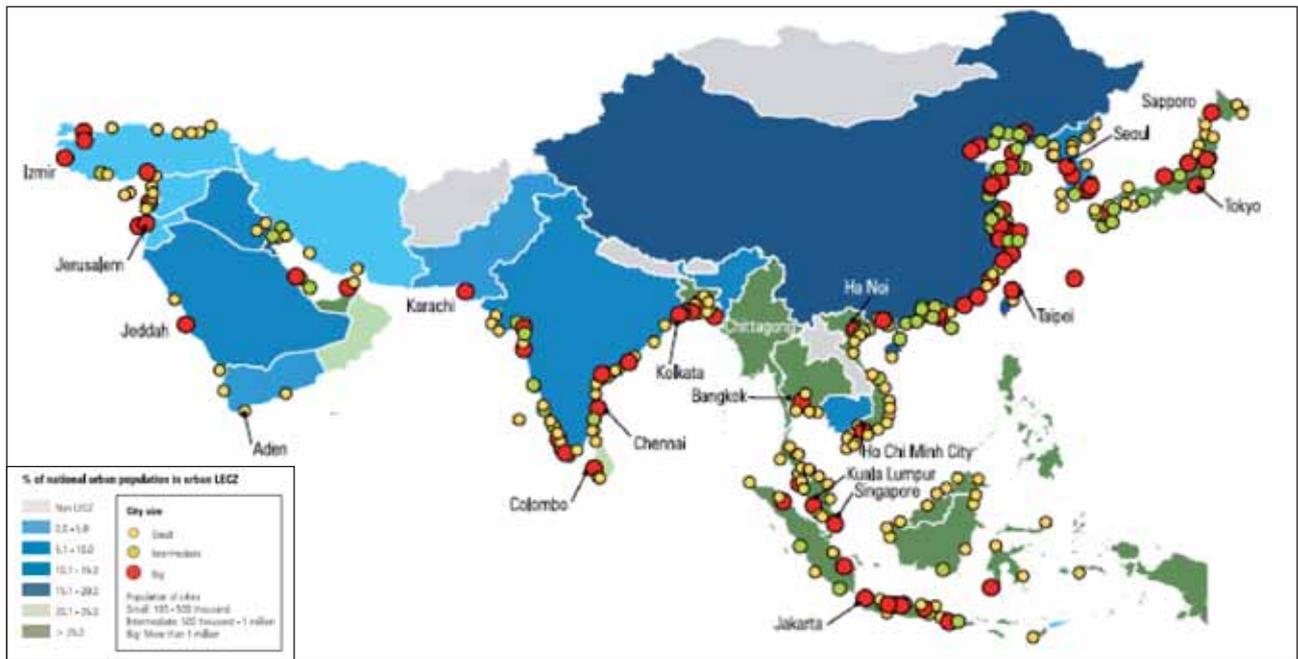
Asian cities at risk due to sea-level rise (UN Habitat 2008)

are either coastal, on a river bank or in a delta. In Japan, less than 10% of cities are situated in low elevation zones, yet 27 million of its urban population are at risk, more than the urban population at risk in North America, Australia and New Zealand combined.

By 2070, urban populations in cities in river deltas, which are already at high risk of flooding, such as Dhaka, Kolkata, Rangoon, and Hai Phong, will join the group of most exposed populations. Also, port cities in Bangladesh, China, Thailand,

Vietnam, and India will have joined the ranks of cities whose assets are most exposed.

The private sector in cities will be the main engine in the transition to a low-carbon global economy. For instance, as China has come to realize that its people could be among the hardest-hit victims of global warming, Beijing has mobilized its resources. With the help of generous state subsidies, Chinese companies have, for example, taken the lead in wind and solar power production.

Part 2: Planning challenges and trends in Asia

2.1 Decentralized governance

Since the 90s, many central governments in Asia have decentralized fiscal, administrative and political responsibilities to lower units of government and to the private sector. In China, city officials are appointed by the local people's congresses, but higher levels of government appoint senior local officials. Vietnam is similar to China although major cities have been allowed greater autonomy. The 73rd and 74th Amendment Act of India in 1992 granted constitutional status to the local bodies as the third tier of government. Cities in the Philippines enjoy strong autonomy from the national government. Some countries found decentralization desirable as it brought positive results, eg

fiscal reforms, government that is perceived closer to the people, improved delivery of public services and a more engaged citizenry. Decentralization can yield negative effects, however. To cite a few examples: donors' preference for vertical and centralized projects could limit their participation in health delivery services or; increased fiscal decentralization may increase intra-district disparities.

2.2 Local capacity and resources

Central and local governments have recognized that much of the success of decentralization depends on the capacity of the local institutions, central government's support, transfers of commensurate level of resources to the local units for

Cross border concerns			
	Transnational	**Cross border regional/cluster of cities**	**Cities/local/communities**
Strategic planning–participation	Climate change mitigation	Land and forest	Land use planning
		Nature conservation	Visioning
	Migration and demographic	Coastal and marine	Coordination of private land development
	Trade	Water resource management	
			Urban renewal and housing
	Economic innovation systems	Roads	Heritage conservation
		Transportation	Amenities
		Solid waste disposal	
	Investment flows	Land use and transportation planning	
			Solid waste management
	Science and technology	Visioning	Community based disaster risk reduction
		Coordination of large private land dev	
		Regional/ sub regional Disaster Risk reduction	
			Health, education, social services
			Job creation
		Health (spread of diseases)	community participation
		Specialized social services	Others
		Others, tourism etc	
	RAPIDLY EVOLVING ENVIRONMENT		

Source: UCLG Consultant 2009

service delivery and more importantly, local good governance. The aim may no longer be to decentralize just for the sake of it but to ensure good governance[10] (Sharma, 2008). Local authorities acknowledge that the decentralization process does not necessarily imply an abdication of the responsibilities of central government. Instead, it calls for a reorientation of the central government's role, away from one of direct supervision and toward one of environment-setting and general oversight. Central authorities should assume an enabling role and should play closer attention to incentives, sanctions, tools and guidelines for local authorities. This approach is being adopted in India, the Philippines, Indonesia, for example.

As the different tiers of government deal with specific concerns there are urban management issues that can be addressed across borders. This is illustrated in the case of Batam which becomes more intertwined economically with the private sector and with other nations of Indonesia, Malaysia and Singapore to pursue a common objective.

Table above illustrates the different levels of concerns. The list is not exhaustive and may vary in each country.

2.3 Changing demands of devolved powers

Decentralisation is not a one-size fits all solution. The question that may be more relevant to ask therefore is *how* decentralization can work, rather than does decentralisation work. As the configuration of cities in Asia changes, governments are now evolving forms of cooperation and decentralization. Industrialization and economic growth tends to extend city boundaries as demonstrated by the expansion of villages into towns, cities into metropolis, and mega cities into mega regions, eg Jabodetabek, Seoul Metropolitan Government, Tokyo Metropolitan Government.

This poses a real challenge for authorities in devising appropriate decentralization strategies and cooperative arrangements to better integrate plans among clusters of cities, share responsibilities, enter into innovative cross-border institutional arrangements, redesign coordinative structures and utilise new information technologies to facilitate citizens' participation and engagement.

2.4 New media

The emergence of new media signals provides both a challenge and opportunity to cities. Whereas public information was once mainly the government's domain, now almost everyone has the opportunity to inform themselves and influence others. The availability of vast amounts of data is rewriting how communities interact with organizations and participate in their cities and governments. Governments are increasingly under pressure to provide open access data services which are accurate and objective.

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10 Sharma, Chancal Kumar. Emerging Dimensions of Decentralization Debate in the Age of Glocalization in Decentralized Local Governance: Global Perspectives. Edited by Dr. Sudha Menon. Forthcoming in: ICFAI University Press

2.5 Comparison of urban planning systems in four Asian countries[11]

Comparison of the planning systems and the emerging practices in four countries – China, Indonesia, Philippines and Vietnam (see Appendix 1) – shows that there are two planning and implementation approaches that may be derived from the six cases and country trends. The first is a top-down, interventionist, and high public sector investments approach exemplified by China and Vietnam. The second is a bottom up, participatory approach in low to moderate growth economies with weak enforcement mechanisms such as in Indonesia, the Philippines and other developing Asian countries.

Similar to the experiences of China and Vietnam, the other developing countries espoused economic growth as a key planning goal. In the Philippines, the central government directed the establishment of special economic zones[12] (SEZs) in the 80s in several growth centers on the outskirts of highly urban areas to promote industrialization and economic growth. Many countries used this strategy to pursue urban-led development. In China, the Shenzen SEZ grew from a fishing village of 30,000 to a city of more than 10 million within 27 years.

In China and Vietnam, household registration systems were used in the 50s to control population movement from rural to urban areas. China and Vietnam relaxed the registration system and rights of residence and entitlements in urban areas in the late 80s.

Both countries have adopted a highly interventionist approach which had a significant impact on urbanization. For instance, land is owned by the state in China and is considered a key factor in governing the urbanization process. The state has substantial powers to requisition land for urban development, to convert the land to urban or industrial use, and lease it to the private sector at a profitable market value.

In other developing countries such as Indonesia, India and the Philippines, the approach shifted from central planning to bottom up with oversight from central government. The local governments of Jakarta and Daegu, for example, affirmed that they need to align their programs with national plans to secure budget allocation for their projects.[13] Central forms of government could be traced to the legacies left by colonial powers of centralized administrative rule which was more suited to maintenance of law and order and revenue extraction rather than governance and participation at local level. Several countries with strong traditions of central planning continue

to adopt this system. But where self-government was an indigenous form of government, decentralisation became more discernible when countries gained their independence. Several countries decentralized many functions such as revenue collection, planning (including strategic planning), legislation, delivery of services and others to local authorities. Resources to provide infrastructures and services, however, was limited as local sources and transfers from central governments were insufficient. Cities are looking into adopting innovative forms of financing to counter this.

Governments pursued bottom up planning while retaining the oversight function of higher levels of government, ie provincial, regional and national. Participatory planning was encouraged and many cities have adopted strategy planning as an alternative to a deterministic and inflexible master planning approach. Strategy planning relies a great deal on stakeholders' participation and is the key to its success.

The focus of planning policy is also evolving. In some countries such as Vietnam, statutory master plans, mainly spatial, and often inflexible inflexible, were executed. For example, the central government prescribes compliance to the National Master Plan 1999, a national urbanization policy which designates Ha Noi, Ho Chi Minh, Hai Phong and Da Nang as metropolises. From 2004 there have been several attempts to introduce a strategic planning approach in Hanoi, Ho Chih Minh and Danang. Yet the integration of this approach into the business process of Vietnam had marginal success.

Plans prepared by countries with democratic systems of government, eg the Philippines and Indonesia, took a more sophisticated form and are not mainly spatial and land use plans. These plans were subjected to reviews by the higher levels of government and were received with fairly broad participation from various stakeholders. The enforcement of these plans, however, was weak. The absence of a clear urban policy and development regulations that were rigid and not tailored fit local conditions could be at fault.

The size and influence of cities in Asia have changed. The number of metropolises and mega cities in Asia will continue to increase. Several big cities such as Bangkok, Jakarta, Manila and Seoul extended their planning boundaries to cope with the pace and scale of urbanization. Many cities in the region face serious environmental problems and the effects of climate change. These have prompted governments and stakeholders to plan as a city region, take action, enact laws and regulations to mitigate negative impacts, despite the pace seeming to be slow.

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11 World Bank, East Asia Project, Sustainable Development on the Urban Fringe, Draft Final Report, January 2007 Halcrow Group Ltd for China, Philippines and Vietnam data
12 SEZ is a production enclave in which foreign and domestic investors are allowed to set up enterprises under favorable terms and generous incentives to sell their products in international markets
13 Discussions during the ASPAC Workshop on Regional Chapter Asia Policy Paper Urban Strategic Planning, 27 June 2010, Batam Indonesia

Part 3:
Case studies

3.1 Introduction

The cases include the cities of Batam and Jakarta in Indonesia, Calbayog in the Philippines, Daegu in Korea, Delhi in India and Guangzhou in China. The case studies describe problems that other Asian cities may have also experienced, but they are all examples of decentralised systems of governance, apart from Jakarta, which takes a centralised, top-down approach to planning and adopts some aspects of decentralisation such as citizen participation at neighbourhood (*kampung*) level.

3.2 General findings:

- Cities can hardly cope with the increasing demand for infrastructures and services.
- Urban forms are not coherent and land is not properly managed.
- The entire urban system is complicated to manage.
- Responsibilities are increasingly passed onto the cities from the central level.
- They are at the tier lower than the provincial and the state or central governments.
- These cities report to the head of the state and the province on their city plans which are defined to a large extent by the guidelines of the governments above them.
- Cities adopt some form of strategic planning to complement their statutory plans.

Batam, Jakarta, Calbayog, Delhi and Guangzhou have all adopted strategic planning, reconstituted their structures, introduced reforms, widened participatory processes and engaged citizens, including the private sector, in the development of plans. Cities are also engaging with academia, joining global associations and network with other cities and international partners in search of equitable and sustainable solutions to the many urban challenges they have in common.

3.3 Batam, Indonesia

Batam is an island city in the Riau Islands Province of Indonesia with a population just below 1 million. It is located

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14 In the 1980s the Governments of Singapore and Malaysia signed an agreement to create a growth triangle that included not only Singapore and Johor but also the Indonesian province of Riau.
15 ADB 2008. City Cluster Development edited by Choe K and Lacquian A. ADB Manila 2008.

just 20 km off Singapore's south coast and is part of Indonesia, Malaysia, Singapore (IMS) Growth Triangle[14] free trade zone. As such, it exemplifies a transborder city clustering approach[15]. It shows how a city can foster strong links with the private sector and with other nation states to pursue a common economic objective.

Batam's population (currently 1 million) tripled in the last 10 years with a phenomenal urban population growth of 9.5% annually. As Singapore has limited and expensive land and strict regulations, Batam became a place for cheap shopping and services that are usually found in urban peripheries that do not have adequate control or infrastructure. Strategic planning was adopted to deal with the city's accelerated growth and uncontrolled land development. A city development strategy was prepared to achieve Batam's vision of becoming a "world class city based on moral and ethical values".

Central and local government urban and budgetary plans were combined into one planning package for Batam, to coordinate, synchronise and simplify development interventions. Task forces from the private sector, academia and other sectors were formed to promote civic engagement. They conducted meetings, focused group discussions and held public consultations to draw out ideas and aspirations from the people. The media helped in informing and educating the
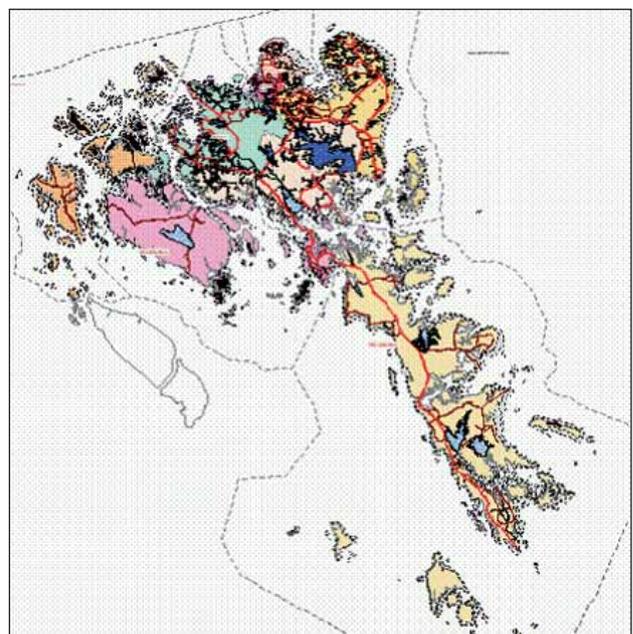
Areas of service provision in the island of Batam, Indonesia

public to make informed choices. Around 80% of Batam's budget comes from the national budget scheme, 15% comes from local revenues and 5% from the provincial budget.

The plan is reviewed and updated every 5 years to make the plan relevant to the changing conditions of Batam. Stakeholders view that a solid and more objective decision making process should be established, and that short-term plans be made consistent with long-term objectives. These will guide political leaders who hold office for a definite period.[16]

Around 70% of Batam's basic infrastructures – roads, electricity, water, telecommunication, ports and airports – were financed from government sources and 30% were from private funding. Private investments have gradually increased and some important lessons have been learned:
(i) The provision of adequate infrastructure attracts private investments, and
(ii) The cooperation between the government and the private sector is important to make the urban economy work.

As part of the Special Economic Zone of the IMS Growth Triangle, Batam City benefits economically from its close association with Singapore and Malaysia. Theirs is a relationship bound by common economic initiatives despite different political systems and legal regimes.[17]

3.4 Calbayog City, Philippines

Calbayog City is an example of a city that adopted a strategic planning process to mobilise support from stakeholders to achieve its vision for a "sustainable agri-industrial community that serves as the trading and economic growth centre" in Samar province. Through the city's active participation in the National League of Cities in the Philippines, which is also a member of United Cities and Local Governments, it also networked with other cities nationally and internationally to mobilise support for its projects.

The city, which has a population of around 164,000, initiated the preparation of the City Development Strategy (CDS) in 2002 to establish development priorities and to guide the city's long-term development in the face of low public resources. The CDS process was supported by Cities Alliance partners such as the World Bank. Prior to the CDS, the city was bedevilled by budget deficits, poor tax collection which averaged at only 6-9% annually, and weak revenue base – thus its capacity to finance the required capital investments was limited.

The introduction of CDS along with other tools such as the Performance Governance System[18] responded to the city's need for an integrated, comprehensive and participatory approach to urban development. It unified the disparate efforts of the different stakeholders in the city including the internal departments of the city government which likewise did not have a clear focus and strategy for development.

The mayor organised a CDS team of technical personnel from key city government departments to focus on this vision. The city government also involved the *barangays*, the lowest tier of government, and consulted with the different stakeholders groups, like the Multi-Sectoral Coalition, the private sector, the People's Development Council, among others.

The city government also embarked on a more aggressive marketing campaign. The chief executive networked with development partners including the private sector and was able to mobilise funds for projects – such as the Bangon Falls mini-hydro power plant and medium-rise housing for government employees – which the city could not afford to finance from its resources in the short term. Furthermore, the city could attract international support and investment for Jica on services such as sanitary landfill, that, since the enactment of the Local Government Code in 1992, became the responsibility of the municipality without the corresponding resources to back up their implementation It had a few successes in local projects, eg enrolment of pedicab drivers in social insurance, relocation of internal settlers to serviced areas, access to medical services through a partnership with private hospitals and revision of the Calbayog local tax code.

The city mayor shared his CDS experiences with the region and other local governments and CDS was applied nationwide. As a member of the 120 member League of Cities of the Philippines, Calbayog contributes to capacity building among Philippine cities and knowledge sharing.

3.5 Daegu

One of the major industrial areas of Korea, Daegu Metropolitan City had to deal with a declining population over the past few years. At the end of 2009, the population stood at 2.5 million – making Daegu, capital of the Gyeongbuk province, still the third biggest metropolitan area in the country. However, population decline of 0.15%[19] together with a stagnant local economy and a fast-aging society made the city leaders realise the need for change.

The declining population in the old city centre led to an inner-urban transformation and was further accelerated through increased suburban growth, making it necessary to implement a comprehensive planning approach, performance monitoring and other local government management tools necessary. *See Box 1 Daegu: Dealing with an Aging Population on the next page*

In the course of a national decentralisation process in Korea, based on the related law of transferring central government's authorities to local governments, various authorities including taxation (local income tax, local consumer's tax) are being transferred from central to local governments. The cities also

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16 Discussions during the ASPAC Workshop on Regional Chapter Asia Policy Paper Urban Strategic Planning, 27 June 2010, Batam Indonesia
17 ADB. 2008 City Cluster Development. ADB Manila
18 Institute for Solidarity in Asia.
19 As of December 31, 2009, the population in Daegu stood at 2,509,187, which is a decline of 3,417 (Δ 0.14%) compared to the end of the previous year; and the number of households showed an increase of 11,501 households (1.29%) compared to the previous year, at 906,470 households. Source: Daegu Metropolitan City
https://english.daegu.go.kr/cms/cms.asp?Menu=28

Box 1: Daegu: Dealing with an aging population

Daegu Metropolitan City faces a major challenge that other Asian cities have not yet come across: a declining population. As the birthrate has declined and lifespan increased, thanks to the improvement of living standards and development of medical technology, the economically active population has also decreased.

Daegu Metropolitan City is the third largest among the 16 metropolitan cities and provinces in Korea. About 10% of its present population is aged over 65. In the 1980s there were 16 people aged 15 to 64 for every person aged over 65. This ratio is projected to reach to 5 people aged 15 to 64 for every one person aged over 65 by 2020. Based on a UN definition, Daegu could have classified as an aging society in 2004, an aged society in 2018, and an ultra-aged society in 2025.

To tackle the problems caused by low birthrate and aging population, in 2007, Daegu City had set up a task force the first of its kind in Korean local governments. The city government has also established an annual plan for aging society and population that is aligned with the central government's five-year-plan.

To address the low birthrate, Daegu has set policy objectives for 2010, these are:
• To establish an environment for recovering the birthrate of 1.6 per woman, the average OECD birthrate and
• To strengthen the infrastructure necessary to overcome the aging society.

The city government has outlined the following to meet the mentioned objectives:
• To implement various city projects to raise the birthrate.
• To strengthen government's support for childcare and enhance users' satisfaction.
• To promote the health of the elderly.
• To provide the elderly with a variety of leisure programmes.

Daegu implements most of the projects jointly with the central government by raising matched funds. About 12.4% of the city's budget has been allocated for these projects. Citizens participated through advisory committees, eg Low Birthrate Advisory Committee composed of experts, to draw up the succeeding year's city's budget, in performance evaluation and other activities. The Korea Institute for Health and Social Affairs, a government funded research group, evaluates projects against a set of indicators annually. Projects with excellent performance are rewarded which motivates officials and civic agents to perform better.

The city in partnership with the private sector provides incentives to increase the birthrate. For example, the city collaborated with local banks and over 1,200 private companies to issue a Daegu Loves Kids credit card to families who have more than three children. Families could get benefits like discounts and special rates from 1,200 different types of manufacturing and service stores —a public-private partnership that has been rated successful.

The city deals with challenging problems by focusing on these priority issues, engaging citizens to participate in the entire planning process and involving the private sector in implementing projects.

Other cities that are faced with major challenges, albeit not similar, may learn from the Daegu experience.

have high competences of planning. The 2020 Daegu Urban Master Plan was drawn according to the 4th Comprehensive National Land Planning.

After a change of regime in 2008 and some economic changes, the central government decided to establish Daegu – Gyeongbuk as a Free Economic Zone, which led to the creation of a new municipal institution, the Free Economic Zone Authority.

The city now has several plans in place: the Daegu Long-term Development Plan with the Daegu Vision 2020, the Daegu Urban Master Plan (2006-2020), the Greater Daegu Metropolitan Plan (2001-2020) and the Daegu Gyeongbuk Metropolitan Economic Zone Plan. The vision of the city is to promote an effective, desirable development and to cope with economic and social change.

Making use of other experiences, eg the City of Kobe in Japan, (as a benchmark for the establishment of a high-tech medical complex). The city has defined indicators for the Daegu long-term Development Plan. Those include population, percentage of knowledge-based industry and number of social welfare facilities.

Throughout the planning process, Daegu has actively been involved in central government policies in order to be included in the budget. The city has invested heavily in green spaces to improve the quality of the infrastructure and in economic macro-projects (Daegu Technopolis and Culture Industry cluster). The two projects alone are estimated to cost $17.3 billion.

Investments were increased between 2007 and 2009 to buffer the financial crisis – the city almost tripled the government guaranteed credit for small and medium enterprises from $390 million in 2007 to $950 million in 2009.

There were, however, also some set-backs. The city found that incorrect analysis of results or the lack of public consultation during the planning process and implemention of a plan can lead to economic losses or provoke opposition to the plan.

3.6 Delhi, India

This case study demonstrates how Delhi coped with the challenges of urbanisation and how nationally led initiatives influenced the urban management approach adopted by the cities in India.

The centrepiece of the cities' response to the tremendous pressures from population growth, rapid urbanisation and globalisation is the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Under the JNNURM 65 cities were required to formulate a City Development Plan (CDP) as a pre-requisite for grant support.

The strategic plan provides the framework for setting out the various reform targets and investments required by the JNNURM scheme including redesigned property tax laws, allocation of lands for the urban poor, review of titling processes and other related programmes. For instance, the state government of NCT of Delhi has already undertaken some of the mandatory reforms including property tax reforms and stamp duty rationalisation. It is essential to support urban reforms both at the city and state levels, promote participatory approaches, develop appropriate enabling and regulatory frameworks, enhance the creditworthiness of urban local bodies and integrate the poor in service delivery systems to make cities work and to contribute substantially to economic growth.

The CDP plan includes actions that lead to immediate results particularly on improving the environment and that are potentially sustainable. For instance, the Action Plan for the Greening of Delhi involves the cleaning of the river Yamuna which gained wide support among various groups.

The main bottleneck in the implementation of CDP is the lack of coordination among the local bodies and 14 union and state government agencies. As a result, the role of the local bodies is limited both in terms of range of functions and delivery performance. In addition, there are also conflicting and overlapping jurisdictions, eg there are three different agencies which are responsible for storm water drainage in the city.

Delhi's urban planning bodies have responded to this structural inefficiency through capacity building programmes, eg technical assistance, partnering with other cities the private sector and civic groups and sustaining a participatory process.

MASTER PLAN FOR DELHI - 2021
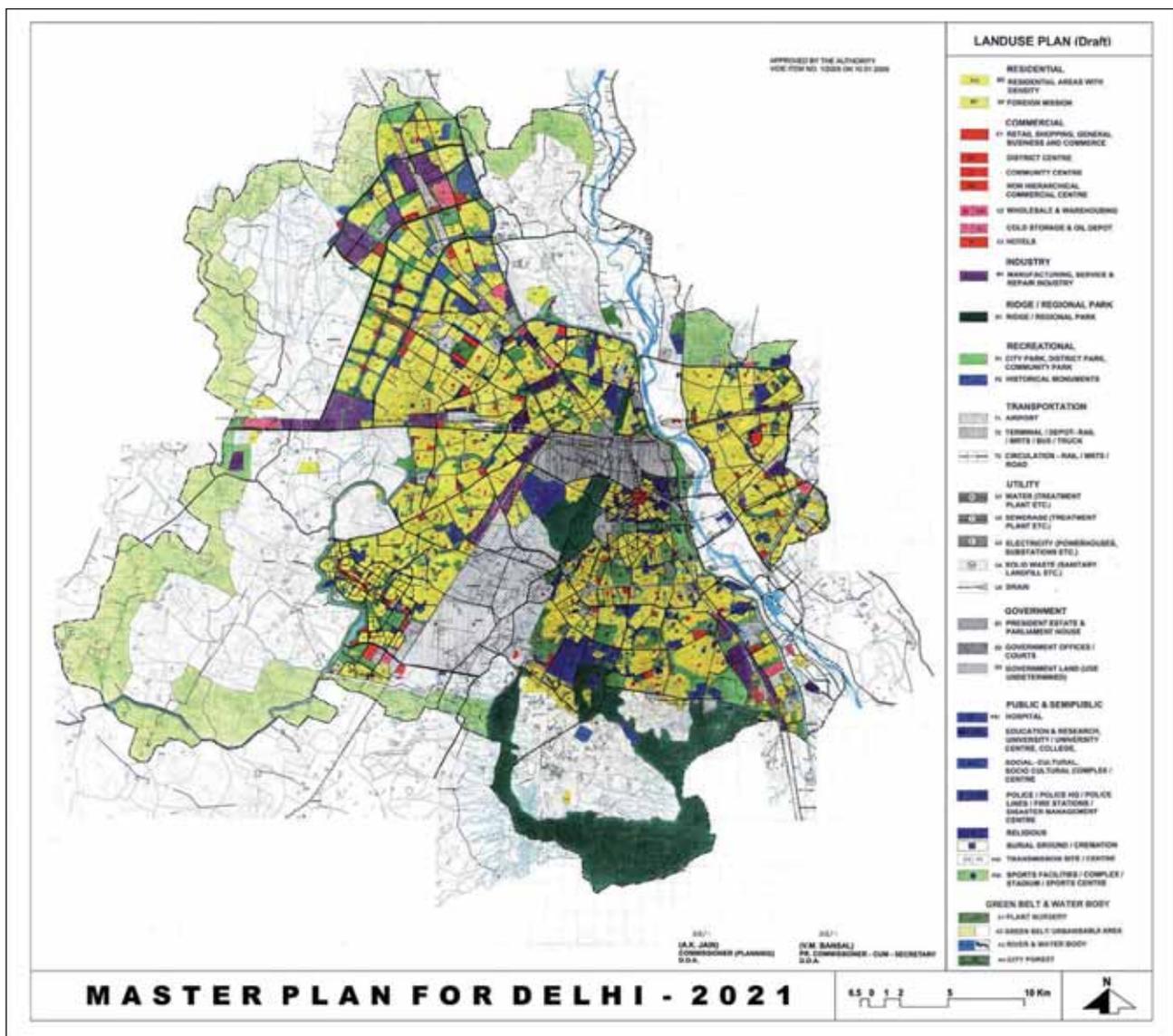
The process of planning in Delhi continues to evolve as the national government introduces reforms in the urban planning process, such as adopting integrated district planning so that services like water and sanitation are available as soon as the poor are provided housing. In the past, most of the cities have been preparing Master Plans which were mainly land use plans. More recently there has been renewed emphasis on Local Development Plans (City Development Plans) and Integrated District Development plans (IDDP) and the Metropolitan Planning in the Metropolitan Planning Areas that are geared towards poverty alleviation. The IDDPs, the lowest in hierarchy, will be part of the State Development Plans and ultimately the National Economic Development Plan thus creating a balance between bottom-up and top-down planning process.

Through the JNNURM, cities in India have taken a strategic approach by identifying the key challenges to sustainable growth and addressing them by taking strategic systemic and structural solutions as against doing a retail approach of implementing narrow and isolated projects. There was, however, a noted gap between resources available and the demand for them from various projects of 65 cities within the 7 year programme period.

However, there is no effective interface between local economic development and planning resulting in low revenues that are insufficient to improve infrastructures and services.

3.7 Guangzhou, China

Guangzhou, the provincial capital of Guangdong, is the third largest city in China. It has an area of 7434 km[2] and a population of around 10 million. From the early 1900s, the economy of the Pearl River port city began to globalise and moved from a planned economy to a liberalised market economy. Like other major Asian cities, Guangzhou faces the challenge of striking a balance between economic growth and sustainability.

With economic growth came political and spatial changes. The city experienced rapid economic growth and urban problems that have multiplied over the years. Over the past 20 years, Guangzhou's average annual economic growth rate has been more than 14% per annum.[20] This growth has had huge social and environmental impacts. The city annexed the neighbouring smaller cities and expanded its administrative boundary. Agricultural lands have rapidly been converted to urban land uses. Traffic congestion was common, ecosystems altered and water supply became polluted. Studies found that 8.3 billion tons of sewage was released in Guangdong Province's coastal waters in 2006, 60% more than five years earlier.[21]

In response, Guangzhou formulated the City Development Strategy (CDS) to guide the city's rapid growth and to outline solutions to the many urban issues that the city faces. The city consulted with experts and city government departments involved in the planning process to arrive at the city's vision.

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20 http://www.gz.gov.cn/vfs/subsite/
21 http://factsanddetails.com/china

Guangzhou's vision is to enhance quality of life through the promotion of a sustainable environment, balanced land use, and efficient transportation network while promoting the growth of the economy. Consultations with experts and governmental departments were conducted. More importantly, data that reflected the economic, social and environmental conditions were used as the basis for decisions.

The framers of CDS aligned the city's policies with the national plan and provincial priorities. The CDS complements the state-endorsed city master plan, a statutory plan for spatial layout and major infrastructure facilities. The city is currently revising the CDS and compiling the City Master Plan 2020.

The theme of the revision process is to shift from a spatial expansion policy to optimisation and upgrading and to place more emphasis on sustainability, integration of public policy characteristics with the national strategy, governance mechanism and public participation.

Funding for the implementation of the city's programs and related infrastructures is done through various sources, eg self-generated resources, land sales and investments. The national government builds large-scale infrastructures like ports, railways, power plants and others. State owned enterprises manufacture steel, build ships and others. The private sector is largely engaged in real estate, consumer services, medium and small scale enterprises, automobile, IT products, etc.

The city's performance is monitored through targets and social, economic and environmental indicators contained in the CDS. For instance in 2009 under a comprehensive scheme to improve air quality in Guangzhou between 2008 and 2010, emissions of carbon dioxide and sulfur dioxide were monitored and mandated to meet a nationally set target. The city also ensures that the monitoring of the implementation of zoning and the technical and management performance of the low-carbon transportation system are in place.

Guangzhou derived good lessons in adopting the CDS:
1) Different scenarios were laid out during CDS consultations that provided the city with a basis for decision making including research and accurate data.
2) Better coordination between the national and provincial government's plans through CDS was achieved.

3.8 Jakarta, Indonesia

Jakarta City (DKI)[22] has a population of around 8.8 million and is the capital of Indonesia. Strategic planning makes only a modest contribution to the governance of Jakarta, which has the same administration level as a provincial government. The *reformasi* that followed after the fall of Suharto in 1998 led to the widespread adoption of decentralisation in Indonesia. But in its capital the many challenges that face the city due to pressures of urbanisation and industrialisation are of such a scale and intensity that it is felt they are better addressed together with other provincial and regional agencies and bodies. These include mass transport, land management, housing, water resource management, flood control and many others.

The government drew up a metropolitan plan for Jabodetabek to outline a coordinated set of interventions in the relevant provinces.

Unlike other provinces, district areas of Jakarta do not have the direct authority of their counterparts. The city planning regulation is done by the central local government directly under the Governor of Jakarta Metropolitan. It has a single planning department within the organisation which implements spatial planning and prepares development plans and policy in accordance with the provincial and Kotamdaya's master plans. The planning department coordinates the efforts of the governor and the five cities and regency in the formulation of their strategic policies. The governor submits a 5 year development plan to the Jakarta Provincial Council for approval and inclusion in the Annual Regional Development

and the Regional Budget. The 5 year Jakarta Strategic Plan of Jakarta serves as a document for reckoning the governor's performance. He reports before the Jakarta Provincial Council. Further, the City holds Participatory Development Planning Workshops where the plan is presented at the community, sub-district, district and provincial level and other bottom up planning processes.

Jakarta DKI recognises the need to pursue strategic decisions and to strengthen institutional arrangements for planning and programming at the regional level.

However, for major programmes that need synergy and integration between sectors and regions such as flood control, MRT, etc, the process is top down. For example, the Provincial Government of Jakarta prepared a strategy centered on mass transport, ie mass rapid transit (MRT), to benefit the residents that are spread over 14,000 km^2. The strategy had likewise identified ways to recover investments. National and international agencies (JICA) provided funds for the Project.

Jakarta City has pursued many empowerment initiatives and capacity building programes, for instance, city to city cooperation to develop local infrastructure, rehabilitation of public buildings, disaster risk reduction programs, and others. Jakarta has 20 sister cities including Bogotá for the Bus Rapid Transit program, and one local authority for the One Stop/Gate Services. Jakarta Capital City is also a member of national and regional strategic planning boards and networks.

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22 Jakarta DKI is administered as a 'special capital province' which effectively integrates provincial and municipal administrations

Part 4:
Policy recommendations

Based on analysis of the trends and challenges in Asia, and the specific examples given in the six case studies, it is clear that cities must establish their priorities alongside key national and regional key concerns. Multi-level policy interventions are required now.

Cities will play a pivotal role in forming advocacies, engaging an enlightened private sector, mobilising citizens' support and implementing programes. It will be through the communities that solutions can be made sustainable.

Representatives from various cities in Asia reviewed and expressed support to the recommendations during the meetings held in Ghangzhou in 2009 and in Batam in 2010.

Local governments shall:

- Promote urbanization policy as a strategy for economic growth, poverty reduction and environmental sustainability.
- Align with national priorities and programs to effectively scale up poverty reduction and environmental improvement strategies to create significant impact.
- Encourage local stakeholders' participation in the planning process to promote awareness and ownership of the different programs in the plan.
- Build capacities of local institutions and strengthen the capacity of local authorities to implement regulations and introduce innovative measures including more flexible forms of urban financing and urban land management delivery systems.
- Incorporate strategic planning frameworks that will provide long-term direction and implement performance monitoring systems to evaluate progress achieved.
- Pursue local economic development and work creation strategies that would increase the economic purchasing powers of families and communities, and address inequality.
- Adapt local development regulations, eg "place – based" building codes, zoning, etc, to effectively mitigate disasters and reduce risks.
- Give priority attention to the protection of the environment to reduce or reverse the impacts of climate change.
- As Asian cities are more on the "receiving end" of the affects of climate change, local authorities must develop capacities for adaptation.
- Pursue public – private sector participation without compromising the integrity of the environment and cultural heritage.
- Network with other cities and cooperate on priority concerns and programs.
- For newly developed countries - recognise emerging concerns like ageing population and address those systematically.
- Recognise the rural-urban partnership and its indispensability for sustainable planning.

- Enable public-private partnership to fill the financing gap.
- Promote participatory urban planning processes.

Local government associations shall:

- Build capacities of local governments on strategic planning, implementation and local economic development and job creation.
- Promote new competencies including strategic planning, development of city clusters or city regions, metropolitan management, integrated resource management and other approaches and adaptation to the effects of climate change. Establish an efficient urban- rural linkage to promote energy efficient settlement patterns and growth.
- Support transborder cooperation and information exchange among cities. Acknowledge this task as an emerging task of local governments.

National government shall:

- Implement policies that promote social inclusion, local economic development and give special attention to the poor and marginal population.
- Enable local authorities to implement their plans and support the implementation of priority programs.
- Recognize the importance of rural municipalities and their role in sustainable urbanization.
- Enable and pursue cooperative arrangements with the private sector and other stakeholders.
- Give environmental concerns a high priority in the cities' agenda and implement mitigation and adaptation to climate change.
- Promote the clustering of the planning and development of cities to achieve energy efficient spatial patterns.

International organisations shall:

- Provide assistance and technical support to capacity building in strategic planning, financing urban infrastructures and plan implementation, and local economic development.
- Promote information exchange on good practices in urban management.

Private sector shall:

- Commit to the government's policy on sustainability.
- Integrate corporate social responsibility in the private sector's programs.
- Take on a more active role in job creation and local economic development.
- Help build more liveable cities.

Appendix 1: Comparison of urban planning systems in four asian countries[23]

China

China is 45% urban (2005) and has a centralized, but fragmented approach to planning, which governs four types of urban areas:
i)   Provincial level municipalities
ii) Prefecture level cities
iii) Country level cities
iv) Administrative towns

The main focus for urban planning is on economic development, environmental sustainability, more efficient urban forms and liveable cities. Development is not driven by planning principles but on generating revenues.

Key legislation:
The National Urbanization Strategy 1979 unsuccessfully sought to limit the size of large and extra large cities and control the development of medium sized cities and small towns development.
- Circular on Land Conservation According to Related Laws and Regulations to Support Establishment of Socialist New Villages' (March, 2006) allows for the sequential development of land by village collectives and addresses the current dual systems of planning and land use control for urban and rural areas.
- Development of Special Economic Zones and coastal zones.
- Guidelines on Promoting the Reform on *Hukou* household registration system.
- White Paper on Environment Protection (2006) protects environment and sets targets of increasing energy efficiency by 20% and reducing major pollutants by 10% over the next 5 years.

Indonesia

Has a decentralized approach to strategic planning, as the country is 45% urban (2005) and urban centers dominate the economy. Strategic planning in Indonesia focuses on economic development, integrated regional planning and participation.

Key legislation:
Once legalised, statutory spatial plans and sectoral plans are then used to control land use and development of both rural and urban land
- Law 22/1999 and Law 25/1999 that give opportunities for the local government to plan and manage their region

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23 World Bank, East Asia Project, Sustainable Development on the Urban Fringe, Draft Final Report, January 2007 for China, Philippines and Vietnam data and inputs from UCLG consultant

- PROPEDA (Five Year Local Development Program),
- RENSTRADA (Local Strategic Plan),
- REPETADA (local annual plan)
- RTRW (Region's Master Plan), RAPBD (local budgeting), and other sector documents.

Philippines

Has a decentralized approach and local governments comprise of province, cities and municipalities in the country which is 62.7% urban (2005). Plans are focused on economic development, environmental sustainability and metropolitan integrated planning. However, strategic planning is insufficient and there is weak implementation of regulations while interests of particular groups (informal settlers, etc) are subordinate.

Key legislation:
- City Development Strategy (CDS): 61 out of 120 cities have been prepared. CDS cities have secured over $20 million in investments from local and international sources.
- Comprehensive Land Use Plans: 1397 of 1610 local government units have approved CLUPs.
- City Development Plans – basis for budget preparation
- Presidential Decree 957. Residential Subdivision Guidelines including the provision of 20% of the area for open spaces.
- Batasang Pambansa 220. Setting Minimum standards for low income housing.
- Interagency coordination, stakeholders participation (including the academe and professional groups).

Vietnam

Takes a centralized approach and is the most rural of the four countries with a urbanisation rate of 26.4% (2005). The country suffers from low capacity infrastructure, poverty and unemployment. Plans largely focus on economic development, increased private sector participation, participatory approaches to planning and environmental sustainability.

Key legislation
- Planning Framework: National Master Plan 1999 - national urbanization policy which designates Ha Noi, Ho Chi Minh, Hai Phong and Da Nang as metropolises.
- Regional zoning plans and urban development master plans for regions and major cities.
- Master plans for districts, wards and other levels.
- Law on Environmental Protection, 2006 which includes measures, tools and sanctions against polluters, and requires Environmental Impact Assessments for construction projects

for new urban areas, high population density areas and projects which have a high chance of affecting water resources in river valleys.

- Reform to Household Registration: in order to address some of the problems in household registration policy, decree

108/2005/N? - CP was issued in August 2005 allowing permanent household registration in a new place of residence if the individual has legal housing, including both rental and home-ownership.

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Contributions by email

- Adrian Atkinson. "Re: Asia Regional Chapter" to Sara Hoeflich, December 10, 2009
- Kulwant Singh. "Re: Delhi case study" to Victoria A. de Villa, October 24, 2009

UCLG ASPAC Meeting on policy paper in Batam, June 2010

The following members debated and endorsed the documents:
- UCLG ASPAC Australia
- Local Government Association of NSW and Shires Association of NSW Australia
- Guangzhou Municipal People's Government China
- All Institute of Local Self Government India
- Batam City Government Indonesia
- Jakarta Capital City Government Indonesia
- Sleman Regency Indonesia
- Bantul Regency Indonesia
- Association of District Development Committees of Nepal (ADDCN) Nepal
- Municipal Association of Nepal (MuAN) Nepal
- Local Government New Zealand (LGNZ) New Zealand
- Local Councils Association of the Punjab (LCAP) Pakistan
- League of Municipalities of the Philippines (LMP) Philippines
- League of Cities of the Philippines (LCP) Philippines
- Daegu Metropolitan City Rep. of Korea
- Association of Cities of Vietnam (ACVN) Vietnam
- Ha Noi City Vietnam

Local leaders
preparing
for the future
of our cities

Eurasia

Table of contents

Part 1:
Introduction and Regional Context

Most Soviet Union successor states have embraced the market economy after more than 70 years of a managed economy with centralised, top-down planning. Several Eurasian countries have moved from a system of subordinated, decentralised state institutions towards local self-government operating under the principle of subsidiary decision-making. Planning is again on the agenda in many post-Soviet countries to meet new challenges such as recovery from economic and social collapse, restoring a degraded environment, population decline and social care demands from an ageing population. Half of the countries have embraced the European Charter of Local Self-Government. There has been debate in both Georgia and Ukraine on following the three Baltic countries into NATO and/or the European Union. However, the ongoing territorial disputes in Georgia and lack of public support in Ukraine have so far limited the feasibility of these plans.

This chapter will explore current developments in municipal planning and local self-government against the Soviet tradition and gives examples of city planning from Moscow (Russia), Tbilisi (Georgia) and Chernivtsi (Ukraine).

1.1 Background

Before the collapse of the Soviet Union in 1991, economic activity was divided across 15 republics. For example, in manufacturing, raw materials were extracted in one republic, transformed in another and turned into finished products in a third. With the disintegration of the Soviet Union, inter-republic economic connections were disrupted, and accelerated the breakdown of the economy.
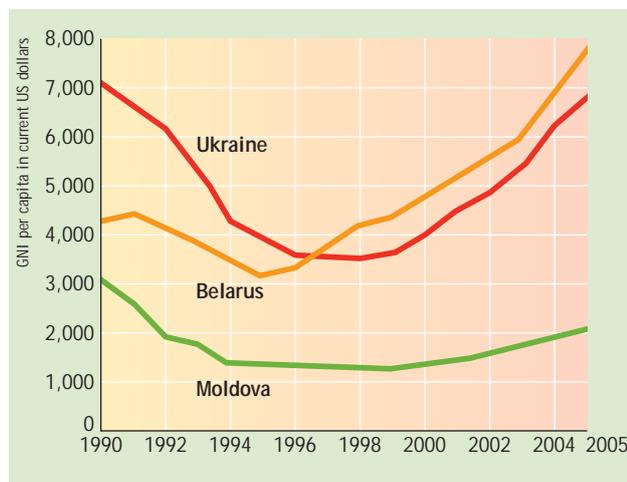
Other issues, such as environmental degradation and resources, have also surfaced after the loss of cross-border governance. Lack of cross-border co-operation has led to water scarcity which bears a high potential for conflict.

The transition to market liberalisation has progressed at different paces. GNP across the region dropped by more than 40% between 1990 and 1995 (World Bank 2002). Poverty rose sharply due to dramatically reduced spending on health, education and other social programmes. Considerable efforts were made in the Baltic States to restructure their economic systems after 1991. But Russia, Ukraine, Belarus and the Central Asian states have moved more slowly. Market reforms helped halt economic decline in the majority of countries, and recovery began from about 1995 when GDP development switched from negative to positive growth. However, Belarus, which is still a command economy, escaped huge GDP crashes by keeping its Soviet-style economic model.

By 2007, most of the region's countries achieved higher GDP values than they had in 1991 (IMF 2008). Moldova, Ukraine, Georgia, Kyrgyzstan and Tajikistan, however, lagged behind with GDP significantly below the 1991 level. Georgia produced staggering growth rates until the conflict with Russia in 2008. Recovery was slow and modest in Russia and a perception of capitalism failing to improve the standard of living led to a return of more interventionist economic policies after the government pushed out oligarchs and returned businesses such as Gazprom to state-ownership. The recent financial crisis (2008) caught Ukraine at a delicate point in its fiscal transition where its significant reliance on foreign loans caused rising interest rates and plunging currency values to destabilize its economy.

Source: Economist Intelligence Unit (EIU), London
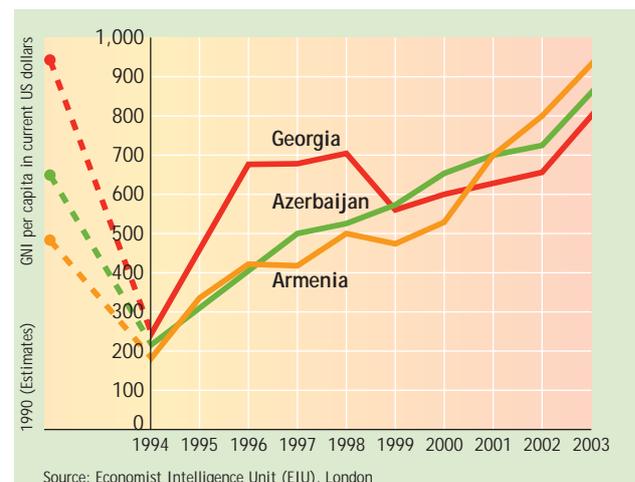
Gross National Income (GNI) in selected countries in Eastern Europe and in the Caucasus (Source: UNEP/GRID-Arendal Maps and Graphics Library 2010)

Population also declined during this period in western of Eurasia. Even though the economy is recovering, this decline continues today. Birth rates are decreasing, while more and more people emigrate to more affluent regions. Cities have to prepare for shrinking and its consequences (see box 1), particularly in Eastern Europe. Central Asia has, in general, a very low level of urbanization compared to the rest of Eurasia, the lowest being 26% in Tajikistan (UNFPA 2010).

Regional conflicts within states (Russia, Moldova and Georgia) or between countries (Armenia and Azerbaijan, Georgia and Russia) as well as civil war in places such as Tajikistan explain to a certain degree why some countries experienced slow economic recovery. Countries with natural resources, in particular oil, are generally performing better economically (Kazakhstan, Azerbaijan) but reforms have been wider and deeper in countries that rely on manufacturing and services.

The transition to a market economy and economic recovery has, in a number of countries, happened against a backdrop of political instability. Several elected Georgian leaders have been ousted by popular revolt and Ukraine has for years struggled with political deadlock. In Central Asian countries, autocratic authorities have managed to remain in power, with little reform except for the introduction of market economies. This has meant relative stability in some countries (Kazakhstan, Turkmenistan), but in others, ethnic and religious rivalries remain important and have resulted in either ongoing or sporadic outbursts of violence (Uzbekistan in the 90s, civil war in Tajikistan and clashes in Kyrgyzstan).

1.2 Revival of a strong planning tradition?

The Soviet Union practiced centralised economic planning where the role of lower levels of government was compliance and fulfilment rather than participation. Successive five-year plans included production targets, infrastructure investment, consumption needs, housing, etc.

All types of Soviet planning were top-down with minimal participation from the citizens and mostly disregarded any feedback. Planning was strategic in the sense that it was based on a political vision. This vision was, however, not vetted against the needs of citizens or their aspirations.

Local planning in the Soviet Union was to a large degree limited to urban master plans. Rehabilitation of Soviet cities after world war two did not involve much planning. Little urban planning, therefore, took place before 1950 when extensive construction plans were drafted to overcome a housing backlog and overcrowding. Design and construction was not included, but apartment building height and type, density and general characteristics were fixed by the plan. Development of infrastructure and amenities such as roads, water supply, power, sewerage, schools and shops were an integral part of planning.

Urban planning focused mainly on design of residential areas as largely self-contained micro-districts and reduction of inner-

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1 Open Society Institute: Local Government in Eastern Europe, in the Caucasus and in Central Asia

Box 1 - Shrinking cities

Many international agencies recognise urban growth as the main challenge of the 21st century.

However, this pattern of growth is not universal. Since 1950, more than 350 cities worldwide have lost significant numbers from their population (> 10%, Atlas of Shrinking Cities 2006). These cities face completely different challenges from cities in Africa or Asia, which have annual urbanization rates as high as 5%.

Many of the "shrinking cities" are in former socialist countries or post-industrial regions that are experiencing decreasing birth rates and high levels of emigration. Emigration is often fuelled by unemployment, lack of adequate infrastructure, and also an increasingly mobile global workforce. However, violent conflict, natural disaster and environmental pollution also contribute to declining populations.

Local governments in "shrinking cities" face a multitude of challenges, which are often not acknowledged on the global agenda. Instead of building new infrastructure, they have to find ways to repurpose existing urban structures. Public services such as transport, energy supply and waste collection can not be efficiently maintained in a city that has lost a third of its population, but still occupies the same land area.

The "shrinking city" phenomenon has only recently been recognised, and solutions have yet to be found. So far, responses range from densification of the city centre and the demolition of houses on the outskirts to focusing on city promotion and the attraction of investment. Over the coming years, sustainable approaches that allow local governments to keep operating will need to emerge.

city congestion through the development of satellite cities. Rural planning started only after 1970 when urban planning was extended to rural communities to bridge urban-rural disparities which central economic planning could not overcome.

This centralised planning model collapsed with the Soviet Union. Continuation of planning at the municipal level in Soviet Union successor states has in many respects been meaningless due to a lack of implementation and only became interesting again in conjunction with decentralisation and, in particular, devolution.[1] Planning has faced challenges because of unclear responsibilities, lack of planning mandate, particular issues such as property rights to former state property, etc (see case studies Moscow, Chernivtsi and Tbilisi).

Planning has now become a priority again because cities of the region face economic downturn, naturally declining and ageing populations, environmental degradation, energy efficiency challenges, cost reduction or revenue raising concerns, as well as a need to optimize ownership of property transferred from central to local government.

1.3 Local self-government: an environment conducive to local strategic planning

After the dissolution of the Soviet Union many of the 15 successor states initiated reforms transforming previous organs of territorial administration into organs of local self-government.[2] The three Baltic countries of Estonia, Latvia and Lithuania, now well integrated into the European Union, fall outside the scope of this chapter.

Six Soviet Union successor states that are members of the Council of Europe (Russia, Ukraine, Moldova, Georgia, Armenia and Azerbaijan) have chosen a different path from the Central Asian countries and Belarus. Membership in the Council of Europe implies obligations and adherence to common European standards, eg accepting effective local self-government as an essential cornerstone in democracy.

Russia

Russia has been moving along the path of local self-government. Sometimes, however, it is difficult to identify a difference between decentralisation of state administration and the creation of local self-government bodies.

The adoption of the constitution in December 1993 signified the first step in the reform of local self-government as a public governance institution in the Russian Federation. The constitution affirmed the principles of local self-government, consistent with internationally recognised principles. The Russian Parliament ratified the European Charter of Local Self-government in 1999.

During the municipal reform of 2004–2005, all federal "subjects" of which there are currently 83, were to streamline the structures of the local self-government guaranteed by the Russian constitution. However, central government moved to curb greater regional democracy in 2005 by appointing a governor, rather than allowing them to be directly elected. Municipal formations are municipal district, urban settlements or rural settlements.

Lowest level municipal formations are responsible for urban planning, housing and the majority of utilities (gas, district heating, electricity, water and sewage and refuse collection), parks and open spaces and transport. They also share (with either *raions* and/or regions) responsibility for primary health care, local roads and culture, leisure and sport facilities. There have been recent trends toward recentralisation of some local responsibilities and funding sources across the federated states and continuous string of legal and practical reforms have taxed municipalities' capacity to adjust to changes.

Ukraine

In 1990 the country adopted a law on local councils and local and regional government. In 1992 Ukraine adopted a law on

local administration. And in 1997 Ukraine ratified the European Charter of Local Self-Government. The Law on Local Self-Government (1997) establishes the principles, functions, and responsibilities of local governments and officials. Local budgets are formed by their own revenues and transfers from the central government. Local government manages property in communal ownership, approves budgets, establishes local taxes and levies.

Executive tasks assigned by the central government are funded by the state budget. A 2001 budget code gave greater fiscal freedom to municipalities and more power with regard to expenditures for public services. There is, however, still no clear separation between central and local government responsibilities, and the scope of local self-government action is limited, though a draft law on Local Self Government is currently under review which would provide clear expenditure assignments. Furthermore, local self-government powers are not matched with resources and capacity.[3]

Moldova

Moldova has ratified the European Charter of Local Self-Government. The country amended its legislation on local self-government by adopting a new law on Local Public Finance (2003) and later the laws on Local Public Administration and on Administrative Decentralization (2006). This legislation has not been fully implemented and many of the new responsibilities assigned to local government are not accompanied by additional funding. Numerous cases of interference by the central authorities in local authority affairs have been reported. An action plan on decentralisation reform is in place, but central government continues to dismiss mayors. The distribution of responsibilities between the central and local authorities is unclear and often overlap.

Local authorities have limited freedom to organise their work, financial autonomy is weak and decisions on budgetary resource management are subject to approval by central authorities or districts.[4]

Belarus

Belarus has retained a centralised hierarchical system of public authority. While the first law "On Local Self-Government and Local Government" was adopted in 1997 and was subsequently updated in 2005, local authorities have little real authority. The central authority makes all decision on territorial development, construction of schools and health centres and infrastructure investment. The new law "On Local Government and Self-Governance" (adopted in 2010) makes little change to this situation though it does provide more clarity on local responsibilities.

Armenia

Armenia's system of government is highly centralized. The central government has considerable economic and political leverage over local government. The constitution of 1995 distinguishes between state provinces and provincial administrations. In 2002 the sate adopted the Law on Local Self-government, which listed local responsibilities as civil

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2 Council of Europe: Monitoring Reports on Local Democracy in Member States
3 Council of Europe 2001, UCLG Country Profiles: Ukraine, Association of Ukraine Cities: Chernivtsi Case Study 2010
4 Council of Europe 2005

protection, preschool and some specialised education, housing and town planning, utilities (gas, district heating, electricity, water and sewage, waste collection and disposal), transport and roads as well as some cultural activities.

Armenia is divided into 10 provinces that are run by a centrally appointed governor but they have no budgets of their own and receive budget transfers from the central government. Provincial administrations have the authority to supervise and intervene in the day-to-day life of lower government structures. Locally elected chief executives can be removed by the central government upon the recommendation of the provincial governor. Of the 915 existing Armenian municipalities, most are small (866 rural communities) with limited ability to deliver services of equal standards through the country.

All taxation is controlled by the central government. Nevertheless, taxes on land and other property are in the process of being transferred to the local level, and 15% of all income and profit taxes collected within a municipality go directly into local budgets. In addition, municipalities are allowed to earn income from their property and enterprises.[5]

Georgia

Local self-governance in Georgia went through a number of reforms and transitions in the 1990s. Local self-government legislation was passed in 1997 and established two levels of self-government. Fragmentation resulted in municipalities enjoying no real political and financial independence and made them highly dependent on administrative directives and financial transfers from central government.

This system was changed in 2005 reducing the number of local self-governments from 1033 to 65. Districts are now the only level of local governance. The competences of local governments are divided into exclusive, delegated and voluntary (residual) responsibilities. An equalization formula was introduced and the central government takes responsibility for a minimum of 70% of expenditure needs in poor municipalities.[6]

Azerbaijan

Municipalities in Azerbaijan were guaranteed by the 1995 constitution, but were only established in 1999. There are now some 2,757 municipalities, which are technically independent of the local state administration offices in the 77 districts of the country. In reality, municipalities lack a complete legal framework and are small, weak, financially dependent and subordinate to central government.[7]

Central Asia

Central Asian countries have predominantly centralised government systems inherited from the Soviet Union and have not undergone substantial reform. Decentralisation is understood in this region as the transfer of powers from central government to local organs of state government.

With the exception of Kyrgyzstan, self-governing authorities exist only at grassroots level. Local authorities include both representative and executive bodies. Powers of local government are enshrined in constitutions.

Financial instability of local government bodies presents a serious problem and there is a lack of appropriate legislative and institutional arrangements. Decentralisation is still in its early days with the need for reforms to clarify division of powers, efficient allocation of funds and financial autonomy.[8]

However, there is an important future for urban and strategic planning in the sub-regions, especially in cities with ethnically diverse populations where existing city structures represent and reinforce decades of ethnic resentment. The June 2010 violence in the Kyrgyz town of Osh (178 dead and 1,800 injured) where Kyrgyz and Uzbeks lived and worked in almost complete segregation demonstrates how volatile these environments can be.

1.4 City strategic planning in Eurasia

The Soviet model was for all practical purposes based on subjects being subordinate to the level of authority above. This tradition still prevails in many countries in Eurasia (Central Asia)[9], clashing with the principle of subsidiarity in some countries (Russia and Armenia) and being slowly substituted by the principle of subsidiary levels of decision in others (Ukraine and Georgia)[10].

The level of urban strategic planning in Eurasia is dependent on the state of local self-government. Most Soviet Union successor states prepare several plans for the local level. Urban land policies (eg in Russia) are complicated and their administration is moulded to conform to the peculiar organisation of the Soviet state. More than 100 Russian cities, however, have defined their own master plans to be followed when new construction works are undertaken.

Land use plans are common along with economic development plans, municipal investment plans, various sector plans and more recently environmental plans in areas such as energy efficiency. Most, however, lack a holistic vision and are therefore not very strategic, such as combining challenges with opportunities or citizen participation in planning. Several municipalities in the region (eg in Georgia) are, however, currently engaged in more strategic planning exercises, often as outcomes of donor supported local governance programs.

Implementation of plans across the region are mostly dependent on international support which frequently influence plans on economic development. Russia is an exception, where cities with control of their own natural resources, eg Kazan in the autonomous Republic of Tatarstan, where extensive urban development schemes are funded from oil revenues.

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5   Council of Europe 2003, UCLG Country Profiles: Armenia
6   Council of Europe 2004, National Association of Local Authorities of Georgia: Tbilisi Case Study 2010
7   Council of Europe 2003, UCLG Country Profiles: Azerbaijan
8   Open Society Institute: Local Government in Eastern Europe, in the Caucasus and in Central Asia, UCLG Country Profiles: Central Asia
9   Open Society Institute: Local Government in Eastern Europe, in the Caucasus and in Central Asia
10 Council of Europe, NALAG and AUC Case Studies

Part 2:
Case Studies[11]

2.1 Chernivtsi, Ukraine

Context and legal framework for municipal planning in Ukraine

Ukraine experienced economic and social collapse after the break up of the Soviet Union. An abrupt shift to the market economy demanded that the city be more competitive and replaced autocratic government structures with new administrative practices. Substituting *Soviet style* planning for local strategic plans was part of this shift. Ukraine has adopted a legal framework[12] defining how and what to plan at regional and local level. The Ministry of Economy and European Integration[13] gives guidance on methodology for regional planning. No standard document on municipal planning, however, currently exists.

Territorial communities have the right to adopt and implement socio-economic and cultural development programmes, according to the constitution. Such programmes may be adopted by referendum or local councils. The self-government law establishes municipal competency in planning and requires mayors to lead the planning process. Legal provisions are, however, not necessarily followed due to a shortage of capacity and competency.

Ukraine's first municipal plan was prepared in 1999 by the city of Ivano-Frankovsk. At that time work on regional strategic plans also started. A national Strategy for Economic and Social Development towards 2015, including regional policy of a rather declarative nature, came into force in 2004. Better results of planning could probably be demonstrated if plans were better co-ordinated at different levels. Chernivtsi's Strategy of Competitiveness (2006) is an example where positive results of the planning exercise included a more inclusive municipality where resources are put to better use and alternative funding sources are mobilised through public private partnerships.

Weak legal and methodological frameworks, however, challenge strategic city development planning in Ukraine. Capacity is also weak and capacity building efforts are unsystematic. Lack of financial resources on the part of the city may also hamper implementation.

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11 In collaboration with the Association of Ukraine Cities
12 Constitution of Ukraine (1996), Laws "On Local Self-government" (1997), "On State Prognoses and Programmes of Socio-Economic Development in Ukraine" (2000), "On Stimuli for Regions Development" (2005).
13 Methodological Recommendations for Elaboration of Regional Development Strategies (2002)

Chernivtsi is a multi-ethnic city of more than 250,000 inhabitants on the Romanian border in the west of Ukraine. Its first strategic plan was adopted by the city council in 2004 for the period until 2011. This plan was prepared using a methodology recommended by the Ministry of Economy for regional planning. There was a need to update the strategic plan in 2006 as Chernivtsi prepared for its 600-year jubilee, an occasion used to stimulate the city's development. The planning process also provided an impetus for increased participation of the business community in local governance (after local elections in March 2006 the city council included a large number of councillors with a background in business). Chernivtsi also benefited from a USAID programme for strategic planning and local economic development. The Strategy for Improving Chernivtsi's Competitiveness was prepared and adopted by the city council 27 October 2006.

Stakeholders and process

The incoming municipal council after the 2006 elections wanted a plan that was pragmatic and integrated opportunities linked to the city's 600th anniversary. The mayor took leadership of the planning process with different stakeholders, which resulted in the adoption of a more strategic plan that looked ahead to 2025.

Community leaders were informed through meetings with the mayor regarding the need for an updated plan. A committee composed of 22 leaders from business, civil society, academia, public service and media was established to oversee the planning process.

The first step in the planning process was the preparation of a city profile with demographic, economic and social indicators. A city vision was then formulated: "Chernivtsi is a European city with hundreds of years of culture. The city where people of different nationalities, religious and political views join forces to secure a decent standard of living for every citizen based on democracy, tolerance and a socially oriented economy. It is a city of the well-developed and socially oriented entrepreneurship in the field of environmentally friendly production and rational use of natural resources."
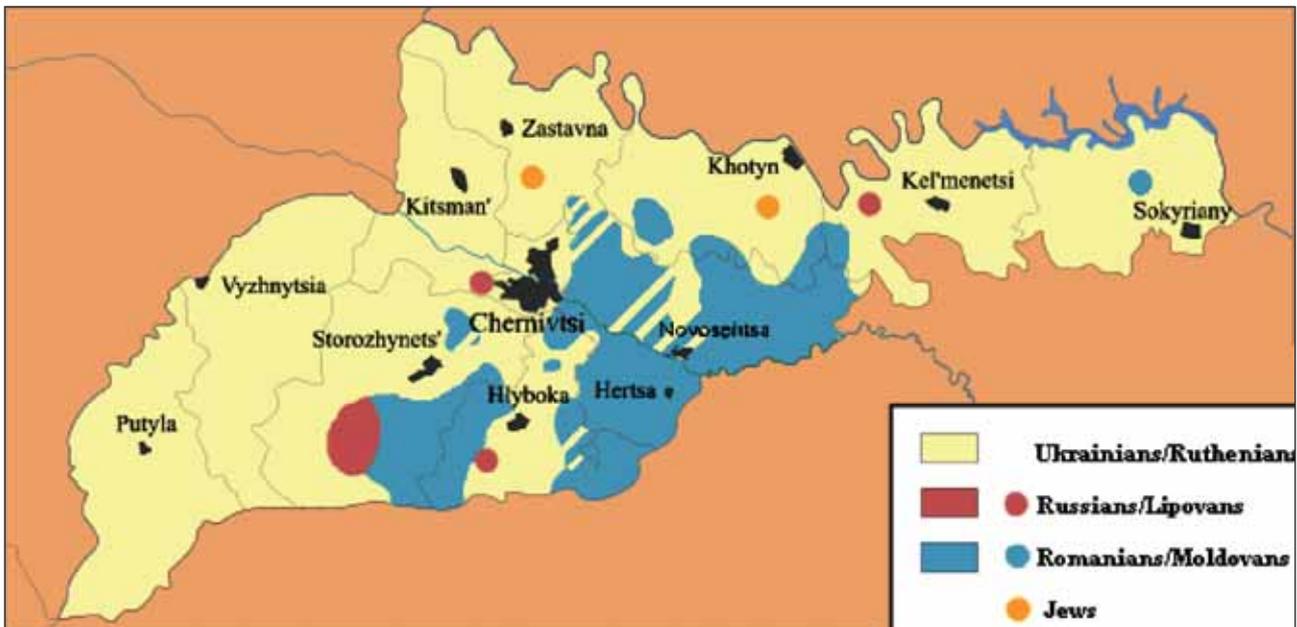
Based on the city profile and the business climate assessment, consensus was reached on which critical issues would define the city's economic future and competitiveness. A SWOT analysis helped to devise realistic and feasible medium-term strategic plans and short-term projects. Three action plans were formulated:

Multiethnicity in the Chernivtsi Municipality (Source: Ukraine Census 2001)

A street in the center of Chernivtsi

1 Chernivtsi will compete as a tourist destination by building on its unique and well preserved architecture.
2 Chernivtsi offers excellent conditions and market access for investors due to its geographical location and transport links. However, existing enterprise depends on external financing and needs better access to: information, local government support, investment for new technologies, co-operation with other enterprises and new markets.
3 Chernivtsi must tap into external sources of funding for industrial infrastructure development. Limited financial resources in municipal and state budgets hamper infrastructure development in water supply, sewage, energy supply, communication and transport.

Implementation

Political resolve, along with financial and human resources, are essential in the implementation of the plan. The planning process mobilised a broad constituency because it was believed ownership would help implementation. The three operational programmes are now around 60% executed. In preparing for the 600-year anniversary the city renovated its

historic centre, established sightseeing routes and published thematic booklets. The airport was transferred to city ownership and upgraded to become an international airport. A theme park was added in 2009 and revenue from tourism now accounts for about 3% of the city's income.

Flooding in 2008 caused serious problems in the implementation of the business infrastructure development program. Reconstruction after flood damages added expenses and delayed implementation.

The global economic crisis also slowed down implementation of the environmental and public services components as investment capital became scarce. The number of small and medium-sized enterprises nevertheless grew due to the simplification of permits and licensing together with the introduction of a one-stop shop for registration.

Funding and organisational adjustments

Funding for implementation of the plan comes from different sources, the largest of which is the city budget (58.7%). Some tourism development projects are funded through the EU Neighbourhood Programme. The state funds infrastructure components such as roads repair and restoration of the city's historic centre. In addition, some infrastructure projects are implemented as public private partnerships.

Since 2007, the strategy's implementation has led to the introduction of Performance Based Budgeting in Chernivtsi. Expenditures are now budgeted according to programs approved by the city council. The revenue generated by the project increased by 27.4% (2009 to 2006), and the maximum increase was in 2008 – 43.7% compared to 2006.

The strategy's implementation has also led to changes in the city's administration. Three new units have been formed within the economic department which are directly responsible for the implementation of the three operational programmes.

2.2 Tbilisi, Georgia

City development planning in Tbilisi (Georgia)[14]

Tbilisi gained greater control of economic development and urban planning after local self-government reforms in 2006. The city set out to position itself as an economic and cultural hub for Georgia and a regional centre in the Caucasus, by developing new strategies in urban and economic development.

Planning processes used the existing institutional set-up in Tbilisi to prepare a regulatory plan approved by the city assembly and a strategic plan giving policy guidance to councillors. Implementation, hampered by the global recession, has only recently started. Businesses and residents are nevertheless enthusiastic and have high expectations.

Background

Strategically located in the east of Georgia, the city has a population of 1.4 million and the fastest growing economy in the country. It is a multi-ethnic city governed by a municipal council, which elects the mayor of Tbilisi. The city is divided into six administrative regions.

Tbilisi generates up to 80% of the national GDP. Most big Georgian companies are headquartered in the city. It has the most important educational, cultural and social infrastructure in Georgia, serving both residents of Tbilisi and the rest of the country. Tbilisi municipality is the largest public investor after the central government of Georgia, providing a variety of public and municipal services, as well as buying goods and services from various Georgian and international vendors. Tbilisi has the largest municipal budget in the country and its local government is the biggest employer.

The 2006 local government reform did away with the old system under which the city's mayor was appointed by the president and the elected assembly had limited and subordinate powers.

Tbilisi now has an elected mayor and a powerful municipal assembly. It is a supreme decision-making body on local budgets and finances, municipal development and spatial planning, land use and urban planning, municipal administration and services, healthcare and social programs, local culture and sport, environment, transport and communication, housing and construction, as well as healthcare and pre-school education. A new system of equalization grants has given more fiscal autonomy to municipal government. The central government has transferred previous state property to the municipality and the city territory was also extended in the 2006 reform.

The responsibility for development and spatial planning have been transferred to the municipality. The municipal government is now by law responsible for elaboration and approval of development plans and other relevant documents.

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14 In collaboration with the National Association of Local Authorities of Georgia

Institutions and stakeholders

Georgia has no well-defined system for city planning and urban development. Duplication of functions of local and central institutions make it difficult to coordinate urban development planning.

Tbilisi has two agencies responsible for urban planning and development:
• *The Tbilisi City Department for Economic Policy* is responsible for urban development strategies as well as short and mid term programs on economic growth, property management and infrastructure development.
• *The Tbilisi City Department for Architecture and Urban Design* holds responsibility for urban planning, urban development policy, spatial planning, land usage and grants construction permits.

Other agencies involved:
• *The Tbilisi District Administrations* collect information and provide initial urban plans to City Hall.
• *The Tbilisi City Assembly* oversees urban development plans presented by the city administration and prepares draft normative acts. It oversees implementation of development plans and strategies.
• *The Ministry of Economic Development* is mandated to assist municipalities in preparation of development plans, in spatial planning and in architectural development and has been actively involved in Tbilisi's city development planning.

Tbilisi's municipal government works with international donor agencies including the World Bank, Georgian Municipal Development Fund (MDF), GTZ, PolishAID and MCG (Millennium Challenge Corporation Georgia) on their development strategy and master planning where international partners provide technical support, expertise and methodology as well as support public discussions and citizens participation in city development planning. Local NGOs and neighborhood associations also participate in public hearings in each district of Tbilisi.

Reason for planning, methodology and process

The municipal government wants to give Tbilisi regional importance through growth. Priorities include investments for the rehabilitation of city infrastructure, the diversification of municipal services and the preparation of investment plans.

Economic Development Plan

A new Economic Development Plan, ready by 2008, was prepared by Tbilisi's Department for Economic Policy in partnership with MDF, World Bank and the Polish Association of Local Developers. It was drafted in consultation with civil society, local business and labor organisations to identify problems and discuss development priorities with relevant ministries and government agencies.

Tbilisi's Economic Development Plan is a strategy document with a vision for the city – "Tbilisi – the right time, the right place". It includes five strategic priorities including Tbilisi as a growing regional gateway, where the time is

right for business, while improving quality of life and empowering residents. Each strategic direction is supported by a program with several projects – 50 projects are scheduled for the period 2008-2020.

Basic principles of implementation include focus on strategic priorities, stakeholder co-operation as well as monitoring and learning. It has not been submitted to the Tbilisi Assembly for adoption and has no local normative act status. It is a general document pointing out policy objectives to municipal leaders.

As this plan was developed by the World Bank and state government, municipal ownership was peripheral. Additional steps will require coherence and legally binding decisions on the part of the municipality to take the plan beyond its orientation function.

Tbilisi Master Plan

A Tbilisi Master Plan was prepared by Tbilisi's Department for Architecture and Urban Design in 2006 and adopted by the assembly in June 2009. Technical work was undertaken by the department with active participation of relevant government experts. Two public hearings were organised before discussion by the commission on architectural development and urban planning. Tbilisi's master plan is a legal document to be implemented in the municipality of Tbilisi.

Tbilisi's master plan is a tool for spatial planning and development containing strategic priorities of decentralization and self-governance, types of residence, links to international best practice on human habitat, development of Tbilisi agglomeration, land use and real estate regulation, public space as well as transport system. It takes in analyses of existing problems and trends such as: respect for heritage, promotion of high quality of life in peripheral areas, respect for environmental standards, transit infrastructure, accessible cultural space, etc.

There is strong interdependence between the two documents, one being normative and the other strategic.

Funding and implementation

Implementation of both plans started in 2009. The Economic Development Plan with funding from donors is implemented in

Proposal for a mixed-use development in uptown Tbilisi
(Source: Rakeen)

co-operation with local organisations. The municipal budget mainly provided funding for strategic priority 2 "Right time for business in Tbilisi" as well as for small credits to entrepreneurs and the cost of business support centres. Under the master plan, municipal authorities are mapping newly classified territories and have introduced new costs for urban land in each type of territory. A tender for construction of Tbilisi Business District (TBD) is open and construction of a new highway in central Tbilisi is under way. Funding has come from the government and donors.

First results

The global economic recession has slowed implementation of both plans which only commenced in 2009. No assessment of achievements are yet available, but businesses and residents claim development in Tbilisi has become more predictable, licencing is easier, permits can quickly be obtained and investors feel safe putting money into real estate in Tbilisi.

2.3 Moscow, Russia

City development planning in Moscow (Russia)

Moscow is a city with a population of 10.4m. It has flourished during the petro-boom over the past 10 years, leading the city's mayor to invest heavily in capital projects such as the Moscow City International Business Centre. The sudden increase of extremely wealthy Muscovites, who have fuelled demand for the development of world-class accommodation, has caused land values to soar. The centre has benefited from huge investments which have seen lavish refurbishment of existing buildings and luxury new developments. However, outside the city centre, population density is high, and housing is often inadequate and inadequately maintained, leading to great disaffection between those who can afford to live in the centre and those who live on the periphery. Russia on the whole has struggled with a natural population decline since the collapse of the Soviet Union and has a large aging population. Although its economic growth has made Moscow a world city with high living standards, quality of life has not kept pace and pollution from traffic congestion is only one of many environmental concerns.

Moscow's master plan set out the city's development strategy for a period of 20 years until 2020. It was drafted between 1989 and 1998 and approved by the city authorities in 1999. An updated version was reconfirmed in 2005 as Moscow's main city plan. It has recently again been updated and extended until 2025.

Russia introduced new legislation on city planning in 2004 making city master plans mandatory. New legal requirements along with a changing social and economic context made Moscow decide in 2005 to update its master plan and extend it until 2025. The work was led by the mayor.

The master plan was prepared under strong political leadership using participatory and consultative methods. It includes a vision statement for Moscow. Achievements to date include the successful refurbishment of old housing stock. Results have been mixed: Goals for limiting the number of motor vehicles in
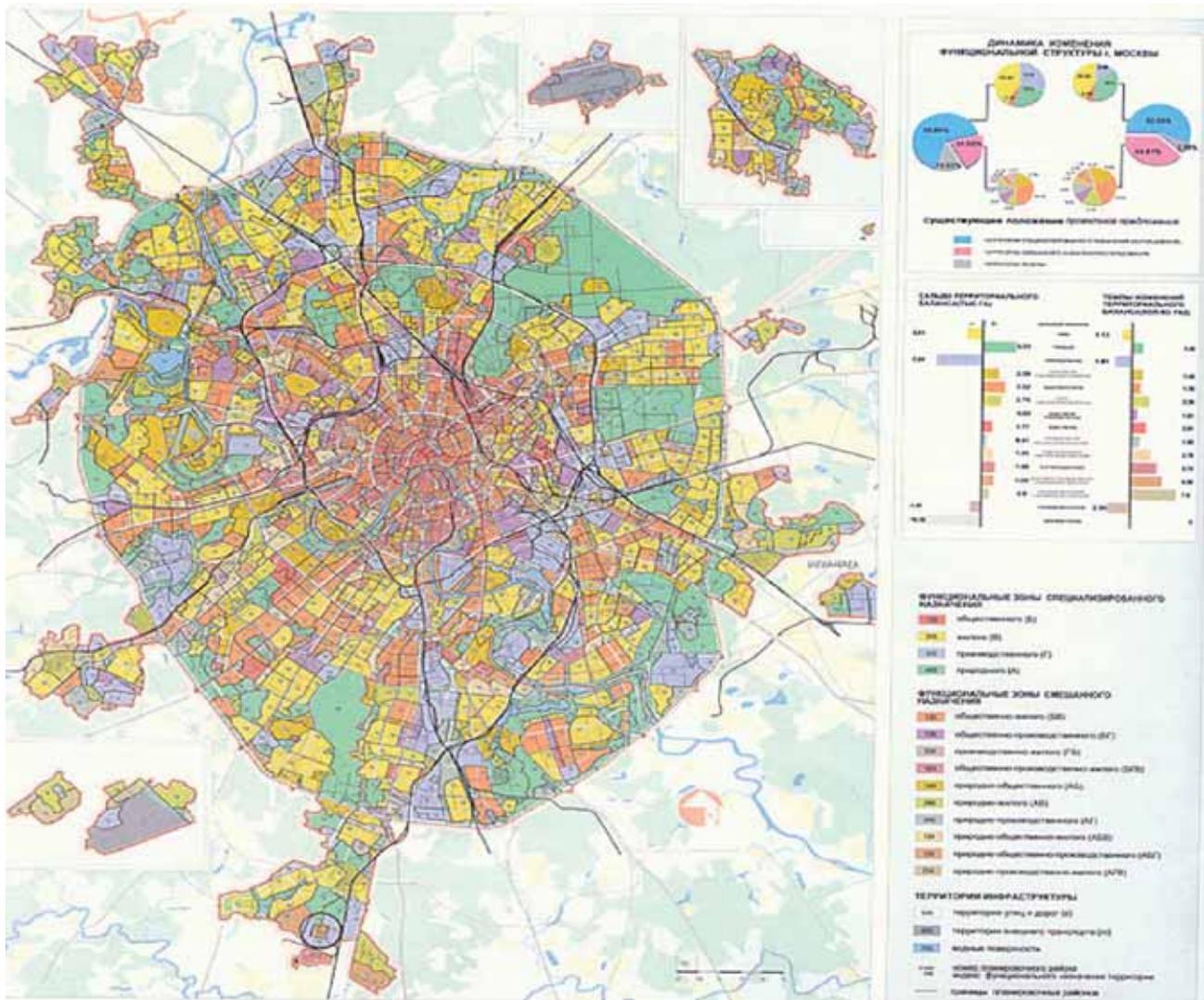
General Scheme of Moscow Functional Zoning for the 2020 Development Plan (Source: City of Moscow)

the city through development of high-speed public transport, expansion of green areas as well as increasing the number of sport and culture facilities, have unfortunately not been met. However, there have been unexpected achievements, including strong annual growth in housing and an expansion of city centre industrial areas. Expectations for tourism development, in particular the construction of three star hotels, have been too ambitious.

Analysis of urban features such as public spaces, transport systems, environmental concerns and housing resources were important when planning. More than 50 recognised experts in various fields took part in project design. Exhibitions and public hearings were organised in Moscow's 10 administrative regions and 123 districts. Also, a draft master plan was assessed by Moscow State Expertise and circulated to departments and committees under Moscow's city government. Moreover, political organs of the Russian Federation took part in discussions. The business community also participated in crafting updates of the Moscow City Master Plan 2025. Work of Moscow City Research and Design Institute founded in 1951 was of particular importance in areas such as transport systems, heritage conservation, housing and industrial zoning.

Implementation and results

A master plan implementation monitoring system was put in place in 2000. The city's chief architect reports to city authorities on results recorded against approximately 50 indicators in ten areas including environmental protection, green areas, public space and social infrastructure, housing, production zones, transport, infrastructure, population and employment. City authorities discuss critical and strategic

Skyscrapers of the Moscow International Business Center

issues regularly. The master plan contains both binding decisions and general orientations, follows legal requirements and is aligned to regional plans. Several important projects such as a hotel location plan, refurbishment of housing, construction of the city's third ring road, development of business venues, and heritage protection plans, have been successfully implemented. The updated master plan is currently being implemented and as such results of the latest version cannot yet be fully assessed.

Projects under the city's master plan are funded through use of city budget resources. A strategy to attract private investments to urban infrastructure development is in place. Moscow is active in both national networks of cities in the Russian Federation and in the Eurasia region. It has also drawn on

Saint-Petersburg's experience, which proved particularly useful in updating its Master Plan.

Outlook and interest

Despite the success of the changes in the planning methodology, the city government recognises there is an ongoing need to address the challenge of segregation. The city government intends to address income gaps and exclusion through increased social inclusion programs.

Moscow is also is interested in enriching its approach through applying lessons learned by other regions to change the process of communicating with stakeholders and involving them beyond the business community.

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Local leaders
preparing
for the future
of our cities

Europe

Table of contents

Part 1:
Context and challenges

Europe is a continent with strong urban traditions. Close interrelations between history, architecture and urban land-use planning have left European city landscapes with unique qualities.

In more recent years, a new form of urban planning has emerged to evolve these landscapes. More strategic in nature and in response to a number of drivers such as globalisation, de-industrialisation and population, these plans seek to capture the advantages of contextual change and mitigate against its negative aspects.

Through the examples of more than a dozen cities across Europe, this paper presents and reviews the strategic planning processes which have guided the recent growth and transformation of these cities.

As well as others, this paper draws on evidence from the strategic plans of:
• Bilbao, Spain
• Prague, Czech Republic
• Turin, Italy
• Glasgow, United Kingdom
• Cologne, Germany
• Paris, France
• Ile de France, (Paris region), France
• Lille, France

1.1 Historical context of urban development

Europe's cities have been shaped for centuries by their global economic, military and cultural significance. Industrialization that began in the 19th century led to rapid urbanization in the first half of the 20th century. In the second half of the 20th century rural-to-urban migration continued as a consequence of post war restructuring and the decrease of rural employment.

As cities across Europe began to embrace growth, local authorities set down ambitious growth plans and began to build the infrastructure to accommodate them.

Rural and urban linkages transformed the flow of commerce between cities and the countryside. Green spaces and agricultural land were incorporated into sprawling metropolises, particularly in northern and western European cities, while Mediterranean cities tended to follow traditional compact city models and eastern European cities experienced less sprawl as individual residential homes were less common.

In western Europe, compact suburbs for low-income groups with public transport systems were commonly developed and owned by local governments. Cologne, for example, built compact public and subsidized housing settlements during the baby boom in the 60s after 60% of the city was destroyed during world war two. By contrast, in the surrounding 'green peripheral areas' wealthier families developed larger, individual plots during the 80s. Many cities became segregated, such as London and Paris. But this pattern of urban planning led to urban sprawl, large amounts of poor quality public housing and placed huge demands on local services.

However, in recent decades, city centers have been regenerated and the so called "urban renaissance" led to a reflux of people and investment. At the same time, new urban hierarchies have emerged all over Europe, with 'hinterland' rural communities and villages becoming increasingly dependent on 'core' city regions and metropolitan areas. Growing in size and complexity, city regions began to require more sophisticated forms of administration and management whilst peripheral settlements were left relatively unattended.

External pressures from the economic ascendancy of America in the 20th century and Asia in the 21st century, coupled with internal pressures such as de-industrialization, immigration and ageing populations, have demanded a dramatically different response to urban planning. The legacy of socialist-style centralized planning approaches in eastern Europe has been balanced in recent years by the influence of the European Union (see 1.4) by providing urban and regional planning guidelines and access to funding.

1.2 Decentralisation

The relatively advanced model of decentralisation within European Union member states empowers local governments. The share of competences and fiscal decentralization is higher than in other regions, although the share of local governments' public expenditure differs dramatically between 1.3% (Malta) and 64.8% (Denmark) and an average of 24.5% in the 27 EU states.

Levels of local government autonomy tend to vary depending on the national legal and institutional frameworks they find themselves within.

Box 1

In federal states, such as Germany, cities benefit from a high level of autonomy. Through reforms such as the 2003 'Federal Reform I,' national government has continuously withdrawn from intervening in the process of local governance, thereby reducing interdependence between the different government spheres.

The Basque country has negotiated a degree of tax policy autonomy, which allows the region to provide interesting opportunities to the private sector that neighbouring regions, which are regulated by the national Spanish government, cannot offer.

1.3 Competences in urban planning

LG planning: from land-use planning to integrating strategies

Despite the variety of planning roles which local governments play, there are a series of common denominators, including:
• Land-use planning is a core competence of most European municipalities, as shown in the graphic below. Land use designation has a significant impact not only on

controlling infrastructure development, but also on land markets, speculation and environmental protection. Land use plans are long-term definitions agreed by political bodies, usually local parliaments. Land use planning was used for most of the 20th century to shape city and metropolitan growth.
• Local governments are usually responsible for 'development control' and building licenses. Both functions aim to control urban development and are also, in some European countries, a source of income for municipal governments.
• While building codes are national laws that ensure standards are always applied, local governments can also often issue their own regulations for urban development and encourage more specific regulations.

Over the past 50 years, municipalities recognized that their arsenal of planning instruments was not sufficient to address the new challenges and improve management efficiency. In addition to the spatially oriented instruments, plans and projections had to become more cross cutting, involving more actors and strategic choices.

• In contrast to the competences mentioned above, City Development Strategies (CDS) or strategic plans are not an obligatory function of local governments. These instruments mobilise spatial, social, and economic development, specific protection and infrastructure investment.

Competences of western European local governments since the early 20th century

Short term/small scale	Long term/large scale
Building control – Application and licensing – Development plans on different scales (eg PLU) – Action on specific territory	**Comprehensive land use planning** – Designation of land to any kind of use – Long term decision (20 yrs) to be approved by parliament – Covers 100% of teritory – Requires intermunicipal cooperation (eg SCOT)
Encourage: Micro infrastructure Housing construction Public space	**Administer:** Building permits Asset management	**Regulate:** Environment Land market Boundaries	**Invest:** Macro infrastructure Public services (transport, waste, water, roads)
Departments involved: mayors office, urban planning, finance, public works, building department	**Departments involved:** urban or regional planning, environment, parliament

Focus on land, spatial development, infrastructure

Planning concepts in Europe since the establishment of the European Union

Territorial reforms

Local policies

Post war 1950–60:
Urban
growth–expansion
Land use schemes
Urban sprawl

70s:
Urban and regional
development according
to objectives
Broad (macro) coverage
of issues–planning
"euphoria"

80s:
Orientation
More concrete and
feasible
Neighborhood level
Social city

90s and 2000:
Competition and
marketing
Global local
objectives
Public management
Identity

New institutes and
departments, macro plans

Bodies to work on CDS

Timeline since the second world war

However, over the past 25 years, it has become common for cities to engage in a two-tier process of planning. Some local governments have used their existing land use planning powers to develop wider and complementary strategic aspects into such plans, whilst others have developed a parallel strategic plan (or community plan, or City Development Strategy) involving a wider range of partners.

For strategic projects, the local government can often designate special development zones that allow stronger regulations of the municipalities to enable development. These regulations can include obligations to private properties, for example development obligations in priority or heritage areas.

1.4 The role of the European Union

1.4.1 The European Union provides guidelines for urban growth and regional development and has a powerful influence on balancing inequalities between and within member states such as 1) urban and rural areas (eg, in Lille); and 2) highly productive service-based local economies and declining de-industrialising local economies (eg, Glasgow).

The objective of initiatives such as the EU Sustainable Development Strategy, for example, is to protect, strengthen and further develop Europe's cities.

It focuses on integrated urban development policy approaches by:
• Creating and ensuring high-quality urban spaces in cities like Prague;
• Modernising infrastructure networks and improving energy efficiency, eg Cologne's geothermal project and Paris' multimodal transport system;
• Proactive innovation and educational policies, eg Torino.

Attention is given to deprived neighborhoods within the context of the city as a whole by:
• Pursuing strategies for upgrading the physical environment (eg, Brno and German brownfield sites which have benefitted from the Jessica EU funding for redevelopment);
• Strengthening the local economy and local labour market policy;
• Proactive education and training policies for children and young adults;
• Promotion of efficient and affordable urban transport;
• Attention to more vulnerable neighborhoods, (eg, London).

There are also a number of other EU-level policies, practices and organisations which are relevant to local government urban planning and strategies, as they provide support or financing. Many cities benefit from networking offers and from co-financing opportunities through programs such as Urban, Urabact, Jessica, Iterreg, Espon and others.

1.4.2 European Spatial Development Perspective (ESDP) Objectives

• Economic and social cohesion,
• Maintenance of natural resources and cultural heritage,
• Balanced competitiveness of the European region.

As described in the following pages, metropolization and urban sprawl are not regarded as sustainable for the overall system. In the Leipzig Charter[1], the European Union defines EU regional and settlement pattern development as:
• Development of a balanced and polycentric urban system and a new relationship between urban and rural regions;
• Guaranteeing equivalent access to infrastructure and knowledge;
• Sustainable development, intelligent management and protection of natural and cultural heritage.

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1 The Leipzig charter on "sustainable European cities" was issued by EU member states in 2007

Mediterranean and eastern European cities that count on important heritage such as Prague or Sevilla have implemented inner city regeneration strategies, environmental protection programs or transport investment with financial support from the European Union.

The European Investment Bank (EIB) also raises substantial volumes of funds on the capital markets which it lends on favourable terms to projects furthering EU policy objectives (EIB 2009), as mentioned in the outcome of the Turin strategy.

1.4.3 The emergence of a new European urban system: types of European City positioning

In 2007, the European Commission published the first EU State of the Cities report.

The report identified three broad categories of cities:
– **International Hubs**: knowledge hubs, established capitals, re-invented capitals;
– **Specialised Poles**: national service hubs, transformation poles, gateways, modern industrial centers, research and visitor centers;
– **Regional Poles**: de-industrialized cities, regional market centers, regional public service centres, satellite towns.

Many of the cases discussed meet more than one taxonomic scheme.
• A **Knowledge Hub** such as London focuses on the need to remain continuously competitive, and on quality of life and affordability challenges, as do smaller specialized poles such as the University town of Tuebingen.
• Many European cities developed as transformation poles such as Bilbao, Cologne, Torino or Lille that focus on the need to undertake post industrial regeneration, find new economic niches and reposition the employment offer.
• Visitor centres such as Barcelona, Florence or Prague need to upgrade their built environments and manage impacts and cyclical dynamics of tourism to achieve sustainability.
• Although the Ille de France or Frankfurt are considered international hubs, they can also be classified as regional market centers that need intermunicipal co-operation to avoid doubling functions as in Lille.

1.5 Different strategic planning for different city types and scales

Urbanization does not necessarily correspond to the municipal boundaries that were drawn in history, so the emerging metropolitan strategies all over Europe try to encourage coherent planning across boundaries when necessary, for example in infrastructure services, or just when positioning a city region internationally. As in the case of London where planning response is co-ordinated at the city-regional scale.

Another example is found in the 'Strategic Vision for the Regional Land Use Plan and for the Regional Plan Suedhessen' document, that was released in 2006.

Frankfurt as a city in itself has struggled to differentiate itself from other cities in Europe. It scaled up its plan to the regional level to create an identity and balance between urban and rural

Planning Region Suedhessen (Source: Planungsverband Ballungsraum Frankfurt / Rhein-Main)

areas that was more convincing to investors, but it soon recognized the need for intermunicipal cooperation to achieve this. The Strategic Vision forms the basis for the Regional Land Use Plan, the first of its kind in Germany. Once finalised, the Strategic Vision has an advisory function for spatial planning in the region. Several agreements on planning, transport, and waste are in place, as the pragmatic benefits were soon convincing.

However, while the Strategic Vision has adopted the discourse of global economic competition, it remains institutionally tied by administrative boundaries (Hoyler 2006). The document lacks clear statements on controversial issues in the region, such as airport expansion or integration of immigrant populations.

Indeed, the European Union's Leipzig Charter strongly advocates strategic development planning as a holistic and integrated process. Furthermore, many strategic instruments are expected to enhance the development of geographic themes that consider more than one city.

The table below sets these focal points against cities of different spatial scales.

1.6 Challenges and response on the ground

1.6.1 The social component of strategic planning

Strategic planning is often used to predict, plan for and respond to processes of social change. This section details which processes are most prevalent across urban Europe and how, through strategic planning processes, local leaders are responding.

Population growth and decline
In this century, less than one third of European cities remained stable, while more than one third cities grew, and more than one third experienced a decline in population. In particular, industrial based cities that are remote from markets and not well serviced by transport are shrinking. Overall, cities in Northern and Southern Europe have been growing faster than cities in the West, and especially Central/Eastern Europe where

The focus of strategic planning by spatial focus of plan

	Theme	City	Metropolitan	City–region	Region
Infrastructure	Affordable housing	✔✔	✔	✔✔✔	
	Reduce sprawl by developing core nodes		✔✔	✔	
	Quality of life / public realm	✔✔	✔✔✔	✔✔✔	✔✔
	CBD redevelopment	✔	✔	✔	✔✔
	Urban regeneration	✔✔	✔✔✔	✔✔	✔✔✔
Mobility	Reduce car dependency/high-investment public transport	✔✔	✔✔✔	✔✔✔	✔✔✔
	Easing congestion – road expansion	✔✔		✔✔✔	✔✔✔
Environment	Act on climate change – energy infrastructure and sustainability	✔	✔		✔✔✔
	Conservation and water/air pollution improvements	✔			✔✔
Socio-economic	Quality services to reduce social/territorial inequalities	✔✔	✔✔	✔✔✔	✔✔✔
	Preserve/create employment	✔✔	✔✔	✔✔✔	
	Encourage entrepreneurship	✔	✔	✔✔✔	
	Improve social fabric/community		✔	✔✔✔	
Governance	Improved regional co-ordination		✔✔✔	✔✔	✔✔
	Involve stakeholders in decision making	✔✔✔	✔✔	✔✔	✔
	Consensus building capacity		✔✔	✔✔	
Branding	Improve international image	✔✔✔	✔✔✔	✔✔	✔✔
	Attract international populations	✔✔	✔✔	✔✔	✔✔
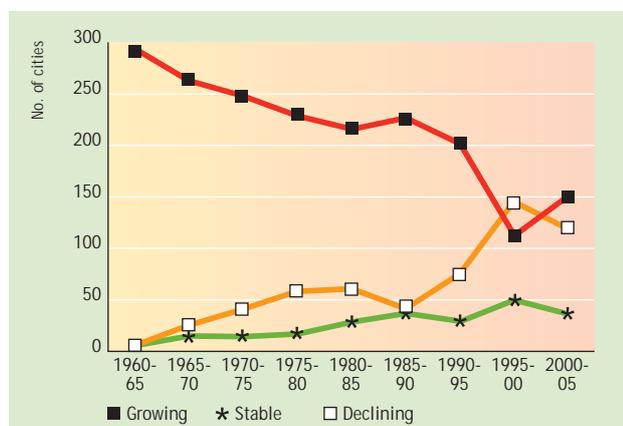
Europe: Number of cities experiencing changes in population between 1960 and 2005 (Source: SHRINK SMART DoW, 2009)

Source: Statistisches Bundesamt Deutschland 2010

population loss is very high. Clearly, this demographic variation helps identify the potential for urban development and strategic planning.

Aging population
The post WW II baby boom increased birth rates, which peaked between 1960 and 70 and have subsequently fallen since the 80s. At -0.02%, Europe has the lowest growth rate in the world (World Resource Institute 2005 to 2010).

Aging leads to high social care costs, as the proportion of economically dependent population increases, while the proportion of productive society drops. This phenomenon continues to challenge the social and financial sustainability of many towns and cities that do not have enough economically active people paying taxes.

Europe's population change 2007-2050

Russia -24.3%
Latvia -22.4%
Belarus -28.2%
Poland -20.5%
Germany -10.3%
UK +15%
France +10.7%
Romania 25.7%
Italy 7.2%
Bulgaria 35.2%
Spain +4.8%

377.000 African migrants per year

1.2 mil Asian migrants per year
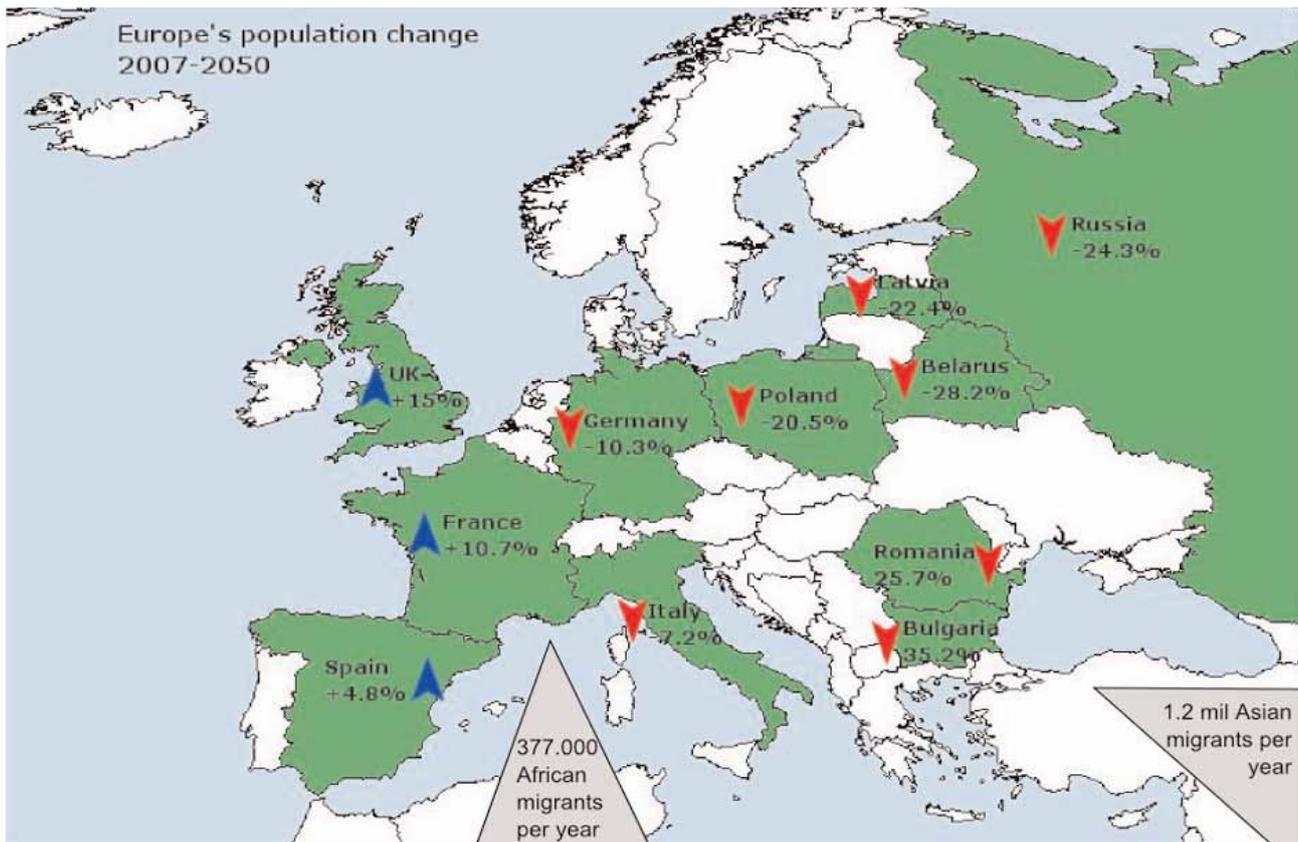
Source: based on The Daily Telegraph 'UN predicts huge migration to rich countries' 2007

Immigration and migration

Municipalities actively encourage young and skilled migrant workers from less developed countries. The city of Stuttgart, where 40% of the population has a migrant background, promotes the potential and openness of the city especially for IT skilled Asian workers. But migration in Europe is not only a response to the specific demand for a highly skilled work force. The region is attractive to people looking for any job to escape poverty. Therefore, high levels of migration occur with uncertain expectations, and integration of the different groups remains a challenge.

Consequently, the "inclusive city" is gaining importance in many City Development Strategies or Strategic Plans and is often named the "third generation" (after spatial and economic) of City Development Strategies or Strategic Plans[2].

Increasing urban poverty and demands for social assistance

In Europe the increasing disparities between low and high income groups, and specifically the growing unemployed population are visibly at increasing risk of poverty, exclusion and segregation. In Germany, the number of people who rely on welfare subsidies for daily life has tripled in the last 2 decades, and municipalities carry most of the costs of unemployment and social security. Cologne social investment makes up 50% of the municipal budget, not including youth and education. Besides direct assistance, such as food or service provision, inclusive policies become corner stones for local strategies, as the fight against poverty is an increasing priority of local leaders (see graphic).

Frequently, local social policies are differing form national policies, such as the recent example of St Denis that invested in slum upgrading and the integration of Romanian gypsies, in contrast to the eviction promoted by the French government.

Local priorities:
- Fight against poverty
- Attract wealthier population
- Attract new population
- External image of the city
- Fight against pollution
- Maintain service levels
- Diversity and tolerance
- Cohesion of local society
- Housing
- Culture
- City aesthetics
- Mobility
- Regenerate city center
- Highly qualified activities
- New economic activities

% of "utmost importance"

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2   José María Pascual AERYC

MAELG research on 12.000 councillors A. Magnier, P. Getimis, 2010

The city as a stage:
Fête des Lumières,
painted housed Tirana

Quality of life and urban culture

In Europe, local authorities are the level of government most sensitive to the social dynamics of the city. Most European cities develop social policies to enable basic principles and rules of daily life, more or less according to their scope of competences in social policies and services. Besides geographical location, health and cultural wellbeing, cities and municipalities are gaining importance by becoming an attractive place to live and work.

Today, citizens in eastern European cities have higher expectations regarding their quality of life, and thus cities struggle to keep young populations that, instead of developing local initiatives, are likely to move towards cities with higher salary levels and services. To counter this, Brno[3] in the Czech Republic, invests 4% of the budget in culture, including theatre festivals and support of local arts, which attracts visitors and younger, educated people alike.

Many cities have also been able to build on intangible values, such as customs, temperament, openness, or general character of their population. As tourism provides income for many Italian and Spanish cities, seasonal activities such as sports or music festivals, have become part of the city programmes and promotion. Another, more tangible asset, is how cities care for their heritage which can communicate and promote the city and its governance through their unique assets to investors, inhabitants and tourists. Florence, for example, has been hit hard by a drop in revenue during the global recession, and has opted to be more enterprising in exploiting its world-famous cultural attractions such as Museums.

Tirana in Albania gives an example in mobilizing commitment though arts. As a result of urban migration after the regime collapsed. Tirana became a place without identity, over crowded and filled up by the illegal building of homes and businesses. Edi Rama, an artist, became mayor in 2000 and is credited with reversing these trends. The grey buildings of Tirana have been transformed by having them painted in bright colours. "Colour will not solve the problems of the city, but it can give citizens an uplift and so help provide the motivation, energy and will to grapple with difficulties," he said. This measure positioned the city internationally and attracted national and international funding and investment.

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3   http://www2.brno.cz/index.php?lan=enandnav01=2214andnav02=4326

1.6.2 Economic development

Local global economy

Globally, the European Union has a low poverty share and the "tertiarisation", or domination of the service sector, of city economies is almost complete. But levels of income and GDP differ significantly across European countries and municipalities. Unemployment and public debt are increasing and challenge almost all cities and location is crucial in competing for economic opportunities.

Traditional small and medium-sized enterprises (SMEs) and family enterprises are still the most numerous business group in many countries. In Germany, for example, this proportion is around 90% (according to the European Commission 2007). City leaders cater for the needs of these entrepreneurs as they know that they will provide a long-lasting benefit to the city in terms of sustainable job creation. The strategies are useful for negotiations between local governments and the private sector, as well as responding to the political expectation of voters.

The changing balance of roles for public and private bodies

The financing of infrastructure development in European cities has been changing in quantity and emphasis during recent decades.
– During the post-war period and particularly in the 1980s, public funds were allocated to enable substantial housing interventions, while today the finance for housing provision is mainly driven by private enterprises.
– Public infrastructure investment currently focuses on roads, transport, waste water, sanitation, as well as public buildings. Cities do have resources to invest in other asset classes but there is an increasing trend towards partnerships with the private sector.

In the past decade, service provision has been deregulated or streamlined in Europe, enabling the global private sector to enter into public service markets. Energy and other public services such as waste and water were privatised, or given on concession, to provide fresh money to the city budgets and to increase efficiency on the management of the service. This is changing the role of the city as the population demands improvements in public services, even as local authorities have less influence on the response.

City maketing: Barcelona, London (Source: City BCN, web)

City marketing

City marketing and competition have become important strategic elements for increasing the city economies in Europe. The city as a "brand" has helped large cities like London or Barcelona, but also smaller places such as Bilbao or Tirana, to position themselves not only in Europe, but in the world.

The Barcelona strategy that coincided with the Olympic Games, continued to position the city as a place for global events and good quality of life (forum of culture, arts, the movies, European Games) and placed the city as the third best known city in Europe[4] and the third most attractive place for global events[5]. As a consequence this has increased response from private sectors and makes Barcelona an attractive city to host trade and other fairs, such as the IT mobile world congress.

National and local governments cooperate to tackle the global economic crisis

The recent global economic crisis has seen the emergence of increased co-operation between national and local government, especially concerning recovery plans. European cities now often invest in infrastructure through national financial rescue plans, with the aim of activating the economy and employment.

In 2008 and 2009, massive national investment in public infrastructure was delivered through local governments in countries such as Spain, Germany, France, and Italy, to mitigate the impact of the global crises. Cities that have well-prepared strategic and urban development plans were better prepared to absorb and deliver these large infrastructure investments.

1.6.3. Growth and spatial development

Impact of urban sprawl on rural areas

Urban and rural systems need each other:
On one hand, to provide services, transportation and job opportunities, and on the other to provide food, preserve natural spaces and offer a healthy lifestyle.

But the growth patterns and urban sprawl towards the end of the 20th century were unprecedented. Public investment in suburban areas was mainly concentrated on roads and local government usually could recover their investments on services through fees and even raise income through property taxes that could be increased for developed land. Simultaneously,

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4   Cushman and Wakefield, "European Cities Monitor" (2009)
5   ICCA, "World Country and City Rankings 2008"

Land use and scale in slowly growing areas: historical cities in Veneto, Italy

small farmers sold their land as values rose and agriculture became more industrialised. The consequence was physical growth without population growth, which resulted in urban sprawl.

This growth pattern led to unsustainable use of land indicated by:
• Higher consumption of energy (individual houses) and increased air pollution from the increase in cars.
• Provision of additional services such as public transport and public infrastructure for education, social services and culture.

Note: Countries covered are: Belgium, Czech Republic, Denmark, France, Germany, Latvia, Lithuania, the Netherlands, Poland, Slovakia and Spain
■ Built-up area ■ Road network ■ Population
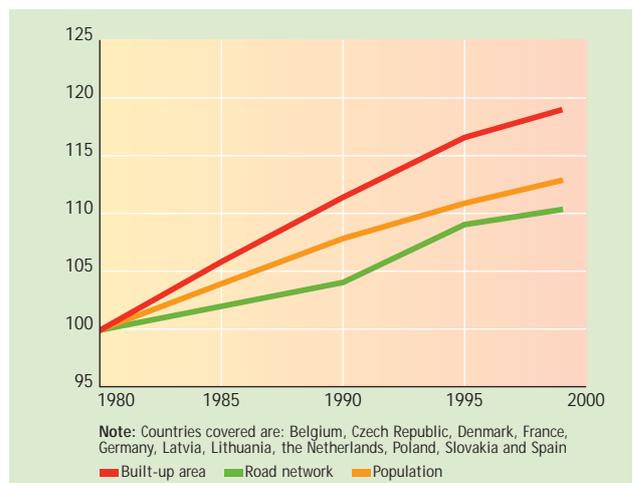
Built-up area, road network and population increases, selected EEA countries (Source: EEA, 2002)

Environmental sustainability

Environmental sustainability has become a priority for many European cities. But some cities have learned hard lessons in the early stages. Tuebingen, for example, developed a sustainable strategy that envisioned the densification of inner city areas, so urban growth was restricted. But at the same time, surrounding municipalities offered very favourable conditions to the construction industry, which undermined Tuebingen's strategy. A new challenge is to formulate joint strategies between municipalities in a city region, to

complement, rather than to compete or conflict with others.

Besides inner city development, cities, have started the expensive redevelopment of former industrial areas, or so-called brownfield sites, mainly using public budgets, but frequently supported by European programs. Generally, urban ecosystems are given greater consideration, and natural features, such as water courses, are also more recognised and protected.

In an attempt to mitigate climate change, many cities have adopted advanced solutions, such as sustainable housing and low carbon energy: more efficient use of urban land, new building technologies and water recycling techniques. For example, Cologne is one of the first cities to have a settlement that uses geothermal energy for heating. Odense, a city in Denmark is developing a strategy that focuses on climate change and is involving the main housing associations to design the adaptation of public housing with environmental technologies.

Public transport is central to making cities more sustainable as it reduces private transport and the associated pollution, and all the case studies included in this chapter have made transport a central part of their strategic plans. The city Bergen, Norway is developing a strategy around a gigantic environmental project Light Rail, «Bybanen». This leads to direct spatial development with public transport networks, instead of roads. Similar to Tuebingen, the City Council has decided that 60 per cent of all building development will take place in existing housing areas and all the new areas will be located along the corridor. This way Bergen will prevent the city from sprawling.

Part 2: Examples of strategies adopted

Evidence of the strategic planning process has been gathered from diverse case studies from across Europe to provide real-world "roads maps" to strategic planning success. In addition to the references to the cities mentioned before, the cases that follow are selected to highlight the diversity of the regions.

2.1 Bilbao, Spain

In the 1980s, the city of Bilbao experienced an unemployment rate of around 30% in the metropolitan area due to the decline of the steel and port industries. The economic situation brought leaders together and they were forced to make bold decisions regarding the city's future direction to become a post-industrial city. Political leaders saw that it would not be possible for the public sector to bring about the necessary change alone. This realisation led to the incorporation of the private sector into the project, and Bilbao Metropoli-30 was set up in 1991. Membership of Bilbao Metropoli-30 is now extremely large at over 140 organisations. The fundamental role of Bilbao Metropoli-30 is to drive forwards the implementation of the Strategic Plan for the Revitalisation of Metropolitan Bilbao through public-private sector cooperation and to promote the external and internal image of the city.

Led by the city mayor of Bilbao, the city co-ordinated stakeholders and inner city transformation. The city
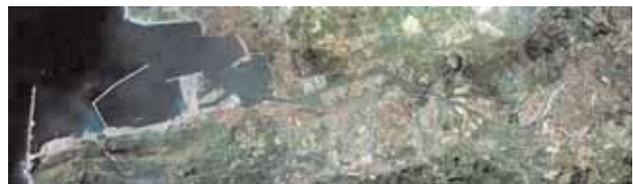
Metropolitan Area of Bilbao and Revitalized Waterfront with Guggenheim Museum

government benefited through the urban instrument "plus-value" from the increasing land value in the old port areas that were redeveloped following the strategy of the 90s.

The Strategic Plan for the Revitalisation of Metropolitan Bilbao was launched in 1992 as a response to requests by the Basque

government, the county government of Bizkaia and the City of Bilbao. The plan has subsequently been developed through a series of emblematic projects and these are seen to have "made the difference" (Bult 2008).

The project of the "riera" that regenerated the central spaces along the river could succeed in attracting actors and stakeholders to involve in the transformation.

The Guggenheim Foundation was one of the stakeholders that came on board as part of the City Development Strategy. The Guggenheim Museum was seen as a milestone for the international projection of the city.

Today, the Bilbao metropolitan area revitalisation process is entering a new phase, starting from the consolidation of broad infrastructure and facilities base in which strategic values will allow the culmination of those milestones already achieved, and thus lever the metropolitan area, and by extension, the entire Basque Country, into one of the most advanced and competitive areas in Europe.

2.2 Prague, Czech Republic

Since the Velvet Revolution more than 20 years ago, the political and economic climate in Prague has changed beyond recognition. The city is no longer internationally isolated and the introduction of a market economy has transformed the lives of the city's inhabitants, as well as the role of the government. The city now has commercial office buildings, hotels and shopping centres and is one of the pre-eminent centres of tourism in Eastern Europe, owing to its historic monuments and relaxed atmosphere.

Employment in the tourism sector from 1980 – 2007 (Source: Great Cities Institute, University of Illinois: Prague, Tourism and the Post-Industrial City 2009)

However, rapid commercialisation has led to congestion, pollution, obsolete infrastructure, aging in neighbourhoods, street crime and an inefficient administration. The advent of democracy and a market economy have demanded a need for change in planning and managing city development. Prague soon realised that it needed, in addition to its newly conceived land-use policy (1999), a long-term strategic plan which set out economic, social and spatial development plans.

The Strategic Plan for the City of Prague

The Prague 2010 document from 1994 highlighted the city's desire to be prosperous and efficient, as well as being a healthy and pleasant place to live and visit. Later the city attempted to bring together both the public and private sectors through dialogue between the people and the authorities, as well as with business, politicians and experts. The Strategic Plan, which considers a 20 to 25 year time frame for the City of Prague, was approved by the municipal assembly in 2000.

The document was amended in line with specific developments and therefore illustrates that Prague, whilst advocating the benefits of long-term planning, remains pragmatic in its approach and is willing to make changes to its strategy for the benefit of the city (City of Prague 2008).

2.3 Turin, Italy

Turin's strategic planning has evolved over the last decade as a response to challenges created by de-industrialisation.

Subsequent policies have been developed with the aim of internationalising the city. Urban renewal has been an
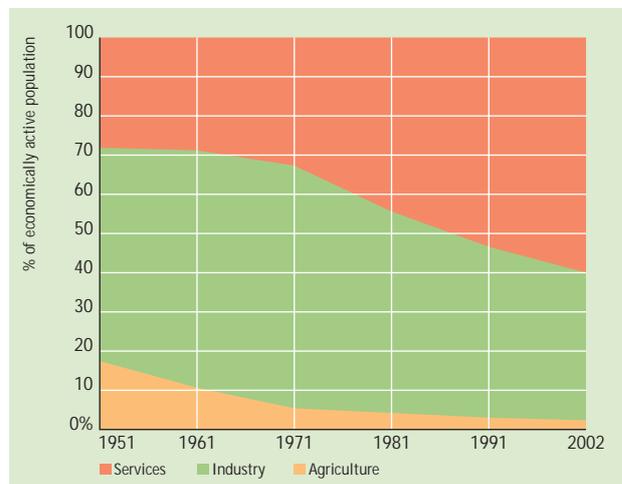
Employment by sector in the province of Torino (Source: ISTAT IRES Piemonte)

Central Backbone Route (spine) and Underground Railway (Source: Officina Città Torino)

important vehicle through which Turin has pursued its international agenda.

The 'Land-Use and Infrastructure' Plan introduced by Mayor Castellani in 1992 effectively re-shaped the city, by:
• re-organising urban transport into 3 'spines' connected as a triangle, to connect the urban centre with the metropolitan satellite towns;
• opening up the central areas of the city by placing more transport underground and creating major thoroughfares within the city; and
• joining up old industrial zones with the historic centre and with older and newer suburbs.

Torino Internazionale: Defining Turin's Internationalisation Strategy

Torino Internazionale is an overarching strategic visioning process, instigated in 1997, which defines Turin's preferred future character and sets out the key initiatives required to deliver it. Around 200 organisations formed a strategic planning partnership. It is not a detailed land-use plan or economic development strategy, but it does define clear priorities and goals in both respects. The strategic plan was updated and expanded in 2006, emphasising the "knowledge society" (City of Turin) and involving the metropolitan area, in order to coordinate resources, ideas, projects and proposals that aim towards joint economic and cultural internationalisation.

Overall the plan defines 3 key aspects of the vision for the future of Turin:
i.   Turin, **European Metropolis**
ii.   Ingenious Turin, **City of Action and Expertise**
iii. Turin that Chooses: the **intelligence of the future** and the quality of life

Torino Internazionale conceived the 2006 Winter Olympics as a key catalyst in creating this vision.

During the strategic planning process, the city of Torino also restructured internally, with managing service agencies (AMIAT, SMAT) where the major actor is the city of Turin: The mayor was supported by a young and efficient strategy team, that could attract investment from different sources. The European Investment Bank provided a large credit for waste management with excellent conditions, that was able to bid against national, regional or private investors and was also guaranteeing the credit.

2.4 Glasgow, United Kingdom

In Glasgow, the process of urban regeneration has been underway for some 30 years. Like many modern cities, again, there has been a shift away from traditional industries, in particular ship-building and engineering. In the UK, local government has fewer competences in comparison to other countries like Germany, Sweden or France. Therefore, cities are keen to mobilize the private sector at at an early stage.

The city's reinvention as an urban tourism destination started through a combination of new city branding and the use of a

Arena for the 2014 Commonwealth Games (Source: City of Glasgow)

series of high-profile events including the 1988 Garden Festival, the 1990 European Capital of Culture, the International Festival of Design in 1996 and the 1999 City of Architecture and Design.

The city put in place an economic strategy developed primarily by the City Council and the Glasgow Development Agency which took a longer term approach to regeneration, recognising and exploiting the distinct competencies of both public and private sector actors.

Despite significant changes in the intervening years, a new, successor economic development strategy was launched in 2006 which aims to create a step-change in the city's fortunes within a ten year period. This new strategy is driven by the Glasgow Economic Forum and addresses the following 3 strategic priorities:
• Moving up the value chain (productivity, competitiveness and innovation)
• Shared prosperity (ensuring all citizens benefit from greater prosperity)
• Excellent economic environment (aligning the business, physical, cultural and social environment to support innovation and growth)

The strategy identifies a number of big-ticket activities which should contribute significantly to the step-change targets.

1 These include Clyde Gateway in the east end of the city which will effectively rehabilitate a large of area of land for
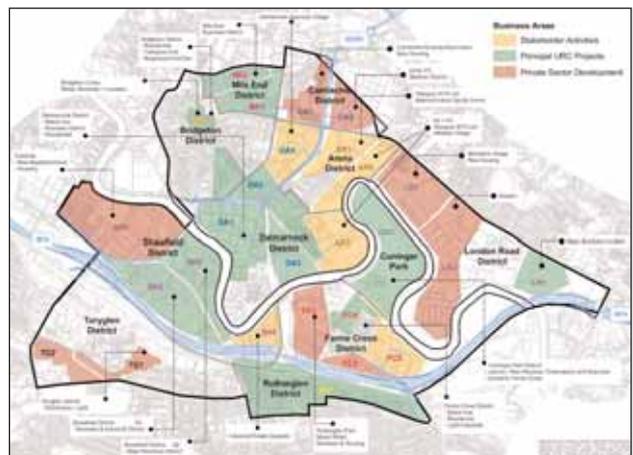
Clyde Gateway Business Plan (Source Clyde Gateway 2009)

mixed use, create new routes and significant employment opportunities for the residents of that area which has suffered from high levels of economic and social deprivation.

2 An Urban Regeneration Company (URC) has been established to oversee the delivery of the project which has a total timeline of 25 years.

3 The economic development strategy is complemented by the City Plan which sets the context in which development can deliver the employment, housing and educational environment that will sustain Glasgow as a competitive city.

The development strategy provided a focus for development in the City Centre, along the River Clyde corridor and in other parts of the city and contains development policies and proposals which will influence the planning decisions and thus the scale and nature of the physical change.

2.5 Cologne, Germany

Cologne has faced industrial conversion from heavy industry to a service center over the past 30 years. Besides unemployment, the city has been challenged by the need to integrate people from very different backgrounds, the reduction of financial resources through the global economic crisis, and the apathy of citizens regarding local policy. In more recent times, the integrated development and participatory concepts emerged, such as the "Integrated Concept for the Development of Mühlheim". There is no integrated strategic urban development plan which encompasses both economic and infrastructural planning in the city. Indeed, the strategic planning for the city is split into three parts:

• The Integrated Planning approach building on economic and urban strategic planning processes, embodied by two different commissions in the City Council.

• The Master Plan, which concerns approaches and projects concerning infrastructure and is a bylaw.

• In addition to this clear distinction, the City has a vision for 2020 pushed by the chamber of commerce and the Regionale 2010.

Social inclusion is a strategic priority of the city and policies were implemented on a neighbourhood level. Citizens were mobilized through participatory exercises. Roundtables in neighborhoods to discuss strategic projects, such as public spaces, management, one stop services, social care and to debate solutions to the most immediate problems facing communities, such as street cleaning, playgrounds, quality of life and solidarity. The building permit for a large mosque to allow the mainly Turkish Muslim migrants to follow their culture was one example of this policy.

Whilst Cologne does not have one strategic planning document, its various plans have achieved some results:

• Restructure the economy, eg the growing importance of IT and science.

• Increase the influence of migrants and tackle racism.

• Control growth and spatial development.

• Citizen participation in strategic decision making raised interest and support.

Vision Cologne 2020 looks two decades ahead, and was arrived at after intensive discussions during 18 months involving some 350 individual citizens and representatives from most economic, labour, social, cultural and religious organisations. Vision Cologne 2020 was financed by the Chamber of Commerce and its main objective is to construct a city which comprises an open, knowledge-based society, an economically dynamic city, a modern civic society, a living cultural centre of an attractive built environment (www.citymayors.com).

Regionale 2010

The municipalities around Cologne, Bonn and Duesseldorf recognized the importance of joining forces to increase competitveness. The aim of the Regionale 2010 (www.regionale2010.de) programme for the Cologne/ Bonn area is to "Make what is there worth having and to risk innovation," eg the modernised Cologne-Bonn airport or the attraction of IT and telecommunication enterprises.

2.6 City of Paris and IIIe de France, (Paris region), France

The Ile-de-France region was one of the first global city regions to recognise the need for a comprehensive vision for the future. Ille de France comprises 1,280 municipalities and produces more than 50% of France's GDP, and 5% of Europe's.

Its regional master plan – Schéma Directeur de la Région Ile-de-France (SDRIF) – is a long-term (25-year) strategic framework for co-ordinating a broad range of public policies and private actors, which also doubles as a land-use document that regulates local master plans. Thus, the SDRIF is the key tool which coordinates the complex and fragmented local urban policies into a wider long-term framework.

Nevertheless, central government retains a key role in directing land use in cases of national interest, eg through the project "grant Paris", while local governments continue to draw up their own master plans.
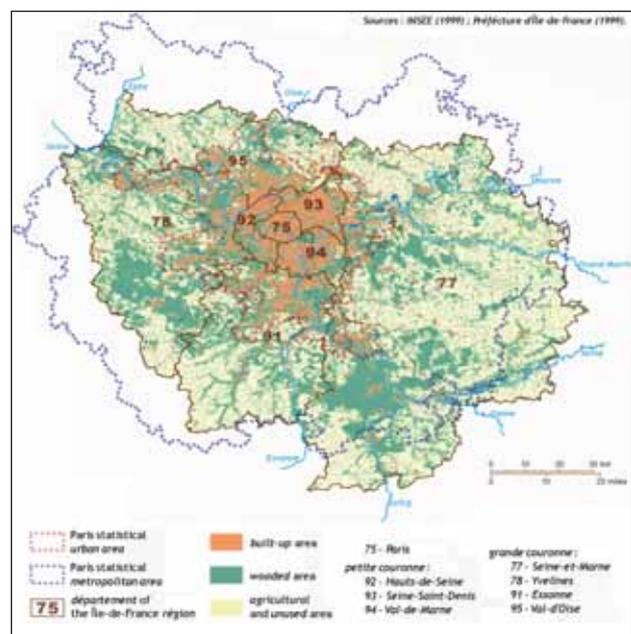
Ile de France Region and Urban Areas (Source: SDRIF)

The inclusive and consultative nature of the process is a strong source of legitimacy for the plan. In September 2008, the draft Ile-de-France 2030 Master Plan was officially adopted by the regional council and is a decisive step towards a new future for the region. The plan outlines the key challenges that need to be overcome to meet three overall goals:
• Social and infrastructural disparity, and territorial and social cohesion.
• Climate change and rising fuel costs.
• Enhancement of the region's international attractiveness to maintain its high international standing.

Ultimately, these goals correspond to a transformational spatial project, namely the compact city. While traditional planning in Ile-de-France has targeted a polycentric region with a strong periphery, the 2008 SDRIF has introduced the importance of a highly dense urban core, and a higher density of all existing urban spaces. The robust co-operation which marked the plan's revision and re-formation is set to be mirrored in the implementation phase. The regional council announced plans in 2008 for a series of partnerships for the implementation and evaluation of the future SDRIF. Such an approach is thought to foster co-operation between different parts of the region, matching institutional

Areas with Lack of Social Housing (red, Source: SDRIF)

initiatives with the concrete realities of the metropolitan area (Fouchier 2008). Additionally, newly strengthened co-operation between the regional and national levels over local planning regulations is considered a key instrument for coordinating the range of regional actors around the collective plan.

Paris city

Many of the key challenges of Ille de France are closely related with the city of Paris that tackles the 3 challenges listed above with other instruments.

The city mayor Bertrand Delanoe and his municipal team led the drafting of the Plan Local Urbaine (PLU), but held a wide democratic consultation process, with associations and councils, and collected 14,000 propositions that were all analysed.

Finally, the adopted PLU included 500 selected proposals and the vote on the PLU in 2006 found balance between main political actors with 3 main objectives for the next 15 years:
1 Enhancement of the environment for the inhabitants – mitigating environmental impacts, maintaining diversity in urban landscape and heritage.
2 Reduction of inequalities through a united city, meeting the needs of different generations and social diversity.
3 Stimulation of employment and promotion of the influence of Paris, developing new economic and scientific centers.

Housing policies and investment are crucial to meet the objectives. Besides neighborhood upgrading, Paris delivers 3,500 social housing units each year. The city of Paris further made concrete studies and planning projects on 10% of its territory, most of them in neighborhoods.

2.7 Lille, France

Lille is an example of a political decision to formulate a strategy to develop into a metropolis that looks to position itself in France and Europe. The 2008 municipal elections saw the renewal of the Lille Métropole Council and the election of the mayor of Lille, Martine Aubry, as the president leading the strategy. The cross-border Eurometropolis territory (France and Belgium) of Lille-Kortrijk-Tournai that was created in January 2008 provides an extra dimension to the plan and highlights the importance which Lille places on regional co-operation to create an internationally competitive city region.

Key strengths and competitiveness challenges for the Ile de France region and Paris

KEY AREAS OF GLOBAL STRENGTH
• Iconic capital of major historic power – Paris remains a unique brand phenomenon, known worldwide, with an unwavering capability to attract international business, tourism and talent alike.
• High-quality labor force – the city's higher education institutions rival any in the world, and are well integrated with science and RandD industries.
• Regional government – The new regional planning strategy (SDRIF) has been a triumph of dialogue among economic development actors, and the resulting co-operation is expected to enable decisive and visionary action at regional level.
• World-class transport infrastructure – outstanding intra- and inter-regional connectivity, retaining world-leading presence of global firm headquarters.

KEY CHALLENGES FOR GLOBAL COMPETITIVENESS
• Costs – Paris is an expensive city to live and work in. Unaffordable housing market inhibits residential mobility, while infrastructure regeneration requires huge revenue generation. Discouraging levels of business and property tax have slowed financial services sector growth.
• Social segregation – despite administration prioritisation, the region is an uneasy mixture of sophisticated affluence and industrial poverty clusters, where immigration has not been seamlessly integrated and unemployment remains high.
• Positioning – While Paris' cultural brand is almost assured for the long term, its business brand requires honing.

The first Master Plan for the development of Lille, the "Schema de coherence territorial", was implemented in 1990 and lasted 10 years. However, it became necessary to update this document in the light of globalisation and of reforms that encourage French local governments to co-operate (law, on solidarity, law on air, *communitee urbain*).

Strategic vision and priorities

The strategy helped to decide what infrastructural and strategic changes the city needs to go through to realise their goal of becoming a globally sustainable city, whilst simultaneously meeting the needs of its citizens. There is a strong co-operative relationship between the Urban Planning department and the Lille Métropole Development Agency.

Lille Métropole is to undergo regular evaluation of the social and urban impacts of its strategic planning policies. The department of public policies evaluation is currently in the process of creating indicators to evaluate and monitor the progress of the previous strategy. In Lille, it appeared relevant to identify the

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6   Lille Questionnaire.

strengths and the weaknesses of Lille Métropole, capital city of the Nord-Pas-de-Calais region, before developing the next strategy and action plan. However, some priorities have already been established with regards to the new Master Plan. The aim is to create a culture of sustainable development through:

1 Housing policy (social mix is a central issue).
2 Employment creation.
3 A renewed mobility culture.
4 Control of urban sprawl.
5 Preservation of rural spaces.

The legal urban planning documents give a precise reading of the metropolitan challenges and related projects. Sources of financing look for a combination of public, local and national resources (eg, the building of a big municipal soccer stadium, related to the internationalisation strategy), European funding (structural funds to open up the deprived areas with public transport such as a tramway).

The central question is related to opportunities, which stem from the territorial analysis. Lille has identified ways in which it will fund specific projects[1], but always with the perspective of a global development strategy.

Part 3:
Comparative analysis

The following sections discuss and explain the similarities and points of difference established through the dialogue with the cities discussed in this regional chapter.

3.1 Preparing the plan

Evidence from the case studies, from Prague to Turin and Cologne, shows strategic plans that vary widely. This is a natural response for cities that differ in size and location within highly diverse national systems. Plans are crafted and delivered in a way which is most effective for each place. The same plan for Ile de France would not likely work for Prague, for instance.

As a result, the starting point for most strategic plans tends to be a **comprehensive analysis** of the area the plan is intended **to deliver change within**. This may require the gathering of socio-economic intelligence to understand the challenges and opportunities of the area which can be mitigated and leveraged by the plan. For instance, the appendix of the London strategic plan codifies the London development system in simple terms in order to model basic scenarios so that planners can anticipate and better react to future change.

London: city and region (Source: urban age)

3.2 The territorial (spatial) focus of strategic plans

The spatial scale of strategic planning can vary across four territorial zones: 1) municipal (eg, Prague); 2) metropolitan (eg, Bilbao); 3) city-region (eg, London); and 4) regional (eg, Ile de France).

The metropolization of the Barcelona Strategy

Barcelona City Strategy

Barcelona Metropolitan Strategy

1986	1992	1999	2003	2010
Entry in the EEC	Olympic Games	3rd Strategic Plan of Barcelona	1st Strategic Metropolitan Plan	

Timeline of Strategic Planning in Barcelona, described in the Mediterranian chapter

At a more detailed level, variation in the spatial focus of strategic planning is principally determined by the following:

- Physical geography: Connectivity with surrounding settlements as well as global flows of capital, eg Turin is a relatively self-contained city which helps to explain why its strategic plan is municipal in its focus.
- The scale of the city, the urban patterns and the function of public space have been revised towards more sustainable cities. Pedestrians and cyclists have been gaining importance in car-dominated cities.
- Local governance arrangements and the degree of autonomy which is devolved to the local/regional level especially for metropolitan areas: While the Ile de France region is a politically defined territory within which the co-ordination of strategic planning is effective, the positioning and influence of a city within its urban hierarchy requires time.
- For example, strategic planning in Barcelona, has evolved from the city to the metropolitan scale to reflect the new geography of the city, but many of the competences and power to provide infrastructure are located in other spheres of provincial government, such as the *Diputation*. Only on 27 July 2010 a by-law on the metropolitan competences was approved by the Catalonian parliament. The Barcelona case is discussed in the Mediterranean chapter of this document.
- Funding arrangements, eg resource mobilisation is fundamental to strategic planning success. Spatial scales of many plans tend to mirror the scale at which the largest volumes of resources may be drawn down. This is true for Ile de France and also in neighborhood strategies in Cologne and Paris.

3.3 The temporal focus of strategic plans

The effective delivery of strategic planning is a long-term process with the length of plans varying from 10-25 years. As in the Prague strategic plan it is specifically not a political proclamation, it is a part of city management and its priorities are considered the City's budget and capital investment programmes over the longer term. Plans with a strong political and community backing are less sensitive to instability. As a result, these plans, such as in Glasgow, tend to be highly collaborative and of longer length.

Strategic plans also take time to develop and are more aligned with business than political cycles. The SDRIF Ile de France plan, for example, involved a lead time of almost four and a half years from initiation in July 2004 to adoption by the regional council in September 2008.

This is not to say that plans cannot be amended. The most impressive examples of strategic planning build in a level of flexibility which allows them to react to external changes. The more unpredictable the political and economic context the shorter the length of the plan.

3.4 The leading agency, department or organisation

Strategic plans are crafted and delivered by a range of bodies including: 1) city councils (eg, Cologne); regional councils (eg, Frankfurt); 3) Strategic public-private planning partnerships (eg, Turin); 4) Newly created planning agencies (eg, Glasgow, Bilbao); and 5) Not-for-profit agencies (eg, Barcelona).

Strategic planning is a collaborative process which requires strong buy-in from key stakeholders including politicians, business and the local community.

Despite being 'led' by certain organisations, local authorities need to be in the driving seat of the strategic planning process. In all municipalities, local leadership and political support at all levels are critical in achieving effective strategies.

As the private sector becomes more engaged, the legal and institutional frameworks, ie, the tools and approaches required to deliver certain aspects of certain plans, may not be at the disposal of certain delivery bodies. As a result, new legal bodies, such as the public private bodies (eg, the Glasgow Economic Forum or the Torino Internazionale) are formed to build public private partnerships, for instance.

One such special purpose vehicle, Bilbao Metropoli-30, was a relatively apolitical membership body that avoided disruptive political influence. However, Metropoli-30 focused very much on marketing that sometimes disconnected activities with the city and regional government.

3.5 Specific planning mechanisms, tools and instruments

Integrating master planning and other plans
Evidence from all case studies shows that strategic plans have been very useful to identify a city's strengths and weaknesses, to channel demands and to help build a new vision.

Tools for integrated development are gaining in importance, where urban functions are analysed and understood in terms of their interdependency. This has increasingly encouraged the integration and amalgamation of separate plans such as land use, infrastructure, marketing and investment plans into one single masterplan, as in London and the Ile de France.

3.6 Implementation and monitoring mechanisms

Increasing importance is being given to indicators and the monitoring of plans. This allows, as in Lille, enhanced momentum and continuity for projects that run well, or as in Bilbao, an evaluation of the agencies involved in delivery to enhance effectiveness. Many of the indicators created to monitor local strategic planning progress are of general interest to many cities and are very useful tools for information sharing both within and between cities and their regions.

3.7 Investment instruments

Strategic plans help to communicate between private and public sectors and allocate public funding in a targeted way to mobilise private funding. In Bilbao, the concentrated public investment of the different government tiers finally mobilised private capital, while in Cologne, for instance, the private sector has been proposing improvements to be delivered by the municipality.

As mentioned above, the European Investment Bank is an important source for financing following the criteria of the European Commission, and the example set by the city of Torino indicates the way forward.

One particular expectation of public investment in strategic projects is the mobilisation of private capital and the stimulation of powerful real estate markets, as shown in the recent example of Tuebingen to encourage developers to replace low cost housing with energy efficient homes guaranteeing access to the former users.

Part 4:
Conclusions and further challenges

The experience of European cities offers insights for other parts of the world and appears to support conclusions reached in other regions. Due to the diversity of political systems, European cities are an interesting reference to be compared to each other, and also with cities in other regions.

City Strategic Planning is not the same as urban land use planning though the two are highly related practices and are often integrated or operate as parallel and reinforcing processes.

Flexible instruments like strategic planning can, and should, be adapted to the specific situation of each city. However, despite a long and very diverse history of local governance, legal instruments require time to be reformed. Key data and indicators should be monitored to communicate achievements.

In all municipalities, local leadership and political support at all levels are critical in achieving effective strategies. The creation of specific agencies is helpful and can be more result oriented, but political leadership has to be constantly ensured.

European urban history is full of examples of unsustainable development, especially when a small group speculates on the need and market of urban development. The Mediterranean coast has been impacted by an accelerated property market that was neither based on solid demand nor followed a sustainable spatial model, as described in more detail in the Mediterranean chapter.

Small, rural, or less connected municipalities have a different starting point for their strategies given their limited revenue raising potential, increasing poverty levels, and high levels of service backlogs. These municipalities require specific attention and national interventions. Planning tools related to their specific challenges, values and opportunities are necessary over the long term.

The challenges for urban management and governance, change with the structure of our population, our economy and our environmental footprint. One option is to develop the "second and third generation" of strategic planning that shifts attention from merely spatial and economic aspects towards social inclusion.

4.1 Features of effective city strategic planning

i.   A city needs one main plan, one voice, one identity, and a strong story line. Not a matrix of complex and overlapping plans.
ii.   A plan operated over a functional area, not just within political boundaries.
iii. Create links between spatial development and intended social, economic, cultural and other development realms.
iv.   An economic agenda is required across the whole city government.
v.   Cities need organised representative business leadership that is demanding a consistent and speaks to all spheres of government.
vi.   Plans need to be user oriented: to people and citizens, to employers, investors, visitors, entrepreneurs, traders, innovators, developers, infrastructure providers.
vii. Cities need a focussed number of top priorities, sectors, and spaces that can be translated into tangible actions.
viii. Cities need an expanding capacity for implementation, a range of financing tools and delivery vehicles that can attract external investment.
ix.   Cities that succeed have strong 'problem solving' and project management orientation.
x.   Cities work well when they have a strong development agenda and partnerships with: local public sector; local and regional private sector; regional public partners; provincial and federal governments; and global partners.
xi.   Cities need collaborative leadership that focuses on the big picture and leverages resources to deliver.
xii. Stakeholders involved in observing process of change.
xiii. Cities need the staff and departments to build on lessons learnt and instruments that work.

4.2 The most effective city strategies appear to be based on

i.   Participation and involvement of key stakeholders and community.
ii.   Ownership of citizens.
iii. Robust analysis of the situation and the upcoming challenges.
iv.   Distinctiveness of place and unique advantages and characteristics.
v.   Alignment with national goals and between all the dimensions.
vi.   Engagement with future drivers and international opportunities.
vii. Ability to influence behaviours.
viii. Governance and competitiveness combined.
ix.   Policy and investment linked.
x.   Coherent messages for different audience: Vision, Plan, Prospectus, Marketing, Urban growth.
xi.   Alignment between all dimensions.

4.3 Rethinking urban planning through integrating the 4 pillars: social, economic, physical, governance

In the past century, many strategies that have been developed prioritise one of the 4 pillars, mostly economic or physical more than on social impact. Therefore, weaknesses are related to the other components, such as lack of integrated approaches, consensus, resistance from citizens, or unclear and inefficient proceedings and disregard for the environment.

The strategy and priorization of projects and policies should be based on a broad vision that is still valid after revising the choices. Many Spanish cities like Seville try to work out a strategy towards a broader concept of citizenship addressing quality of life and social fabric, calling these plans the "third generation".

4.4 Revision of existing procedures, planning instruments and resources

Development and urban life depends on many actors, not just the planning of the public sector. Therefore, technocratic master planning has become insufficient. The French examples show that instruments can be adapted to the new challenges
• Cross learning between economic, physical, and social strategies is possible.
• Carefully select where, and under which power structure, the strategy is driven. Preferably, the related decision should be coordinated under the same leadership, possibly the mayor´s office.
• The system of indicators requires renewal and amplification as strategic decisions change over time and new challenges come up.
• Links between strategies and EU funding support should be encouraged.
• Integrate expertise of professionals (Urban planners, economists, urban sociologists, politicians) as sounding boards.
• Interactive and constructive communication mechanisms should be continuous not only when formulating strategies.

4.5 Financing strategic planning into the future

The scope and scale of strategic planning is also related to the feasibility of investment. Some countries have their own investment lines for public local investment and commercial lenders that can be approached by municipalities. However, detail on instrument is needed, such as discussed during the inaugural European Urban Investment Summit in Barcelona in October 2009:
• Urban investment strategies.
• Specialist urban investment funds.
• Value Capture Finance instruments.
• Public Private Partnerships.
• District improvement financial instruments.
• Public land and public asset-use.
• Incentives for low carbon cities and real estate.
• Further, competences and support for environment taxes such congestion charge to earmark investment of local governments.

Part 5:
Recommendations

- As cities in Europe are becoming increasingly close to each other, the challenge is for cities to complement and compete together instead of against each other.
- All local governments should draw their own strategies and establish databases to measure progress and performance.
- The Reference Framework on Sustainable Cities, which is currently prepared by an intergovernmental working group, aims to provide assistance to cities and should therefore be supported by the Member States and the European Union.
- Strategic Plans must build on specific interests and on the specific situation in each city
- City strategic planning must be a public item that needs to be communicated and supported by commitment from stakeholders.
- Land use plans are an instrument that should follow public interest and prioritize sustainability. To reduce the environmental footprint, administrations should promote the regeneration of former industrial land, urban densification and recognize value of environmental resources. Spatial planning should avoid undefined boundaries between urban

and rural land and natural resources.
- Regular impact assessments and the adaptation to a changing environment of planning tools are important, taking into account all aspects: social, economic, environmental and institutional. Local government should revise how land use and building plans can be complementary to the development of any strategy, especially on infrastructure provision.
- The new generation of strategies applying lessons form other regions such as Latin America on social inclusion should be promoted by networks
- European Union policies are decided by member state representatives. This limits the influence of local governments, especially those of decentralized countries. We recommend to work on a joint agenda where local governments are involved in the design and implementation of programs. This will lead to more coherence between regional and local policies and planning and development instruments.

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- MAELG research (Municipal Assemblies in European Local Governance) 2009, questionnaire to local councillors in 15 European countries, n. = 11.961; in A. Magnier, P. Getimis, "How do City Halls debate and decide on Urban Planning …",

- Networks involved: Recs on strategic cities Firenze Italy, Open Cities, Comments received by CEMR Council of European Cities and Regions

Local leaders
preparing
for the future
of our cities

Latin America

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Part 1:
Strategic planning: Latin American context

Since the late 1980s, strategic planning in Latin America has been characterized by four factors which have had a significant impact on overall regional development.

First, poverty, extreme inequalities and the absence of essential infrastructure works have slowed down and even hindered economic development in many Latin American countries.

Second, city patterns and territorial development across the region have influenced the context of strategic planning, considering that most of the population lives in cities and urban areas.

Democratisation and decentralisation processes are the third but crucial factor together with initiatives that foster citizens' involvement in a period of political, economic and social changes that interfere with the implementation, consolidation and institutionalisation of the above mentioned processes.

Finally, a distinguishable phenomenon in most countries across the region that is closely linked to the initiatives that foster municipal decision making is the absence of legal and financial instruments available to local governments for their effective institutional consolidation.

1.1 Economic and social context: poverty, inequality and the absence of infrastructures hinder development

In the past 20 years, Latin America has experienced a relatively modest economic development as compared with other regions or countries. Following the World Bank's report Poverty Reduction and Growth: Virtuous and Vicious Circles, while China has experienced a per capita annual growth of approximately 8.5% from 1981 to 2000, Latin America per capita GDP has decreased 0.7% in the 1980s and increased about 1.5% a year during the 1990s.

This unequal regional development is partly a direct result of the policies implemented during the mid 20th century, when other countries and regions received more benefits from world economic expansion and growth. The main reasons behind this development gap are the domestically oriented policies implemented by many Latin American countries since the mid-1950s, the poorly planned management of economic resources, social tensions and the need to have access to resources from developed countries and international agencies during the 1980s which resulted in foreign debt.

Despite the fact that Latin America has historically lagged behind, two factors explain the slow economic growth experienced by the region as compared to other continents:

Road network (Source: CIAT Latin America and the Caribbean Population Database 2008)

poverty and social exclusion suffered by large sectors of the population, as outlined by the Word Bank and inadequate investment in infrastructure, as outlined by the Inter-American Development Bank (IDB).

Latin America has been characterized by irregular, cyclical and unequal development. Huge differences exist between countries and inside each country.

In recent years, poverty has proven to be the main obstacle to economic development in Latin America. Economic growth has not alleviated poverty and rising social exclusion has slowed down the possibility of achieving higher growth rates. This trend was tackled by Brazil which, thanks to strong social policies and commitment to the Millennium Development Goals, has reduced poverty and inequality in recent years.

The limited access to credit that could encourage economic activity and contribute to growth and new investments creates a vicious circle, the so-called "poverty trap." This self-reinforcing mechanism causes poverty to persist, because it does not create the necessary resources to alleviate poverty. Chronic poverty clearly hinders economic growth and negatively affects the different opportunities that Latin American countries may have to develop.

From a general, long-term perspective, low levels of economic growth over past 50 years have accentuated social and territorial inequalities in the region. Latin America has become
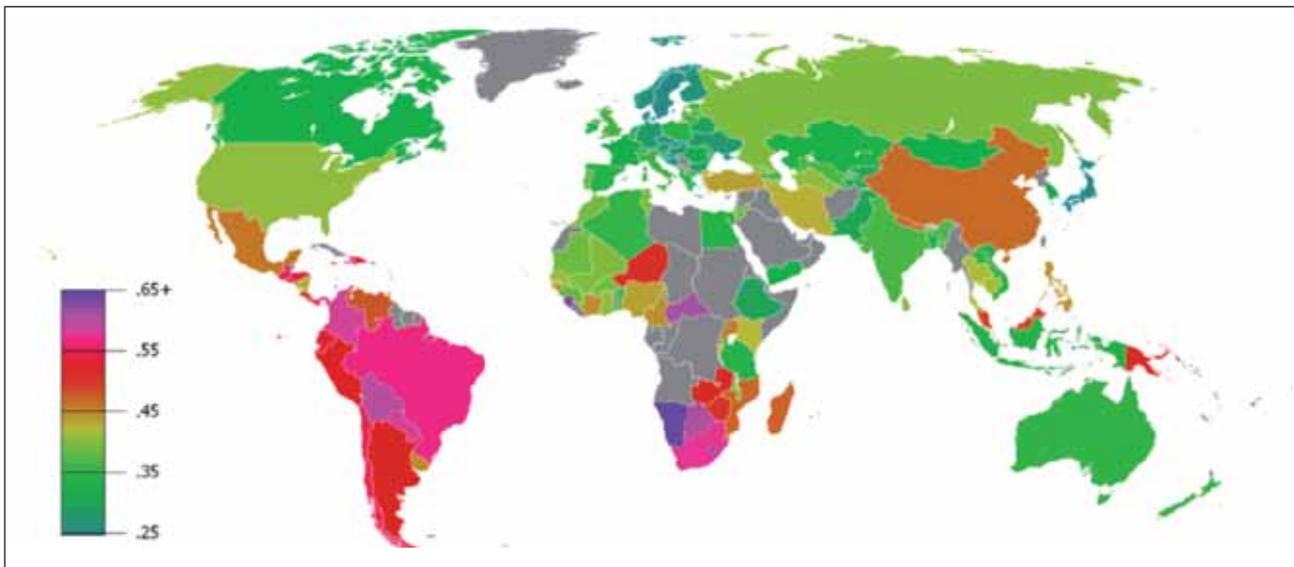
Gini coefficient across the world (Source: UN 2007/2008)

one of the most unequal regions of the world. *(See the graphic GINI coefficient)*

The IDB has established that the differing levels of economic growth in Latin America as compared to other regions are largely due to the second key factor: absence of adequate infrastructure. The IDB states that one fourth of the different rates of growth experienced by Asia and Latin America is explained by insufficient infrastructure, for different reasons. First and foremost, it is the result of the policies and principles of the so-called Washington consensus. Washington consensus policies were implemented without considering their impact on institutions or on the context and dynamics that are typical of each region and community; as a result, most state-owned utilities and infrastructure facilities were privatized.

These neoliberal measures led to under investment. The expected flow of private investment that could have modernized the region and ensured economic growth never happened; not even basic needs were met. This lack of investment in infrastructure as well as its negative impacts on growth, employment and poverty alleviation are explained by

Source: **Poverty reduction and growth: virtuous and vicious circles World Bank (2006)**

political instability during the democratisation process in different countries; by the absence of clear rules offered by market regulatory bodies, social insecurity, high crime rates, citizens' mistrust and fear of capital investors.

In order to alleviate poverty, several Latin American countries have implemented different plans and initiatives, especially after the 1990s, to foster more accelerated growth. Education programs, investments in infrastructure, improved healthcare and better access to basic services such as drinking water and electricity have been targeted at poor sectors of the population. According to the World Bank, over the last 15 years, poverty has slightly dropped in Central America, from 30% down to 29%. However, poverty has increased in the Andean community by 6 points; in the Southern Cone it has decreased by 5%, especially in Brazil.

Many Latin American countries are making investments to expand secondary and tertiary education coverage as well as their road network and healthcare coverage.

1.2 City systems: urban dynamics in a macro-region of cities

The evolution and transformation of the system of cities in Latin America took place during the 20th century and was linked to the international economic situation.

Since the 1970s and during most of the 1980s, the Latin American economic model was significantly changed, affecting urban dynamics. Technological changes modified the import substitution model and the raw materials market. The transformation of the domestic production structure caused significant changes in cities, especially in inter-urban relationships and in cities' internal structure.

Industrialisation concentrated around the big cities and focused mainly on the production of consumer and technological goods. It developed during the economic crisis triggered by high foreign indebtedness, high inflation rates and high poverty rates. The process led to serious conflicts in cities and increased inequalities and social polarisation. Mid and high-
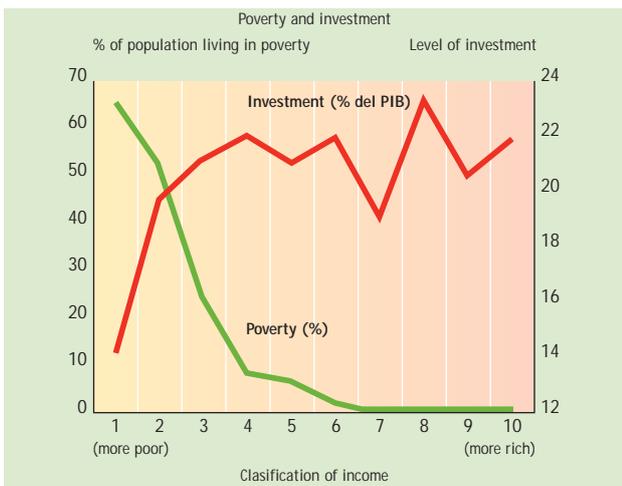
Level of urbanization (UN Habitat 2003)

income Latin Americans took the chance to build their homes out of city centres and away from high crime rates. But this gave rise to a new urbanisation process that expanded cities beyond their original limits and beyond their traditional centralities.

Past century changes have turned Latin America into a highly urbanized region at the expense of rural areas. Currently, some 540 million (77.8%) of Latin Americans are estimated to live in cities, differing between 90% urban population in Southern countries like Argentina to 50% in central American counties like Nicaragua. In 1980, urbanisation rates in Latin America were about 65% and rose to almost 75.1% in 2000.

In the 1990s, the rural population was "forced" to migrate, further accelerating urbanisation. Large cities with more than 10 million people were created and consolidated. These cities are true drivers of development in their areas of influence. Sao Paulo (17.8 million people), Mexico City (16.7 million), Buenos Aires (12.6) and Rio de Janeiro (10.6 million) have become megacities at the expense of smaller neighboring towns or municipalities, destroying or annexing rural areas.

Trade liberalisation and economic modernisation caused a significant development of areas and cities with better standards of living. At the same time, social vulnerability increased among lower-income sectors of the population and deprived areas.

Increased urban poverty is a clear example: levels of urban poor increased from 25% to 30% between 1980 and 1999. Although countries like Brazil have addressed and reduced urban poverty, the challenge remains. Last year, the IMF predicted that Latin America's economy would shrink by 1.5% in 2009. The social impact of the global recession is predicted to result in the loss of 4 million jobs in the region, which will mainly affect the urban poor (IMF 2009), and increase poverty (UNDP 2009).

This urbanisation and metropolisation process has resulted in a system of cities where over half the population in Latin America lives in cities of more than 1 million people. In Latin America, there are more than 50 cities with more than 1 million people, and three more that hold over 5 million people (Bogota, Lima and Santiago de Chile), several other cities are home to 3 million people (Belo Horizonte, Salvador de Bahia, Fortaleza, Porto Alegre, Recife, Caracas, Santo Domingo, Monterrey and Guadalajara). According to United Cities and Local Government, a detailed snapshot would show that 90% of the 16,000 Latin American municipalities hold less than 50,000 people.

1.3 Political context: democratisation, decentralisation and citizens' participation processes are partially consolidated

Since the mid-1970s, Latin America has experienced significant political change due to the restoration of democracy in the region. Democratisation developed at an even, steady pace. In the early 1970s, only three Latin American countries had democratically elected governments: Costa Rica, Colombia and Venezuela. At present, most countries have democratic political systems.

Changes were gradual. Democratisation has required legal instruments such as national constitutions and basic laws to be updated and adapted alongside institutional reforms and the expansion of political rights and civil liberties.

The weak social support for democracy in some Latin American countries indicates what challenges lie ahead. Weak support, marked indifference and profound mistrust towards institutions, political parties and politicians create uncertainties across the region. Typical Latin American social issues such as poverty, drug trafficking and high crime rates have also interfered with the consolidation of democracy.

This is a decisive moment in the history of Latin American democracy. Democracy fails to meet the expectations of many Latin American citizens. Political clientelism and corporatism, multiple forms of corruption and government inefficiencies in the provision of universal public services continue to exist.

Institutions and government agencies have not always contributed to the stabilisation of democracy due to continuous government changes, consecutive modifications of the legal framework and the inherent weakness of political parties.

Bernardo Kliksberg, chief advisor for Latin America at the United Nations Development Programme, identifies that difficulties in consolidating democracy may also be related to the political fragility demonstrated by certain institutions and economic factors. Unless countries build strong political institutions and consolidate a stable democracy, the structure required to favor the expected economic and social development would never be a reality. A change in social behaviors and values and a more continued citizens' involvement is also necessary.

Democratisation in Latin America developed in parallel with political reforms and decentralisation processes. Most reforms were in response to the excessive bureaucratic centralism and true size of the central government in every country in the region.

In Latin America, democracy and government decentralisation continue to develop step-by-step. In the 1980s, intermediate or regional administrations decentralized. Then, by the late 1990s, local governments decentralised their organizations in a context of deeper concerns over democratic development, transparency and citizen participation.

One of the main problems that Latin American local governments currently face is working with limited budgets and dealing with insufficient human and technical resources, which interfere with effective delegation in decision-making. Institutional consolidation is difficult for municipalities because they lack the necessary tools and instruments to develop their authority and governance.

Problems are more pressing in countries where municipal atomization cause great inconveniences and provide inefficient public services. Overcoming this administrative fragmentation is necessary to give an appropriate response to citizens' demands. Land administration systems, for example, should be complemented by better coordination, creative experiences in communities of municipalities and other forms of municipal partnerships, as shown later in the Ciudad Sur case study.

As already mentioned, local governments are financially handicapped, challenged by their little or sometimes inexistent autonomy and unable to impose their own taxes or make levies. This constrains effective descentralisation and causes dependency and subordination to persist; local governments remain conditioned to financial transfer systems established by central administrations. Local and intermediate public spending is much lower than expenditure by national governments.

Public spending by local governments depends both on size (at surface extension level) and on the country's overall population. Large, densely populated countries usually establish intermediate administrations that are also allocated part of the total public expenditure. Five countries feature local governments that are allocated with over 10% of the total public spending. They range from 17.2% to 13% (Ecuador, Colombia, Brazil, Chile, Uruguay and Guatemala). El Salvador, Bolivia, Peru, Argentina, the Dominican Republic, Costa Rica, Honduras and Paraguay range from 8.7% and 5.2% of total public spending. Only three countries (Mexico, Nicaragua and Panama) feature less than 5% of total public spending; 3.8% is the lowest participation. *(See the following chart)*

Inadequate liquidity suffered by local administrations interferes with the development of their traditionally assigned competences: provision of basic services such as public health, water, street lighting, waste management, parks and public spaces, urban planning, economic development, cultural promotion, transport and mobility systems and urban security. Furthermore, local governments are currently assuming new responsibilities on healthcare, education and social policies.
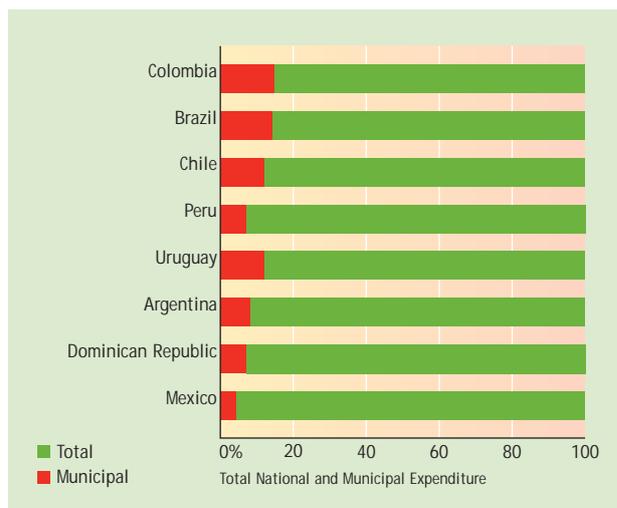
Share of municipal expenditure in total national expenditure (Source: First World Report: United Cities and Local Governments, 2008)

In order to improve their efficiency, many local administrations have outsourced the provision of certain public services.

Decentralisation, innovation, new political styles, local governments' willingness to empower citizens, to foster their participation and involvement with city matters have resulted in new mechanisms for citizen participation, such as the renowned participatory budgeting that started in 1989 in Porto Alegre, Brazil, where ordinary residents decide how to allocate part of a municipal or public budget or the development of urban strategic planning processes.

1.4 Conclusions drawn from urban strategic planning

Most Latin American cities, under the leadership of local governments, have adopted urban strategic planning with public-private partnership components, mostly driven by the following elements:

1 Inadequate infrastructure, social issues and the weakness of democratic institutions have obstructed Latin American development. A forward-looking strategy for any given territory should consider the impact on development of every factor.

2 The urbanisation process and incipient decentralisation positively impacted on city mayors, who decided to get more involved and to play a more prominent role.

3 The demand for democratic institutionality and especially the need to establish citizen participation in the future city model resulted in processes that demand combining technical knowledge with citizens' involvement.

4 Further, exchange and communication between cities and experts of the region is frequent. From 1987 to 1992, Barcelona's significant urban transformation set a new standard. In the mid 1990s, Barcelona City Council headed an association of cities (CIDEU) with sufficient international funds to help foster shared strategic planning, which also contributed to urban strategic planning in Latin America.

Part 2:
Strategies and instruments:
good practices in local
strategic planning

This section describes a set of strategies and instruments that may briefly summarize the good practices taken from some strategic planning experiences at the local level in Latin America. Many cities, such as Belo Horizonte, Raffaella and Moron, Bogota, Pasto, Caguas, Durango, Curitiba were actively involved in the discussions on this chapter.

It particularly analyzes the experiences of four cities and one province: Ciudad Sur (Chile), Medellin (Colombia), Rosario (Argentina), the province of Santa Fe (Argentina) and Santiago de los Caballeros (Dominican Republic). These cities and the province of Santa Fe and Mexico City have been selected on the basis of their geographical representation (mid size territories), to analyze various Latin American regions.

Each of these experiences reflects the most significant elements and recognizes the most noticeable difference of each strategic plan, and the aspects that make reference to leadership and citizen involvement. Attention was also paid to the priorities set by each of them, as well as the most outstanding elements in the methodologies chosen and the key factors that have favored the formulation of various strategic planning strategies.

2.1 Medellin (Colombia)

Medellin prepared a strategic plan in 1998 with 2015 as its target. The plan conceives the city as a territory in never-ending development. Its reference is a city model to be built on the basis of a vision shared by the most relevant city actors and by all residents.

The municipality has also prepared a 2008–2011 development plan with the main purpose of making Medellin a caring and competitive city.

Leadership vision:

The plan recognized social inequality, violence and a social and institutional crisis in the city. The mayor's office was willing to take the lead in the construction of a city on the grounds of education and new opportunities, mobilizing multiple actors to give proper solutions to the existing problems.

The strategic planning process considers the limitations, opportunities and synergetic actions that should be taken in conjunction with the municipalities of the Medellin metropolitan region, such as Bello or Copacabana.

Citizen involvement:

The management of the plan understands that citizen involvement is an outstanding element in the definition of the plan. It considers that involvement may lead to the convergence of interests and needs, to the generation and negotiation of agreements, to the promotion of transformation processes and to the generation of trust among participants.

Some of the citizen involvement mechanisms include: citizen involvement teams, city fora, private sector dialogues driving and follow up groups and a consensus building general council.

Priorities and relevant elements of the methodology:

The most important priorities were set around five strategic lines:
- an 'educating city', the development of which is based on the enhancement of human talent (social inclusion, increased enrollment in secondary and higher education, etc
- a city as epicenter of cultural and social policies in Latin America;

Peripheral neighborhood upgrading through services and access: social garden, telecable and library in Medellin, Colombia.

- a city as a metropolitan, decentralised, participative and international center of coexistence
- a center for logistics and advanced services in the region; and a warm, integrating and environmentally friendly city.

The meetings of experts, the nine citizen involvement teams and the 12 city fora held during the plan's formulation phase were also important, as well as the strategic management for the promotion and execution of the projects, which resulted in the driving and follow up groups.

Implementation and key factors that favored the development of planning strategies:

Key factors have been the prioritisation of strategies and projects and the accountability agreements that fueled the implementation of projects.

The strategic plan included new institutional structures — namely the Tripartite Consensus Building Commission and the Agency for the Cooperation and Investment in Medellin and its Metropolitan Area.

Medellin has developed its annual budgets and government plans continuously in line with their strategy. For example, following the motto "educating city", social investments were multiplied especially in peripheral settlements that never benefitted from public attention before. Youth, children and the elderly became protagonists, and today this settlement meets the needs of the population with police, schools and health services as well as libraries, parks, internet and TV access.

2.2 Rosario (Argentina)

The city of Rosario (Argentina) has developed two consecutive strategic plans: the 1998-2008 Rosario Strategic Plan (PER) and the 2008-2018 Strategic Plan for Metropolitan Rosario (PERM+10).

The PERM+10 initial formulation phase found a city completely changed territorially and socially. Changes were the result of PER's ambitious proposals, which included urban decentralisation, reversal of the city axis to make it face the river, and the creation of a MERCOSUR level communication hub by means of large infrastructure works that connected Rosario to the region.

The starting point for the implementation of the second strategic plan was a different one. Experience has shown that strategic planning called for conceptual and methodological changes to better fit into the city's historical context. When PERM+10 was formulated, it was clear that new challenges would be faced.

Leadership vision:

Even when the development of strategic plans depends on all the actors involved, the city hall took the lead and strongly promoted the plan. The greatest difficulty was the absence of municipal autonomy; large infrastructure works depended on the political decision of the provincial and national administrations. However, at the 10th anniversary of the first strategic plan, more than 80% of the proposed projects have been completed.

The private sector played an important role and showed an institutional participation in the definition of the action plan.

Citizen involvement:

Several procedures were used for the involvement of the different city sectors. The three largest advisory/involvement bodies were the coordination board, made up by 20 powerful institutions; the general council, made up of over 400 institutions, and the technical/advisory board, consisting of educational and training institutions.

In the first plan, involvement derived from representative institutions, in the form of surveys, workshops, project specific working groups, etc. The second strategic plan covered the entire metropolitan area, including the 16 municipalities and small communes that make up the Greater Rosario Area. In this case, several participation methods were used to involve the public and private institutions of Rosario, the Metropolitan Mayors Board was created. The board has now become the coordination agency for the Rosario Metropolitan Area. Digital media have been included to extend citizens' involvement: a web page, a project forum, Facebook, digital newsletters, etc.

Priorities and relevant elements of the methodology:

The strategic planning process followed a phase based method consisting of diagnosis, formulation and strategic management. In practice, these phases proved not to be successive, but overlapping.

New issues and problems, such as access to IT and communication, adoption and development of alternative energies, promotion of knowledge and biotechnology, urban mobility and regional connectivity, as well as the articulation

Images of the city of Rosario next to the Parana river.

of government planning with private investment as a tool for urban inclusion and development, are on the agenda for city actors and must be approached with a long term, strategic vision.

The second strategic plan is an opportunity to strengthen the commitments that Rosario has been upholding for more than 10 years: development with equality, access to housing, responsible citizenship, education as a tool for inclusion and social progress, public space as coexisting environment, participation and consensus building as a tool of political construction, and sustainability of the city's human scale.

Additionally, the initiatives and desires included in the 1998 Rosario strategic plan have been restated at diverse instances with fresh impetus.

The second strategic plan shows a balance between continuity and change evidenced by the type of projects included and by the new strategic lines that reiterate the spirit of the guidelines proposed in the 1998 PER: Work + Quality economies; Opportunities + Citizenship; Integration + Connectivity; River + Quality of life; Creation + Innovation

Planning strategies implementation and key factors that favored their development:

The first strategic plan was encouraged by a national environment of neoliberal policies that resulted in the deindustrialisation of the country and dramatically affected local economies and increased the city's unemployment rate. Consequently, Rosario felt the need to restructure its productive basis and to redefine its economic profile. The decentralisation of the national administration transferred several obligations to local governments and resulted in the need for a new, significantly changed local public management.

In a changing environment, strategic planning appeared as a major tool to forecast the future and define a strong framework for progress. With strategic planning, the city also changed physically. Large public spaces created by the city's river, the Victoria bridge and social housing projects, among others, were financed through national and international support. Cultural strategy is not only tangible in public spaces, also in the appropriation of its people to make Rosario one of the most lively towns in Argentina.

2.3 Santa Fe province (Argentina)

The province of Santa Fe (Argentina) is a fragmented territory with significant inequalities in terms of development. The province (state or department, as this political administrative division is called in other countries in the region) launched a provincial strategic plan in 2008, to level up these differences.

The plan has been conceived as a shared process with the purpose of achieving a strong citizen involvement. It divided the province into 5 geographical regions, each of them having a city as a node.

Leadership vision:

The development and leadership of the strategy was delegated to the planning department of the regions, municipalities and towns' provincial secretary. Many institutions have played a key role in the implementation of the plan. The idea was that all players involved would have an equal share and prevent any part of it being taken over by any leader or group.

Citizen involvement:

Citizen assemblies were held to develop the strategy, thus promoting the participation of all the representatives of civil society.

Citizen involvement has been present at each stage of the plan (diagnosis, definition of projects) and citizens are expected to participate in the forthcoming stages (evaluation and follow up). There is a strong conviction that strategic planning can only be pursued through the joint work of the state, the market and the civil society.

Priorities and relevant elements of the methodology:

The creation of citizens and "interministry" assemblies is considered key, because they provide for working spaces where various provincial ministerial teams may meet and work together in the coordination of actions to be taken under the plan.

Planning strategies implementation and key factors that favored their development:

One of the most outstanding successes is that the provincial budget has included a special allocation targeted at the provincial strategic plan.

2.4 Santiago de los Caballeros (Dominican Republic)

The Caribbean city of Santiago de los Caballeros in the Dominican Republic, has drafted a Strategic Urban Design Plan for the period 2002-2010. The city is now revisiting the plan and assessing projects in order to give shape to its second strategic planning tool, the 2010-2020 Santiago de los Caballeros Strategic Plan.

The chaos that characterized city development in the 1990s led to the conclusion that this intensive growth rate called for some planning, further considering the city's significant population growth. This factor, coupled with the loss of competitiveness in the garment industry due to changes in international agreements and the consolidation of the domestic food industry, offered fertile ground for strategic planning.

Leadership vision:

The *Consejo para el Desarrollo de la Ciudad y el Municipio de Santiago Inc.* (CDES, as per its Spanish acronym) was therefore created. This institution, which promotes the city planning Official Strategic Agenda, brings together various city sectors and organizations.

Restored buildings in the city center

Material political leadership at both national and regional level was achieved throughout the plan's development and implementation phases.

Citizen participation:

There was significant participation by stakeholders, especially in some of the seven project development councils that were set up.
Twenty-five citizens participated in each of the five technical committees that were created, namely: the Technical Committees on Soil Use, the Environment, Population and Social Organization, Governance and Economics.

Worth noting among citizen participation mechanisms used are the *Asambleas Ciudadanas de Colaboradores* (Citizen Assemblies), with over 100 attendees on each occasion.

Priorities and relevant elements of the methodology:

Priority was given to urban planning actions (planning, distribution, sanitation, parking, signaling, etc); economic, cultural and tourism development policies (regional clusters, monument rehabilitation, etc); projects on the city's image abroad and the environment, as well as measures to improve public management and governance (decentralisation, new financial and budget management tools, boosting citizen's involvement, etc).

The method started with a diagnosis that resulted from studies conducted by the government and the Center for Urban and Regional Studies from the Universidad de Santiago, primarily regarding territory planning and administration, infrastructure, economic development and governance.

Some tools that were successfully used include stakeholder analysis, SWOT analysis by theme area, an economic [assessment] study, scenario development and a shared, agreed-upon vision of the city and the strategies.

Planning strategies implementation and key factors that favored their development:

The private sector played a decisive role in both the planning and implementation processes. Worth underscoring is project funding with private capital, such as the airport or the city's main Cultural Center.

Social mobilisation and the joint work undertaken by various actors and the Municipality, the Technical Committees and Citizen Assemblies, as well as the follow-up of studies by consulting firms, are key elements to adequate plan development and implementation.

In turn, and as a constructive contribution, indicators and measurement units used in the various studies would be reformulated; also, aspects related to the communication strategy would be expanded, and consensus would be sought regarding joint project financing.

2.5 Mexico City

The current strategic planning of Mexico City, a megacity of 25 million inhabitants that is administrated by a federal district government, aims to give people options for adapting to a sustainable, convenient and pleasant lifestyle, with new patterns of urban governance, which are intended to expedite the negotiations, between the various forces of the state, bureaucracy and society, which are discussed in order to make decisions that will affect the future of the city.

Case Study

Mexico City develops mandates, which can unite urban development through the articulation of public space. The strategy is to implement sensitive practices related to quality of life, civic participation and social equity at three levels that intersect each other; metropolitan, neighborhood and street scale.

The application of this strategy allows development that is orientated towards the same goal at all levels of government, through schemes and urban management tools, such as Public Space Authority, which is capable of coordinating the political, social and bureaucratic actors to carry out all efforts on public works, infrastructure construction, and implementation of social programs and policies.

Policies aimed at strengthening the public sphere are essential, they consolidate a social equity atmosphere; many sustainability actions cohere such as energy conservation, densification and mobility. Also, the urban environment, quality of life for the general public improves.

The launch of the *new urbanism* is closely linked to public space and is understood as the source of a culture of openness, pluralism and democracy, and the reflection of a society shaped by different actors but with an urban background that allows social coexistence harmonious and makes clear the possibilities of citizen participation.

In recent years, the perception of public space in Mexico City has changed, through regulation and transformation of the urban image of pedestrian roads, creating bike paths and transport infrastructure such as cycling or Metrobus, which improve the appearance of main thoroughfares and generate a sense of citizenship.

These strategies have allowed the incorporation, at the metropolitan level, of a system of articulated public spaces

Mexico City

locally in neighborhoods through specific works in streets, parks, highway intersections (bajopuentes).

Additionally, the successful implementation of public transport models have reduced carbon emissions and provide a transport option that is changing the habits of citizens.

All actions of Mexico City mentioned here, constitute a strategy for sustainable development, in the seek of minimizing the environmental impact and reducing the ecological footprint and are designed to increase quality of life for citizens, providing identity and every day benefits.

Expectations

Strategic planning actions are based on the search for public policies capable of strengthening the rights and willingness to participate in a community with the objective of optimizing public welfare and to define citizenship as the clear relationship between an individual and civic order represented and governed by the Federal District government. Mexico City government is prioritizing activities that broaden the political landscape for individuals and society, rather than the urban image, or specific projects, in order to change the perception of citizens and increase their opportunities for participation. This is illustrated by the Mexico City government's attempt to generate urban planning derived from cultural development, able to strengthen citizen participation and the legal relationship between citizens and government.

On the other hand, it is essential to generate effective urban management instruments, which should modify the model of governmental structure, in order to find ways for effective negotiations between the different urban actors from public sector and civil society.

Finally, it is important to note that urban strategies have been adopted in recent years, reflecting the need to confront the great challenges of Mexico City; therefore we are working on disaster risk reduction and establishing mobility strategies in transport and densification, aimed at saving energy and improving quality of life.

2.6 Ciudad Sur (Chile)

This association is grouping municipalities close to the city of Santiago and has been working since 2006 to prepare an urban

development strategy that may encompass ten of the municipalities that surround Santiago under a legally incorporated association.

When the whole process began, it became clear that everyone would have to participate in the preparation of a Ciudad Sur Strategic Plan for Integral Development, so as to strengthen the management of the adjacent municipalities to the city of Santiago de Chile. The plan set out to involve ten municipalities in order to respond to problems that go beyond the municipal jurisdictions, such as poverty, security, the environment, connectivity, economic development, etc.

Citizens, stakeholder and municipalities involvement:

The association began thinking over adequate responses and promoting policies in cooperation with other agents that operate beyond the administrative boundaries of the local administration. Local as well as regional and national authorities were mobilized to co-operate in the plan.

Particularly in the diagnosis phase, involvement of municipal officials has helped raise the awareness of local authorities and municipalities with respect to the appropriateness of the Plan.

The Plan includes the preparation of annual management plans by municipality, as well as the implementation of institutional mechanisms for citizens' participation.

Priorities and relevant elements of the methodology:

The Strategic Plan is conceived as an opportunity to improve the coordination of municipalities with the planning of regional and national policies and programs. The applied methodology includes the creation of networked management systems.

Foto ciudad Sur

2.7 Belo Horizonte (Brazil)

The city of Belo Horizonte has been created in 1897 as the capital of the state Minas Gerais. Today it is the third largest metropolitan area in Brazil, with 2.4m inhabitants in the city and more than twice as much in the metropolitan area. Belo Horizonte produces more than 34% of the total income in the state. The city stretches more and more beyond its borders into the surrounding municipalities. The capital city has been submitted to constant changes in terms of the social, political, cultural tecnological and economic landscape, increasing the need for a metropolitan holistic view beyond the city limits.

For decades, the land was developed without planning and control. Like many other cities in the region, it lacked of the necessary infrastructure and the urban structure that was marked by a concentration of assets and services and exclusion of certain social groups. In the 1990s, the administrations prioritized social inclusion, and started to develop "shared management" with increased participation in decision making, taking into account the financial sustainability and relation of long and short term investment and income. The municipality has recognized the importance of working with the whole metropolitan region by developing a Strategic Plan for Metropolitan Insertion.

Vision of leadership:

The strategic plan for the metropolitan area involves several institutions that work on the metropolitan level, such as the Development Deliberative Council, the Metropolitan Assembly and the Metropolitan Development Fund. These organisations include participants from the whole RMBH area (Metropolitan Region of Belo Horizonte).

The Strategic Plan for Belo Horizonte 2010-2030, is currently being prepared by an external consultant group based on several existing studies on the city and the view of actors from local government, state government and various civil society leaders.

Citizen participation:

Belo Horizonte recognizes the importance of involving its citizens, and does so through participative administration and negotiated solutions with the population. It applies participatory budgeting, also through digital means, insisting in digital inclusion as essential to social inclusion. Participatory Budgeting is held biannually in plenary with the population of the nine regional cities for the definition of projects to be implemented by the Municipality of Belo Horizonte.

The graphic demonstrates the involvement of communities in Belo Horizonte's participatory budgeting over the last 15 years.

Priorities and relevant elements of the methodology:

The strategic plan of Belo Horizonte foresees several long-term strategic objectives: to multiply work opportunities and to promote a favorable business environment, to ensure a better quality of life for everyone, to improve mobility,

Popular participation in participatory budgeting (PB 1994 to PB 2009/2010)	
PB	**Number of participants**
PB 1994	15.216
PB 1995	26.823
PB 1996	38.508
PB 1997	33.695
PB 1998	20.678
PB 1999/2000	22.238
PB 2001/2002	43.350
PB 2003/2004	30.479
PB 2005/2006	38.302
PB 2007/2008	34.643
PB 2009/2010	44.000

Source: SMAPI/GEOP
PS: The data for PB 2009/2010 is a projection. Adding up the Municipal Opening, the Regional opening and the 2nd Round, 35.386 people participated in the process.

accessibility and connectivity in all the metropolitan urban space, to promote environmental sustainable development, to strengthen the political-institutional environmental quality, and to promote a sociable and stimulant urban environment.

The city has decided on a set of indicators, with the meta-synthesis of the future vision being the increase of the Human Development Index (HDI) until 2030 and the aim being an equal development in all cities of the region.

Implementation and key factors that encouraged the development of planning agencies:

The decision for more focused planning and implementation came with the start of the new municipal government following planning processes underway in the state government, allowing the continuity of administrative, financial and technical management and of participatory instruments.

Special attention is given to the metropolitan management and integration, that is crucial for a city like Belo Horizonte. The strategic plan foresees the establishment of a network (REDE 10), including Belo Horizonte and its 9 neighboring municipalities. A Metropolitan Development Planning Department has been established.

Slum upgrading, infrastructure urban development

Brazilian cities have a lot of experience in participatory planning and budgeting, and the global specific plan (PGE) are territorial planning instruments that permit strategic intervention. Belo Horizonte has developed an inclusive city profile and an integrated upgrading for neighborhoods around Vila Viva, hosting 179,000 inhabitants. This project included land regularization, service and infrastructure provision, schools and educational support, IT and other services that were agreed on in a participatory matter.

Part 3:
Conclusions and recommendations for urban strategic planning in Latin America

This chapter includes preliminary conclusions and recommendations on a report based on the strategic planning questionnaires received by the UCLG, supplemented by literature and interviews on other plans (including Bogota and Bucaramanga (Colombia); Belo Horizonte, Juiz de Fora and Rio de Janeiro (Brazil); Durango, Guadalajara, Merida and Puebla (Mexico) along with strategic planning experiences from another 40 cities.

This chapter has been divided as follows:
• Major outcomes from strategic plans.
• Key success and failure factors.
• Key recommendations for strategic city planning in Latin America.
• Proposal to strengthen local governments in Latin America addressed to UCLG (derived from the strategic planning processes).
• Proposals and recommendations addressed to international agencies.

3.1 Major results or contributions made by strategic plans

A strategic plan is deemed to have been successful if it meets the following criteria:
– The actions related to a plan's development, promotion, follow-up and rescheduling have existed for two or more terms of office at the municipal government level, especially if the person holding the highest political position (the city mayor) has changed. Such is the case with Merida and Durango in Mexico, Rosario in Argentina, Santiago de los Caballeros in Dominican Republic and Rio de Janeiro in Brazil, among many others.
– The organization was temporarily suppressed and re-created later after its effectiveness had been assessed. It is the case with Puebla, Mexico, where the strategy was "rescued" by a mayor representing a political party different from that of the mayor that had first decided to instrument a planning process.
– The plan's organization was turned into one or more territory development institutions. This is the case with the Bogota strategic plan that gave rise to the Regional Planning Board for the Bogota – Cundinamarca Region Territorial Strategy, and for the Council for City – Region Competitiveness.
– The strategy developed in the course of the strategic planning process has been used as reference for the city's intervention and structural development programs, even after the plan's organizational core no longer existed. An example of this is the first Medellin Strategic

Plan, used as reference for the transformation of the central area, and in the economic and business mobility, coexistence and dynamisation policies. Moreover, the Juiz de Fora Strategic Plan (Brazil), has been a reference for all general and territorial policy discussions held in the city.

Based on these criteria, we systematized the major contributions made by successful strategic plans to economic and social development and to territory governance.

3.1.1 Stability in the development of structuring projects: from mandated programs to city strategy

Projects for a city's strategy (both tangible – infrastructure, equipment, services – and intangible – city culture, education, time management, and democratic governance) cover a time frame that is usually longer than the duration of a democratic term of office of local governments.

A good strategic process that has articulated these strategies ensures the city in question will have city projects (and not only government projects).

The majority of successful strategic plans provided cities with stable projects. This has been of the essence in Colombia, and especially in Bogota and Medellin, where the mayor was replaced every three years, now changed to four years.

3.1.2 Strategies, policies and projects priorities: Mobilizing investment funds

Throughout history, planning was understood as the accumulation of projects and policies in the collective and government imagery (which are never or only weakly implemented).

Some successful plans managed to make certain policies emerge, systematized them in accordance with a vision and a city model and prioritized such policies considering their consistency, and players' commitment to act and agree upon them.

The vast majority of successful plans in Latin America have been able to accomplish this task. Allocating priorities between key players and institutions has helped mobilize and ensure there are external resources available to prioritize internal investments and improve their effectiveness (especially investments made by the public sector).
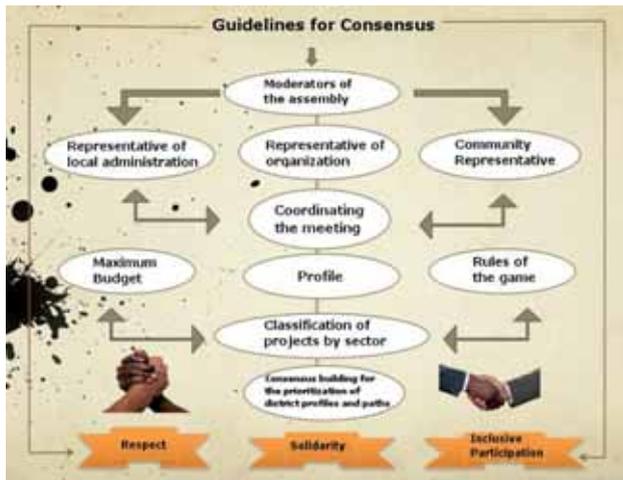
Consensus building in Pasto (2009)

3.1.3 Strategies, programs and projects innovation: consensus and participation as an innovation factor

If we understand innovation as the execution of both new and existing projects, then strategic plans have contributed major innovations.

Strategic plans have managed to define or redefine program and project objectives that were later developed by specific territorial plans.

Strategic plans, which have opened up spaces for creative participation, have also led to new ideas that enjoyed citizen's support when the project embodying them was actually carried out. A striking example is Puebla, Mexico. In 2003, the decision was made not to apply traffic tickets to put an end to local police corruption. The measure was accompanied by most citizens' commitment.

Pasto in Colombia, meanwhile, looked to local decision-making in the indigenous Andean tradition of so-called *Cabildos*, for problem-solving and planning decisions in Andean communities, first in rural and later in urban areas. This process of indigenous consultation in local democracy was very successful and adopted by the national government.

3.1.4 Fostering and strengthening pubic-private and inter-institution cooperation

Participation in Latin America is mainly understood to be participation in municipal budgets and development of public-private cooperations as the result of agreements on a city development strategy.

There has been improved mutual knowledge and increased trust in those plans where the private and public sectors engaged in dialogue and harmonisation. The result has been the development of common actions that go beyond the drafting of the plan itself.

Rosario, Argentina, is the most outstanding case in point. It was 2001, at the time of the unexpected banking crisis that unleashed the most serious political and institutional crisis in Argentina. However deep, the crisis did not entail failure of

the strategy and of the underlying projects. The mayor invited the main citizen sectors and institutions to jointly review and modify the local agenda. Rosario was undoubtedly the city least affected by the crisis. Clearly, this may not be exclusively attributed to the local social capital and to having a common agenda, but we may well conclude that these indeed had a positive influence.

3.1.5 A new leading role for the local administrations: From competencies to responsibilities

Strategic plans that succeeded in Latin America have not only focused on issues affecting legal competencies for drafting regulations or providing services and infrastructure, but have rather focused on the challenges facing the city, ie those that were citizens' biggest source of concern, and essential for economic development and social and territorial cohesion.

Through their strategic plans local governments have gone beyond their competencies by paying attention to citizens' major source of concern, which is not perhaps the competencies of a given local government, but rather its responsibility. A local government that fails to take on a challenge posed by the city may become de-legitimized or be limited to playing a subordinate management role.

Strategic plans have allowed city halls to take on a new, representative leadership role on city interests taken as a whole, and of group action organizations.

3.1.6 Social support for an urban strategy

Most of the strategic plans that were successful had generated ample space for citizen consultation and deliberation, through which they identified the needs and challenges of the most important citizen sectors.

As the social processes that developed the strategic plans took into consideration the legitimate aspirations of citizens, they received significant social support. The social support that emerges from visualizing citizens' aspirations is a good starting point towards citizen commitment, and it guarantees the continuous organization of the strategic plan irrespective of electoral mandates.

3.1.7 A new approach to citizen participation

In Latin America, participation is frequently understood as the participation of citizens in municipal competencies and funds. This has brought forth municipal participatory budgeting, participation in the production and evaluation of publicly funded programs, as well as, though to a lesser extent, quality assessment in public services.

As emphasis is made more on the challenges of the city than on municipal competencies, most countries succeeded in targeting citizen participation towards issues that involve citizen responsibility: appropriation of natural and public spaces, civism in behavior and mobility, waste recycling, etc. The city emerges as the "res publica", the space of every man and woman, and it facilitates the participation-commitment of the various citizen sectors.

Strategic plans have started a new type of participation, enabling the government/citizens' participation also in how to address challenges of interest for the citizens, moving past a scheme of participation that only claims for or vindicates public funds.

3.1.8 "Accomplice" communication with citizens

In many cases, strategic plans have developed communications that sought the citizens' "complicity" and strengthened the values and feelings that generate positive action or civic commitment in relation to the city. Some of the communicated values are:
- The feeling of belonging and appropriation towards the place. Such is the case of the first strategic plan of Rosario which communicated the large projects as "City Dreams".
- Respect towards public goods and the citizens' commitment to the "res publica". The motto "public space is sacred, look after it" was developed in Bogota and extended to other Colombian cities
- For cities with a rich history it is important to associate heritage with future aspirations and not with decline. The city of Puebla in Mexico worked towards this type of identity.
- Medellin and Bogota took the choice of the educational city, though in Bogotá it was called citizen culture, and they built educational themes into all messages conveyed to the city.

These strategic plans innovatively opened a new way of communication with the citizens.

3.1.9 Articulation between the municipal scale and the metropolitan scale

Many of the challenges in metropolitan areas have been reported in the global chapter. The methodology of strategic planning based on the pursuit of agreements and the coordination of actions, as well as their social success in some cities, enabled the creation of inter-municipal strategies at the level of the metropolitan area or region.

Rosario, Caracas, Cuidad Sur and Bogotá are clear examples of the leap from municipality to metropolitan territory. In Rosario, the plan was turned into a metropolitan area plan; in Bogotá, it originated from a territorial plan and a competitiveness plan for the region (department, similar to the Argentine province or the Mexican state); and in Caracas,

it started as a metropolitan plan right from the beginning. A special case of a broad-range territorial strategy is the Center West of Mexico where various states developed a common territorial strategy.

Jointly with the state agency of Minais Gerais, Belo Horizonte is the fist Brazilian municipality to develop proposals for metropolitan management across 10 municipalities. The ultimate objective is to strengthen horizontal cooperation and put forward a metropolitan strategy for the 38 municipalities of the metropolitan area.

Ciudad Sur is trying to develop a metropolitan strategy form the peripheries, gathering enthusiasm for participatory planning in municipalities by citizens.

### 3.1.10 Integrated knowledge of the city

The above mentioned benefits will be hard to attain without a proper analysis of the city. This analysis or diagnosis of the city in its environment is an instrumental but absolutely necessary objective.

In Latin America, diagnoses have initially been useful in providing a first comprehensive analysis of the city, such as the case of the First Plan of Durango (Mexico) where there was no prior diagnosis, and later to identify the unique evolution of the city, which was used as the basis for the development of a differential strategy for the city considering its national and international context.

The comprehensive analysis of the city, ie the ensemble of its economic, social, territorial, environmental and cultural features, has been useful to identify and select the main opportunities of the city, and to articulate complementary strategies and prioritize those involving a higher number of objectives.

Conclusion: Democratic institutionality and improvement of the organizational capacity (social capital) are the major contributions of strategic plans in Latin America

It can be clearly inferred from the contributions made by the strategic plans that have been successful in Latin America that their main contribution has come from the institutional strengthening of the local administration and the improvement of the organizational capacity to provide a joint response to the most significant challenges faced by the city.
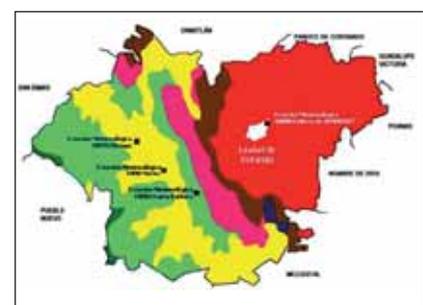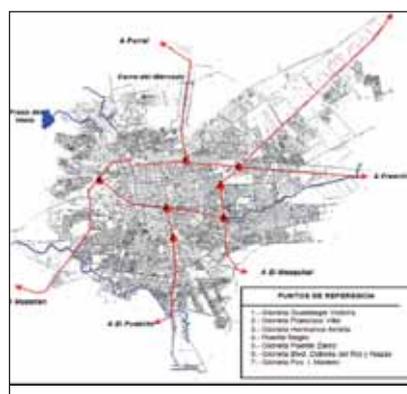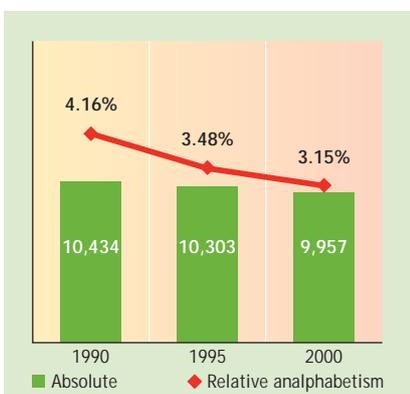
Integrated analysis of a city: Analphabetic rate, urban sprawl and climate in Durango, Mexico (2000)

The local government's role of relational leadership over the development of the city, the promotion and strengthening of public and private and public-private cooperation, the establishment of new and renewed channels for citizen participation, as well as the improvement of civic commitment, are very important aspects of a new democratic institutionality that is promoted through a process of design and execution of a comprehensive urban strategy.

On the other hand, the design of a shared strategy, the development of networked strategies, ie based on public and private collaboration and citizen support, the generation of the citizens' civic commitment to make citizenship, and the cooperation among metropolitan institutions are factors that increase the organizational capacity of the city to respond to its challenges, which has an impact on the promotion of economic, social and territorial development. This organizational capacity of the city could also be designated as urban social capital.

Any strategic plan should necessarily identify key structuring projects for the development of the city. But in Latin America, the social process of design, promotion and evaluation and reprogramming of the urban strategy has been more important, because of its effects on the urban social capital and on the new democratic institutionality.

3.2 Main reasons behind the failure and success of strategic plans in Latin America

In Latin America there are several strategic plans that have not met any of the four criteria to be considered successful. The main reasons for the failure of these experiences are:

3.2.1 Insufficient competencies in local government: Low decentralisation and competences at the local level

Perhaps the clearest example of this situation is Monterrey (Mexico). The city government, with the assistance of good technical and political teams, has made serious attempts to design a shared strategy, being aware of the benefits that such a strategy would yield to the city. It made three attempts with municipal presidents from different parties, but they failed because of the same reason: Although Monterrey counts on universities with high international prestige and a strong and open minded private sector, the city has few responsabilities as there is a low level of decentralization in Mexico. Consequently, the mayor is short of influence in attracting the actors, not to mention major citizen sectors. The lattice of infrastructures, services and individuals is critical for the competitiveness of companies and universities, but the municipality's incidence is very low to develop any rallying capacity.

A relative level of competencies is required for the local government to be able to lead a city strategy.

3.2.2 A city strategy with corporate-like leadership

As mentioned in the global chapter, Latin American strategies were frequently driven by experts, but when led by someone other than the municipal mayor they were not successful. In the mid 1990s, some Argentine and Brazilian cities implemented strategies led by universities or entrepreneurial corporations. The presence of corporate interests prevented the articulation of strategies designed by different actors.

Despite all the criticisms of Latin American democracy, city mayors and municipal presidents still need the majority of votes to win elections while corporate institutions only need their membership. Democratically elected officers are specifically mandated by their constituency to articulate the public general interest with the legitimate interests of different actors.

Therefore, unless citizens' participation happens in a democratic manner, a shared city strategy is unfeasible. Strategic planning strengthens democratic institutionality but requires certain minimum conditions to operate adequately. This is why no strategic plan has ever succeeded in any Latin American country with significant democratic deficits.

3.2.3 A strategy focused on local government policies

Many strategic plans failed by focusing only on initiatives at municipal level. In most Latin American countries, initiatives at municipal level are limited in number because the national administration is highly centralized. Therefore, there is little interest in including development actors different from those working in the neighborhoods. Besides, neighbors can also resort to other participation channels, such as the participatory budgeting process.

3.2.4 A plan focused on strategies and projects towards local economic development

A good number of strategies and initiatives for local economic development included in strategic plans have failed, even when they followed recommendations issued by international associations of cities. These plans have failed for three main reasons:
- By focusing exclusively on local economic themes that may obtain international support, they have left aside the initiatives that would structure the development of the city. Besides, most of them are beyond the competences of city actors.
- They have also left aside the social process that defines the strategic planning process. Devising a strategic plan improves response capacity and democratic institutionality.
- By emphasising exclusively on local economic development, a number of urban strategies are ruled out, especially those on land administration, sustainability, civism and democratic institutionality.

3.2.5 An organization built around project execution

A very common mistake during the devising and follow-up of the plan is the absence of actual projects managed by the plan's organization.

These approaches have not considered that city's structural projects are usually very complex to manage and require considerable funding. A city strategic plan organization does not have the adequate financial resources or the legal

competences to carry out the plan's projects, neither should be converted in an implementation department.

Some strategic plans have shifted to design local economic development initiatives and sectorial or specific actions, distracting efforts from the goals that have made these plans successful. Strategic plans are supposed to regulate and foster their adoption by competent institutions.

3.2.6 Weakness of strategic contents

Many weak plans have had little impact on citizens. Inadequate analysis made several cities unable to differentiate or single out their strategy towards other cities, or just point out very general, unspecific objectives.

A plan's content weakness is based on the diverse opinions and positions vis a vis programs and projects fostered by different sectors of the population. Instead of debating the issues at stake and the different alternatives trying to find a possible articulation of the various positions, a general, unspecific definition is sought, avoiding deliberation and commitment.

3.2.7 Weakness of citizen participation

The role of citizen participation has been confused in many strategic approaches. Many considered that citizen participation meant establishing the contents of the plan; failed in imposing their criteria and therefore extended the plan's terms, broke participation and the plan was never finished. In other cases, the contents of the plan were too general and commonplace: economic development; social cohesion, sustainability, etc.

Technical knowledge was contributed by teams of professionals; strategies and projects were not prioritized and the plan relied on the involvement of actors with adequate competences or legitimacy (in case they depended on external actors.)

3.2.8 Little time for consolidation before the municipal elections

In order to achieve the expected results, a strategic plan requires assimilation by the main actors and sectors of the population. Many plans have failed because the planning process started well into the elected municipal government's term of office. There was not enough time for actors to do their job and the whole process was cancelled when a new city mayor was elected.

3.2.9 Much extended duration of the city-wide auditing

No plan has failed due to a much extended duration of city-wide auditing. However, it may impact negatively on the planning process. Bogota's strategic plan faced serious problems because no progress was being made in the diagnosis phase.
Cities should design a strategy consistent with the available information, just as private companies do. Absence of studies should not make cities lose their way. A direction, a vision

should be established based on studies and results produced as the city is visited and analysed. Most successful cities have understood the strategy as a continued process of revision.

3.2.10 Inadequate resources and unspecified technical background in the plan team

A plan that lacks the resources required by the adopted approach causes significant delays and citizens to become detached from the planning process. Entrusting the planning process to technically deficient teams or leaving it in the hands of some municipal department with inadequate competencies has led to delays and failure. Strategic plans may run into significant delays when non-specific teams prioritize their daily activities.

Conclusion: Factors in successful strategic plans

Success factors are obviously the opposite of those that cause a plan to fail. Main success factors are:
- Presence of strong local governments. That is, local administrations with significant legal competencies and adequate resources so as to make an impact on urban development and able to receive ample social support.
- The presence of important initial social capital in the city, a tradition of private-public partnership and ample citizen participation facilitate and favor understanding and appropriation of the planning process and of the development of strategic projects.
- Relational democratic leadership. Significant leadership in the person heading the local government, relational in nature and promoting — not substituting — citizen's action and involvement.
- An approach focusing on city-wide challenges, convening the entire population to "make their city", avoiding emphasis on municipal competencies irrespective of their scope.
- Devise strategic planning as a social process towards the organization of the city and the enhancement of democratic governance, not just as a technical process to identify viable initiatives.
- Allocate enough time to accomplish proper assimilation of the urban strategy planning and renovation process.
- A severe crisis or threat (eg, Rosario financial crisis) seen as a great opportunity (eg, the Pan-American Games in Cartagena de Indias, Colombia) are excellent occasions to start the planning process and to convince citizens, although they do not guarantee success.
- Strict, flexible and well-adjusted methodologies may differentiate and articulate participation, content formulation and commitment to take part in the execution of approved projects. Adapt financial resources and technical means to the accepted planning approaches.

3.3 Main recommendations to local and regional governments for strategic planning in Latin America

Considering the positive impacts of strategic planning and having identified success and failure factors, we list a number of recommendations drawn from successful strategic plans that will enhance capacity building processes as well as organization capabilities and democratic governance.

3.3.1 View strategic planning as a social organization process as well as a democratic governance process intended to help cities face their challenges

Strategic plans provide space for devising and managing the social process that develops during the formulation, promotion and revision of urban strategies should gain more relevance than the simple identification and execution of projects, traditional components of the planning exercise. The results vis a vis social capital and democratic institutionality last longer and have broader scope than the execution of specific projects (although projects set the entire process in motion)[1].

3.3.2 Metropolitan and regional strategies should be compatible with the city strategy

Latin America is characterized by polymunicipal territories. Therefore, a desirable metropolitan strategy should consider individual municipal strategies capable of being adapted to urban specific structures. The strategic thinking may lead to solid alliances based on common strategies and projects.

The existence of a local government creates a space for identity and relationships, shaping a unity with personality within a system of cities that is metropolitan in nature.

The metropolitan area and the region should be understood as a network of mutually dependent cities and municipalities; their articulation should be built around each city's insertion in the metropolitan set.

3.3.3 Understanding the planning process results as the strategic framework for all actors and citizen sectors

A strategic plan will deliver more efficient results if it includes a vision of a viable, desirable future city. Such a vision should include all the strategies and projects considered necessary in every urban policy.

A strategic framework carries three key components: a city model or vision, the transformation strategies that will turn the existing reality into the viable and desirable city devised by the plan and the structuring projects and priority action programs, drivers of the strategy under certain conditions.

3.3.4 Highlight city and civic values contained in the strategy

Urban strategies should contain competitiveness elements based on infrastructure, services and human capital; they should be intended to strengthen cities' social and political capital, a goal that can be accomplished by considering citizen values and democratic institutionalisation.

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1   It is similar to a student preparing for a test. The design and management of the learning process and mental skills set in motion to pass the test are the most relevant elements because they remain after the exam; the student has adopted them (irrespective of the grade granted) and can use them again to face other tests and challenges.

Cities' progress depends upon the ability of their actors, of their institutions and residents to value their social, technological, economic and environmental resources as well as their available infrastructure, and, as is increasingly obvious, on their identification with common goals

Accelerated progress has been driven by values, including a sense of belonging, expectations for a better future, the idea that citizens and institutions contribute to development, the need to train and learn, and absolute confidence in cooperation.

Cities are characterized by their "own personality", values that make it recognizable nationally and internationally, appealing to talent, technology, tourism and investments. Cities should position themselves based on their own, positive values.

The system of Perceptions or Ideas (Talent), Values and Attitudes (the so-called city's civic and cultural VAT) impacts on progress, on both individual and collective standards of living and should therefore, be known and acknowledged. History and structural changes can produce transformation, strategies shared with citizens can lead to change and change can convince, move and involve the entire city into human development.

3.3.5 A singled-out strategy: its significance. The role of historical analysis

One of the problems presented by Latin American strategic planning is the similarity among strategic plans. Development and competitiveness strategies would of course share common elements since they act on an environment that is similar to many. However, these common elements play a different role and take diverse shapes in each city.

Cities with sustained human development do not imitate other cities' strategies, they discover their own. Discovering the city's own strategy requires consideration of a number of dimensions – factors that shaped the city, population, density, competitiveness, social and territorial cohesion – in order to identify the singularities that any future strategy should take into account.

3.3.6 Give relative importance to good practices and open up to innovation

Strategic planning in many Latin American cities need to overcome the impulse to imitate other experiences – especially in Europe. There should be no imitation, they should open to innovation. Before repeating good practice implemented in another city, attention should be paid to the social and institutional conditions that explain the success of a certain methodological approach. This process would help find an original and singular way to adapt such approaches to a different reality or, if inadequate, find a new one.

However, Latin American strategic planning should include some common objectives, such as: a consistent shared strategy that is singular and viable; improved public, private and citizen cooperation and a strengthened participation based on citizens involvement. Methodological process design and

management should be specific to each city, benefiting from lessons learned in other cities.

3.3.7 Improved articulation between strategic, urban and territorial planning

Strategic and urban planning should be addressed in a coordinated fashion. A strategy derived from a strategic planning process should be understood as a common guideline for city strategies and actors, especially for urban and territorial planning. Urban strategic planning should include the main objectives and the territorial initiatives towards improved competitiveness and standard of living. Territorial placing falls within the scope of territorial plans.

3.3.8 Give more relevance to territory values, especially to rural areas

The strategic plan should not only set the goals and define the projects on the territory but also take the opportunities given by territorial assets such as rivers, coastline and land between population cores. Municipal jurisdiction and competences over urban cores and rural areas require a comprehensive approach with particular and special treatment for each unit.

3.4 Proposals and recommendations to UCLG and its members

UCLG's Committee on Strategic Planning can do a great deal to improve strategic planning and to contribute to the economic and social development as well as to democratic governance in Latin America. In addition to the recommendations of the global chapter, we emphasize on the following:

3.4.1 Learning through global networks

Network learning based on lessons learned by other cities contributes to the debate about the economic, social and institutional grounds of either successful or failed strategic plans. Recommendations and analysis made in this broad context may set practical and useful guidelines.

UCLG offers support to strategic planning to overcome two variables currently absent in most planning processes:
• Their worldwide dimension.
• Working on strategic planning from the horizontality presented by cities experiences, establishing that no city or country should be considered referential and trying to find models that could be adapted to the reality of each and every city.

3.4.2 Contribute to institutional strengthening of local governments in the world

Knowledge gained in Latin America can be used to develop tools that local governments require in order to influence the development strategy of their cities. Some of these are related to decentralization levels, institutional framework for local leadership, citizen participation systems, public and private partnerships, local and regional government relations, etc. Lobbying for strategic planning is not only a technical task; it is also political.

3.4.3 Availability of useful information to guide allocation of international funds

The two preceding paragraphs are part of UCLG's cultural and strategic capital. The strategic planning committee studies contents, ie particular strategies devised by cities or regions and identifies common strategies, shared themes that derive from projects. UCLG can use information drawn by cities' autonomous analysis to make helpful recommendations to international agencies and institutions: The World Bank, the IDB, the IMF, the EU, etc, by focusing on channeling funds to development and democratic governance enhancement projects.

3.5 Proposals and recommendations to international agencies

3.5.1 Accept that local democratic governments are only accountable to their citizens

This essential concept should be reinforced in order to strengthen democracy and the success of policies. On the other hand, local governments are part of national states. Investment projects and funds should be flexible and adapt to municipal priorities, not the other way round, as usually occurs.

3.5.2 Guide investment funds and national and international projects based on shared local and regional strategies

Prioritisation of investment projects based on strategies shared by cities and regions ensures adequacy to territorial challenges, a proper adoption and good use by urban and regional actors. This is even more important if local and regional governments have proper agreements.

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Local leaders
preparing
for the future
of our cities

Mediterranean

Table of contents

Part 1:
Context and challenges[1]

The following contribution to the policy paper of the committee on urban strategic planning is based on the strategic planning experiences of some Mediterranean cities associated with the Medcities network, which has a long-standing experience in technical assistance on sustainable development and urban strategies in Mediterranean towns. The cities of Aleppo, Barcelona, Lyon, Malaga, Sfax and Tripoli (Lebanon) have all contributed their experience of strategic urban planning to this regional chapter.

Some of the cities included here are also mentioned in the European chapter. However, Mediterranean cities in Europe are in a special situation due to the traditional links and exchanges along the Mediterranean coastline and the influence these connections have played in the development of the bordering cities.
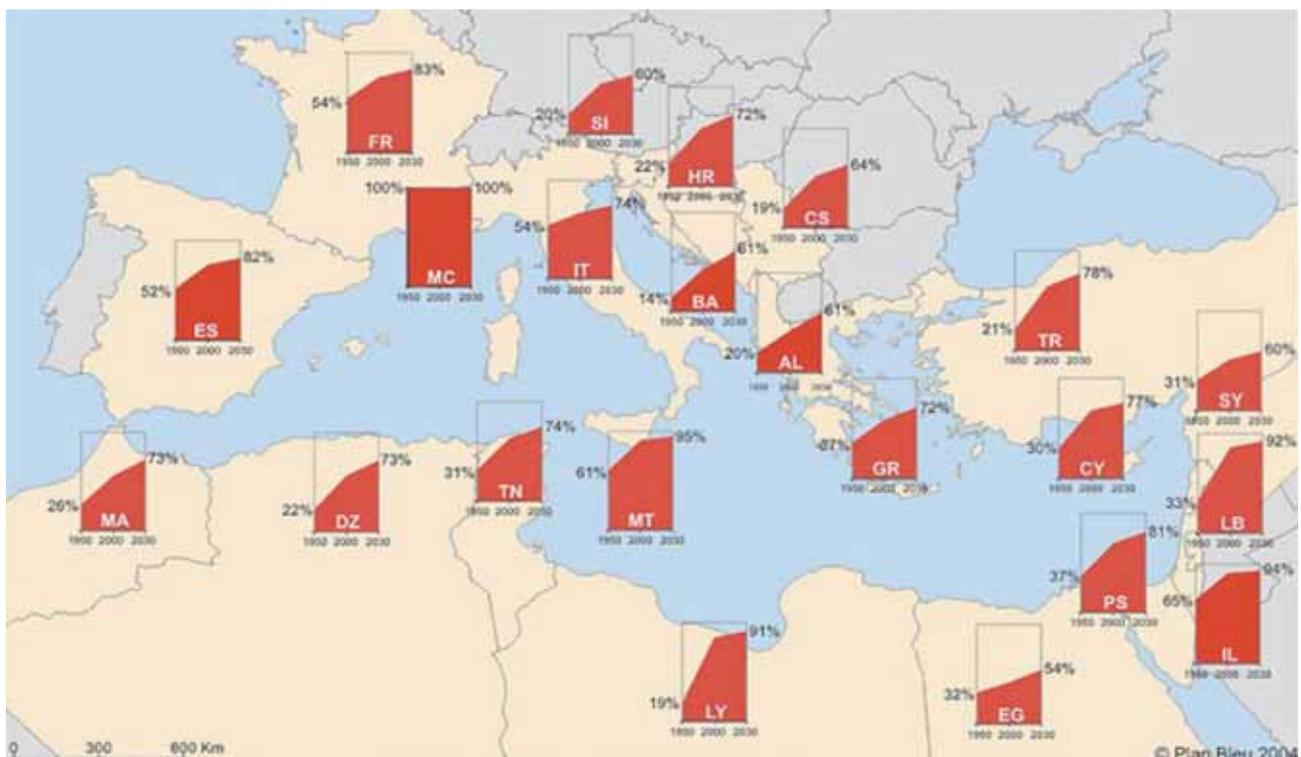
1.1 Mediterranean Urban Development

The Mediterranean region is well-known as a place of urban history and concentrated urban development. Since ancient times its coastal areas have in particular been the most desired locations in the Mediterranean region and as such, have been subjected to all kinds of pressures: human settlements, economic activity, physical infrastructure (ports, airports, various structures) and most recently, intensive tourism and aquaculture. These pressures have frequently been in competition with zones of great agricultural, ecological, historical or geographical value. It is a region that encompasses a wide variety of cultural and political systems, from Spain, Italy, Turkey, Lebanon, Morocco, Libya and Israel.

Sixty-four percent, or some 274m, of the Mediterannean's population of 450m already live in urban areas, according to figures from 2000. But the region's urban population is on a strong upward trend, and it is predicted that three-quarters of the Mediterranean population could be urban by 2025.

A third of this growth will occur in the coastal regions, where many of the Mediterranean's big cities and urbanised land are concentrated.

Urbanisation rate in Mediterranean countries and forecasts 2025
(Source: UN Population Division 2003)

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1   From the work "Mediterranée. Les perspectives du Plan Bleu sur l'environnement et le développement" by G.Benoit / A.Comeau, on behalf of the PNUE/Plan d'Action pour la Meditérranée.
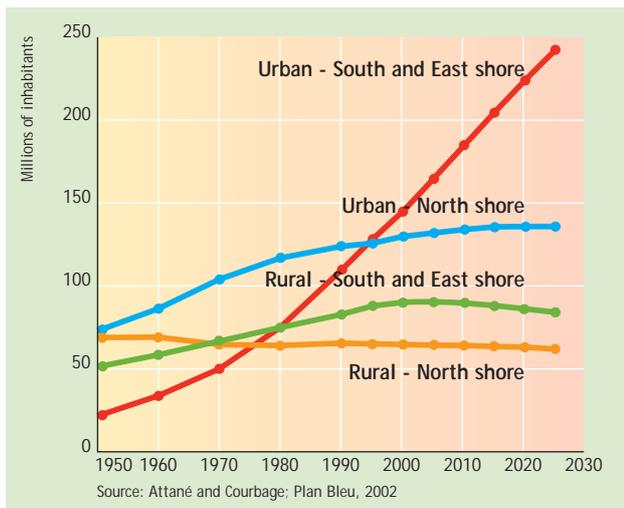
Urban population in the Mediterranean countries, trends and forecast (Source: Plan Bleu, 2002)

Most of this growth will concentrate in the south-eastern coasts where demographic growth is due to a young population. Rural-urban migration occurs in some of these countries (Turkey, Syria, Morocco) but has stabilised in others (Egypt, Tunisia).

The abundance of a young population and the lack of economic opportunities will give rise to the highest levels of underemployment in the world: 30% of the working urban population in Turkey, 40% in Algeria and Morocco, 45% in Egypt and Tunisia. The number of poor will increase in urban areas in countries such as Egypt, where 42% of poor people are urbanised.

1.2 Space consumption

Space consumption is one of the most pressing demands caused by urban growth and tourism along the Mediterranean coast. Smaller towns and agricultural land are being absorbed as the pressure on land use increases. However, the problems are very different between the south-eastern and northern Mediterranean shores.

On the south-eastern shores, rural migration continues, and the large numbers of young unemployed people in poor housing conditions have resulted in the proliferation of spontaneous, unregulated and under-serviced informal settlements in big cities. This phenomenon has not yet been fully quantified[2], but is not by any means unseen. Often authorities tend to tolerate it, while progressively improving living conditions and regularising the situation.

In the north, space consumption is not related to demographic growth or rural migration but with lifestyle. Urbanisation of the coast has been fuelled by the growth of private car use, the development of housing, second homes and tourism outside urban centres, and the growth of commercial, industrial and service areas on the periphery of towns.

Tourism on the Mediterranean coastline more than doubles the population at certain times of the year. Apart from the pressure this puts on services, it has enormous consequences for space consumption because of the creation of "articificial" space for tourism, ie space that is solely intended for tourists and often only used during holiday seasons.
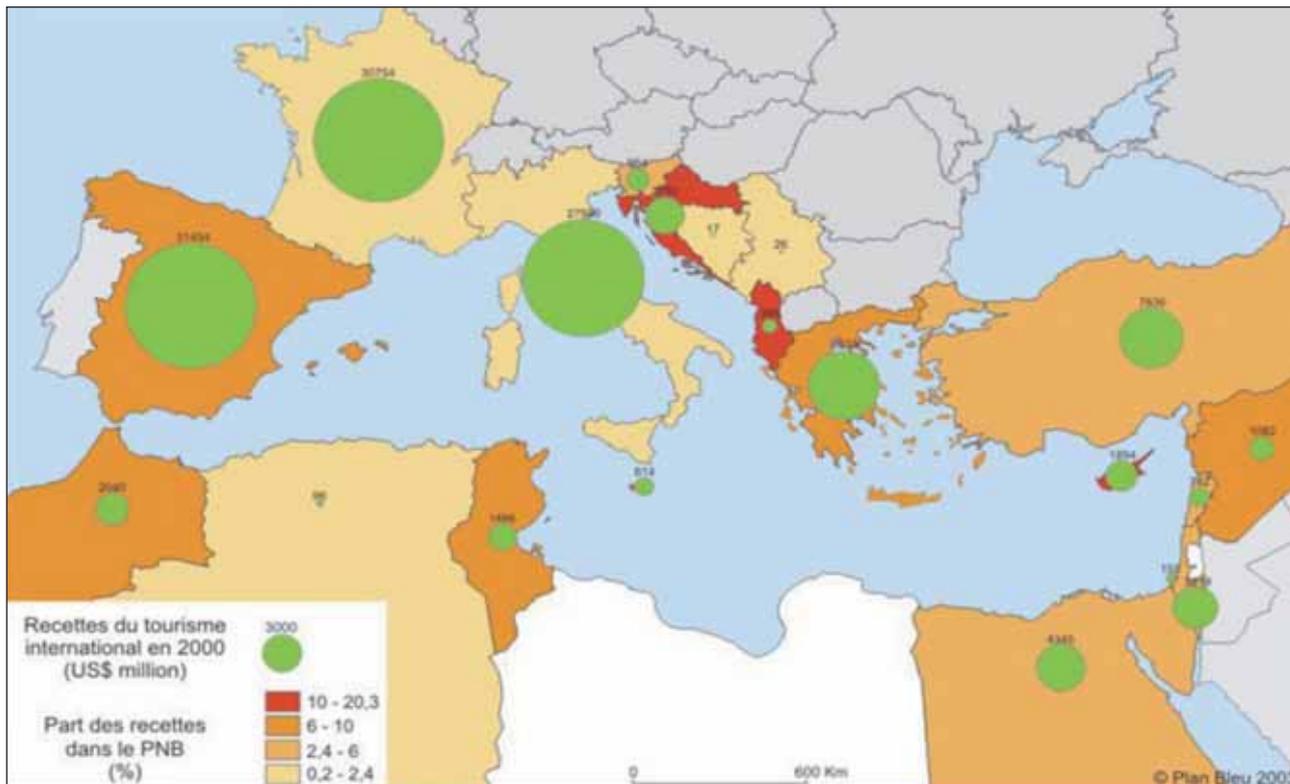
International tourists received in 2000 and share of GDP (Source: Plan Bleu, 2003)

2   According to UN estimates urban population that cannot find a legal
    accomodation varies from 70% of total urban population in Albania to
    30% in Morocco and Algeria.

In France, Spain and Italy this "artificialisation" is calculated to be more than 20%. For the other countries there are no statistics, but the available information points in the same direction. Some estimates indicate a 40% rate of artificial occupation of the Mediterranean coasts, rising to 50% in 2025, with urban agglomerations or megalopolises running tens and hundreds of kilometres along the coast. This has a tremendous impact on the terrestrial and marine environment: pollution, coastal erosion, traffic congestion, marine ecosystems degradation and risk of flooding.

Sustainable development has become an urgent priority for Mediterranean cities as the coastal areas are already almost at their limits of urbanisation. The sustainable development of Mediterranean cities should therefore take into account the principles of integrated management in the coastal zones which over the last few decades have been adopted under the auspices of the Parliamentary Assembly of the Mediterranean (PAM) and the European Union.

Experiences of sustainable urban development are proliferating in the Mediterranean as a consequence of the Millennium Objectives, climate change or the globalisation of the world economy. The participation of Mediterranean countries in Local Agenda 21 opened the region to new perspectives on urban planning and social participation[3]. In the north they emphasise improving quality of life, the fight against periurban extension and climate change. In the south-eastern countries, the improvement of environmental services and the promotion of decentralization are the main issues. Here, NGOs play an essential role in urban development. However, all these experiences have a common point, that is, the active involvement of citizens, societies and associations in the planning process. But most of these initiatives have a sectoral character that lacks an integrated approach which is a feature of strategic planning.

1.3 Decentralization

Cities in the region have a wide diversity of political and legal environments and different interpretations of decentralisation. Despite gradual changes towards greater flexibility and improved democratic institutions over the past few years, the south and eastern Mediterranean are the most centralised regions of the world. A history of successive empires — Roman, Caliphates, Ottoman — and decolonisation in the 20th century, have created a centralist tradition in which the state controls or oversees all the levels of administration.

The three characteristic administrative levels of the European nations to the north (municipality, province, region) are practically reduced to one level in the south-eastern Mediterranean where one passes directly from the state to the municipalities (with the exception of Morocco). Although an intermediate level exists (*wilaya*, governorate) it is not elected, but nominated by the state.

The low level of political decentralisation corresponds with the low level of financial decentralisation as shown by some indicators, such as sub-national expenditure - the world's lowest. (World Bank 2002).

However, administrative de-concentration of powers have become inevitable when central powers are too far from the place where services are ultimately delivered. In general, it can be said that cities are considered as managers of day-to-day affairs, while strategic decisions are in the hands of central powers.

The financial resources transferred to municipalities are neither at the level of their competences nor of their needs, especially as far as infrastructures are concerned.

1.4 Private sector

Across the Mediterranean, the imbalance between needs and resources has given rise to a new form of management: the public-private partnership. Given the scarce capacity of municipalities to finance and manage urban development, they have turned to private companies for assistance in the delivery of public services.[4]

This is a well-recognised formula, but it is not free from risk, given the asymmetry between the contracting parties, where municipal authorities often find themselves at a disadvantage in the face of powerful multinational companies who control the sector. The debate is under way in these countries on the necessity to regulate this kind of relationship between the public and private sectors as good service management is not limited to the terms of a contract.

1.5 Inter-municipal cooperation

Urban growth has produced a rise in the number of municipalities and institutional cooperation is the only possible response when the real city extends beyond the limits of its administrative boundaries. But the same legal framework cannot equally satisfy the requirements of small municipalities and large agglomerations. In European countries, different forms of intermunicipal cooperation have been constituted (*mancomunidades*, *comprensori*, *communautés de comunes*) to deal with the atomisation of the management of services. On the south-eastern coast, countries such as Jordan, Turkey, Lebanon, the Palestinian territories, have led the way, as well as the creation of metropolitan agglomerations: Greater Cairo; Beirut and Al Fayha[5] in Lebanon. Greater Sfax in Tunisia, for example, has created a joint action plan for the city with surrounding municipalities and Morocco has created a system of Urban Communities and a Turkey system of Metropolitan Municipalities.

1.6 Megalopolises and social cohesion

Uncontrolled urban expansion frequently entails the loss of social cohesion, adding further inequalities to the traditional ones of levels of income, access to employment, etc. Above

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3 900 Agendas 21 being developped in the EU-Med countries: 430 in Italy, 360 in Spain, 30 in the East Adriatic, 50 in Turkey, 20 in the Maghreb, 15 in the Machreck.

4 In Morrocco 80% of the water and electricity distribution and urban cleanning services are managed through municipal concessions to private sector.

5 Al Fayha: Tripoli, El Mina and Beddawi.

Source: HCMR based on UNEP/MAP/MEDPOL/WHO, 2004

all, it is in large metropolises that great inequalities are observed, from the luxury of rich districts to the dilapidation of poorer areas. This generates a feeling of insecurity and segregation, resulting on the one hand in the development of gated communities[6] and informal settlements on the other. Although this phenomenon, which is widespread across the world, has not yet fully taken hold in the region, it is starting to emerge in some countries such as Turkey and Lebanon. It threatens the traditional Mediterranean urban model of the balanced, mixed and compact city.

Wealth, knowledge, technology and infrastructure are concentrated in the large metropolises, making networks possible, as well as big investments. Some Mediterranean cities are introducing metropolitan areas to meet the challenges of a globalised world. Whereas local authorities are faced with the important management problems of metropolitan cities, the national authorities are faced with the problem of avoiding imbalances between big, medium and small cities.

1.7 Sustainable services

Growing urbanisation, especially along the coast, and tourism put the Mediterranean under particular environmental pressure.

Traffic congestion and the air pollution it causes are among these problems. Urban transport is one of the main causes of air pollution, and concerns in both the north and the south, as the use of private cars are widespread and increasing all over the Mediterranean basin. The situation is aggravated in the south by the use of diesel fuel, especially for buses. However, levels of air pollution in these countries are difficult to quantify as, unlike in the northern countries, most of them do not measure air quality.

Transport solutions lie in the reduction of road traffic and greater efficiency in public transport, especially in large agglomerations. Some cities have made a start, eg with the construction of the subway in Cairo or the tramway in Rabat, Algier and Tunis. But transport decisons cannot be made in isolation, they have to be coordinated with other sectoral policies such as land use and housing and different levels of administration. Strategic planning with its integrated and comprehensive approach offers a solution in this regard.

Water is a scarce resource in the Mediterranean, but the challenge remains greater for the south-eastern countries, where access to adequate sanitation presents great geographical and social inequalities. Official statistics do not give the full picture because they do not take into account "spontaneous" settlements, which often have no water and sewage supply. This raises a delicate political question with regard to tariffs and management, given that the great inequalities in access to sanitation require state intervention.

Rapid urbanisation also creates a surge in the demand for waste disposal and treatment. In the south-eastern countries, where the levels of waste collection vary enormously according to land values and levels of rent in different neighbourhoods, uncontrolled dumping grounds predominate. Over the past two decades some countries have started to close them and replace them with controlled landfill sites. They have also initiated collection and recycling policies. Although efforts are being made at the legislative level and national plans have been adopted for waste management there are many difficulties in implementation at local level.

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6   Some 270 "private towns" could be counted in Istanbul at the end of 2001. In Lebanon these represented 2% of the total houses in the country. The same phenomenon occurs in the countries of the European shore.

Part 2:
Case studies

North countries

2.1 Barcelona

Barcelona's first strategic plan dates from the 1980s and was a response to its nomination as host for the 1992 Olympic Games. The first phase has converted the city into a world reference for urban strategic planning. Under the leadership of the mayor Pascual Maragall, Barcelona made use of the Olympic Games to transform the city politically, economically and spatially.

The resulting urban regeneration in the centre and the "opening of the city to the sea" were inspired by strategic urban development and the transformation of public space infrastructure, which have since been especially influential in Latin America cities. The first strategy phase remains an outstanding example of how to build a vision, attract and mobilise stakeholders, develop an identity and make coordinated use of urbanistic and economic instruments.

Since then there has been a succession of strategic plans, covering not just Barcelona but other cities and towns within its metropolitan area. In 2003, the first Strategic Metropolitan Plan of Barcelona (PEMB) was set up to exploit the opportunities of the metropolitan area and improve its governance, which was considered a key aspect for its competitiveness.
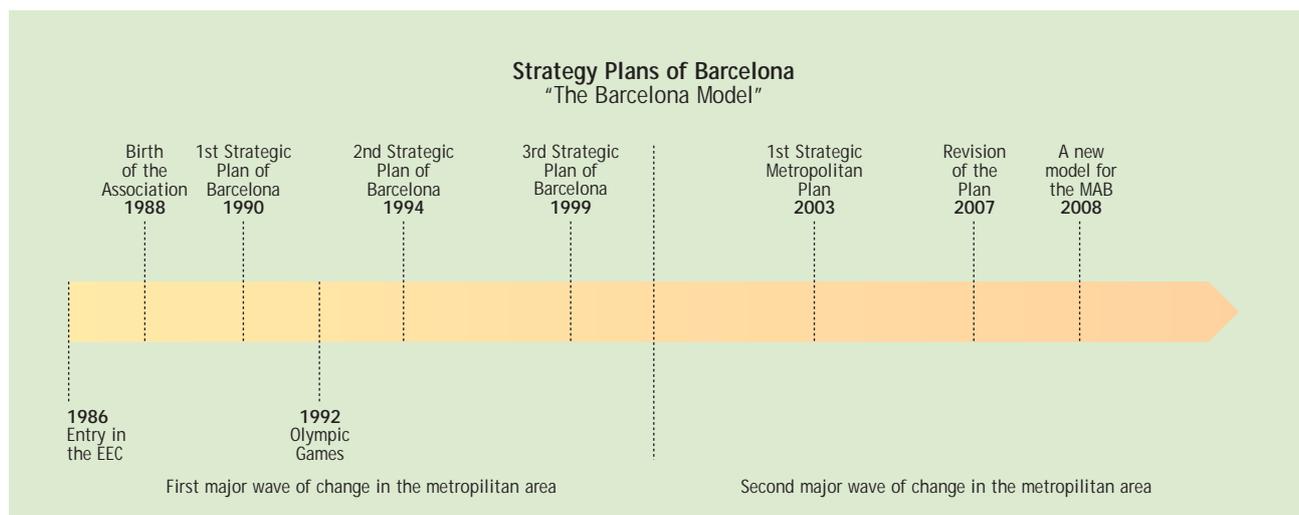
The objectives of these plans have varied over time as the territory's social and economic situation has evolved. The strategic plans continued applying especially economic instruments in the following phases, but the milestones and highlights were less groundbreaking.

The objective of the 2010 Strategic Plan is for the city to become a global metropolis, with special emphasis on knowledge. However, the need to deal with the economic crisis and incorporate new economic driving forces has prompted its review. Instead of focusing on a single quality, the plan embraces a broad range of qualities based on the creativity and entrepreneurial spirit of residents and the academic resources of its universities and other centres of excellence.

The PEMB is a public/private association incorporating the 36 municipalities in Barcelona's metropolitan area chaired by the mayor of Barcelona, and also involves the regional government and the area's main economic and social agents. Its activities are funded by local government and by the private sector.

The plan sets out general guidelines but sometimes suggests specific measures to flesh these out. For example, it has recently proposed the creation of new organisations, including an Economic Promotion Agency which is currently being studied. The plan also works towards the re-institutionalisation of metropolitan bodies. One critical factor in realising the plan's objectives is its capacity for leadership, another is its influence in channelling public and private investments, and to avoid duplication of functions with the participating municipalities and the existing mancomunidad (diputacion).

Strategy Plans of Barcelona
"The Barcelona Model"

Birth of the Association **1988** — 1st Strategic Plan of Barcelona **1990** — 2nd Strategic Plan of Barcelona **1994** — 3rd Strategic Plan of Barcelona **1999** — 1st Strategic Metropolitan Plan **2003** — Revision of the Plan **2007** — A new model for the MAB **2008**

1986 Entry in the EEC

1992 Olympic Games

First major wave of change in the metropilitan area

Second major wave of change in the metropilitan area

Timeline of Strategic Planning in Barcelona

The current plan places special emphasis on sustainable urban development, mobility and the creation of economic drivers. Private participation is also being encouraged through the attraction of new actors and the development of new social networks while winding down its diagnostic activities.

2.2 Grand Lyon

The Lyon Urban Community (UC), which brings together 57 municipalities and 1.3 million inhabitants, was among the first four of its kind to be created by national legislation in 1966. Its urban and sectoral development strategies, among them Agenda 21, form part of a metropolitan strategy which seeks the balanced development of the agglomeration, and its international positioning in times of intense inter-city competition.

Since 1983, the French government has been working hard to increase the competencies of local and regional administrations and to encourage inter-municipal cooperation. A bill currently being prepared will redistribute French territory and create 9 new metropoli, one of which is Lyon, which will be extended and have new competencies. The city's present competencies are based on the 1966 law that created the UC and a 1996 urban mobility plan. Planning is coordinated with state services and neighbouring territorial groups (municipalities, department and region), as also stated in the European chapter of this document.

The first Master Plan in 1978 was followed by three further plans, each reflecting the evolution of legislative and social change and the international context. The current plan, Lyon 2020, puts forward a long-term strategic vision including guidelines to support international competitiveness and sustainable development.

The need for diagnosis of the urban setting first came to light in 2005 during preparation of its SCOT (Territorial Coherence Scheme). Before a direction could be determined, a diagnosis of both the territory and its environment was required.

So far, the urban development strategy has focused on urban quality and major structural projects (the business district at Part Dieu, Lyon Confluence, Portes des Alpes). Main projects include metropolitan cooperation on transport and a major new business scheme while some projects such as a ring road have fallen by the wayside. To help measure its objectives it has 26 indicators, including some on biodiversity and human development.

Urban strategy has been prepared through meetings of mayors and by prospective missions, with collaboration from the development committee and district councils. The private sector has participated through its representative bodies, and strategic documents have been submitted for public consultation. The urban strategy has in turn opened the way to new non-institutional structures involving voluntary cooperation, like Interscot (a meeting of the region's 10 SCOTs), or groups to deal with the economy, competitiveness issues, etc.

While urban strategy funding comes from national and local public resources and the private sector, the strategy itself has served to channel public and private investment towards urban infrastructures, particularly public transport projects.

International cooperation also forms part of Greater Lyon's urban strategy. The city belongs to the UCLG, the Eurocities network and maintains exchange and cooperation relationships with many other European cities, including Mediterranean cities like Barcelona, Turin, Rabat, Aleppo and Tripoli (Lebanon) and others.

2.3 Malaga

Malaga initiated its strategic planning process in 1996 with the aim of attracting big investment. But very soon it was realized that apart from its original objective it was a useful instrument that facilitated a common vision and understanding. It is now in the evaluation phase of its second edition which started in 2006. Since the beginning, consensus has been a strong characteristic of the city's strategic plan and has withstood political changes in the municipality. Its success lies in the emphasis on communication and participation.
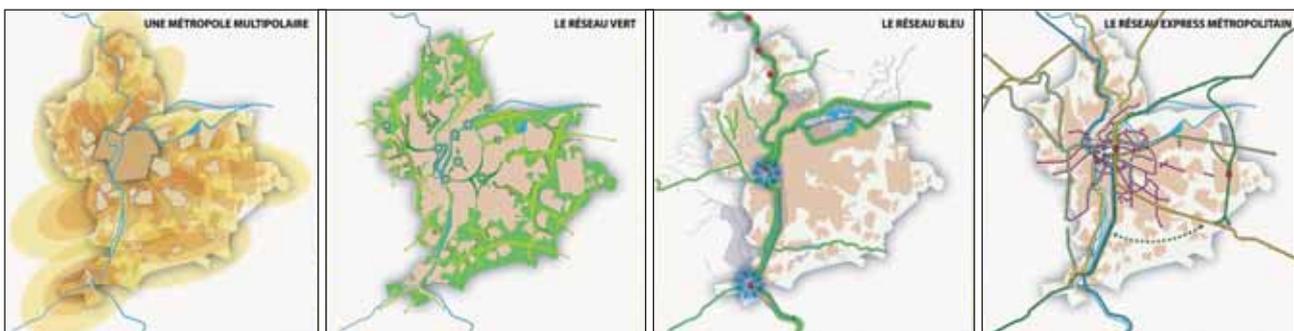
Spatial Coherence Scheme (SCOT) Lyon

The plan is under the municipal authority but its responsibility lies in the CIEDES Foundation, a private non-profit organisation presided over by the municipality and with membership of the city's main social and economic organisations.

Malaga's plan has been established according to a strategic vision based on the particular values and characteristics of the city, a vision shared and established by the city's main agents. Although political leadership is important, stakeholder involvement is fundamental and the strategic plan has proved to be an excellent instrument in building consensus. The plan works in straight collaboration with the different municipal sectoral departments and also with the surrounding municipalities. A metropolitan forum has been created between the 13 municipalities that surround the capital to discuss and coordinate proposals over issues such water, mobility, energy and telecommunications.

The strategic plan has been influential in the cities' big projects, for instance the relocation of the train station due to the TGV's arrival; the creation of a university campus; the construction of a second ring road.

Its financial resources come mainly from municipal and private sources (Unicaja, Confederación de Empresarios, Chamber of Commerce). International and regional financing has also been obtained for specific projects.

Malaga's strategic plan is well consolidated and integrated in the city's institutional structure. It is a reference when it comes to defining and financing different types of projects: environmental improvement, urban mobility, historical centre rehabilitation.

South-East countries

2.4 Aleppo (Syria)

The city of Aleppo (Halab) in northwest Syria, with a population of 2m, is the country's second largest metropolitan area, but the largest by economic strength. As the capital of the province it is an administrative city, and its ancient centre is a UNESCO World Heritage site, reflecting more than 5,000 years of history as a trading centre that linked the river Euphrates with the Mediterranean coast. It concentrates population growth as well as economic growth and business opportunities. But despite its size and dynamism - urban incomes are higher than in rural areas - Aleppo suffers from considerable poverty, unemployment, informal settlements and informal economy, lack of services, and limited funding for infrastructure.

The Old City suffered from disrepair as the population moved to new suburban developments in the 50s. Historical buildings were abandoned and new roads isolated neighbourhoods. Lack of investment in the old city meant that infrastructure, and consequently living standards, deteriorated.

In 1993, the City Council adopted a 15-year rehabilitation strategy and development plan for the Old City, with assistance from the German government and the Kuwaiti Arab Fund, to conserve the built heritage of the city at the same time as improving the quality of life of residents. The process was marked by increasing involvement of residents in decision making. Various strategies emerged from the development plan: land use, traffic management, Local Agenda 21, design for the centre, a financial system with tax exemptions and loans to the residents to encourage them to restore their dwellings. The city realised that it is no longer sufficient to regard urban development as spatial master planning, building infrastructure, or construction regulation, as was traditionally the case in Syria.

Since 2003 the City Council identified priorities for the future of its own development but it was clear from the outset that a four-year plan was not enough to identify development trends in the city. Strategic planning was needed to establish a vision for the city based on realistic assessment and action by using a participatory concept with the aim of governing and managing urban growth, protecting natural resources and guaranteeing social inclusion as well as cultural traditions.

Aleppo, in cooperation with GTZ and Cities Alliance, is now developing a CDS 2025 to unify all the city's efforts

The municipality has the responsibility to be a leader and catalyser of stakeholders: private sector (chambers of commerce, investors) and NGOs. Governments reform includes abandonment of centralised planning and decentralisation at local authority level. However, decentralisation still needs to redefine the role of the private sector and the state, civil society and local authority, capacity building in urban management, accountability and service orientation of the local authority, improving the concept of local economic development.
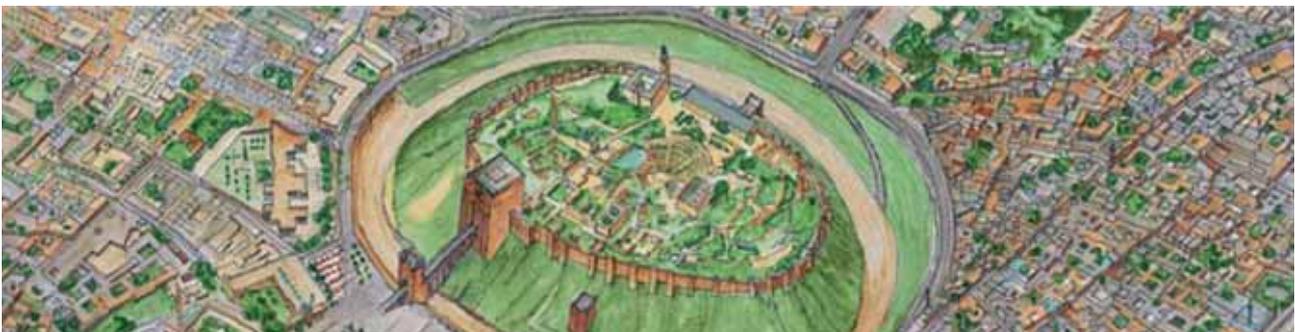
Source: UDP Integrated Urban Development in Aleppo 2009
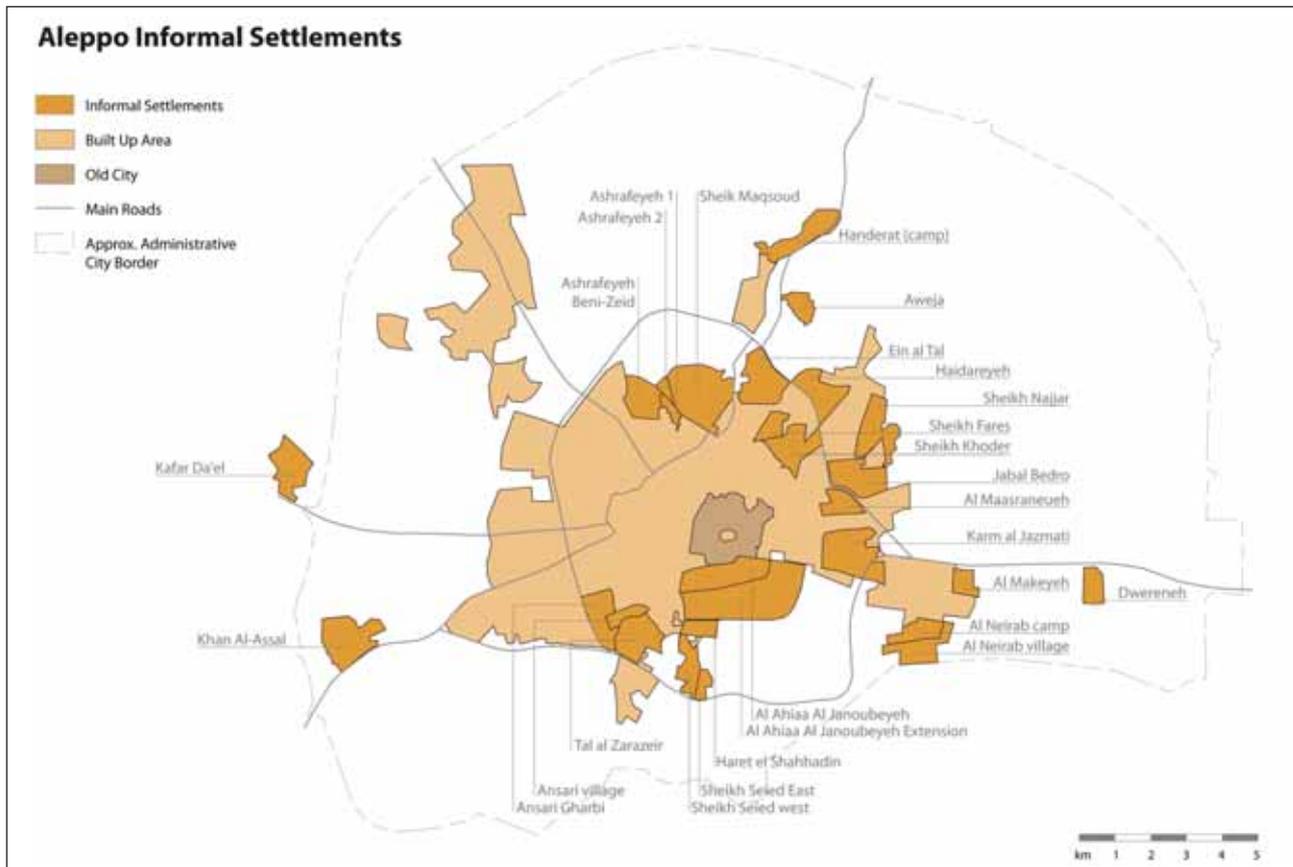
Informal Settlements in Aleppo (Source: UDP Integrated Urban Development in Aleppo 2009)

Knowledge of urban management was acquired in the Old City rehabilitation project and later transferred to the city. The city council also learned about the challenges and the local community's ability to work together with stakeholders, to solve problems and envision the future of the city in a sustainable manner.

The exchange of international experience on urban development throughout the Middle East and Mediterranean Region is also an important aspect. Aleppo has already provided direct support to Damascus, Tartous and Jableh.

2.5 Greater Sfax (Tunisia)

Sfax is the second largest city in Tunisia after the capital, Tunis, and is its largest port in terms of tonnage. It is an agglomeration characterised by an urban fabric that occupies some 12,000 ha, with a coastal zone extending for over 20 km and an agricultural hinterland that has been fragmented and degraded by urbanisation.

Traditionally, the economic capital of the country due to its industrial, commercial and port activities, Sfax also has a strong agro-food industry and export sector, mainly oil and fish, as well as phosphates. Conflicts in land use, typical of rapid economic and urban growth, have been accentuated in Sfax by the confluence of major sources of pollution (phosphates, municipal waste plant) and significant natural and cultural resources (wetlands, salt marshes and archaeological sites).

In 2000, the municipal team set out to transform the city into a competitive metropolis with sustainable development. They had to draw up a diagnosis of the city and later (2003-05) a Greater Sfax Development Strategy (GFDS), covering the city and its 6 surrounding municipalities. This was in line with national policy on the sustainable development of cities, supporting them in preparing their own Agenda 21 or development strategies.

Now in its second phase, the GFDS has a horizon of 2016. Its political leader is the mayor of Sfax, who represents the metropolitan agglomeration. The Technical Services General Directorate monitors the strategy's execution.

The GFDS enjoys political support from several ministries (Interior, Local Development, Environment and Sustainable Development, Equipment, Transport, etc.) as well as international donors (World Bank, MedCities, Cities Alliance, AFD, GTZ, the Rome Agenda, etc). But the decisive factor in its consolidation has been the leadership of the municipal team in channelling citizens' wishes and creating a metropolitan vision.

Significant steps have already been taken under the Taparura project towards reclaiming its northern coastline and relocating the heavily polluting national phosphates factory (SIAPE). Between 2006 and 2008 Sfax participated in a European SMAP programme project to integrate the planning and management of its coastal area with its urban strategy. The APAL (National Tunisian Agency for the Management of the COSAT) participated in this project, which will be used as a pilot for the national plan for coastal management.
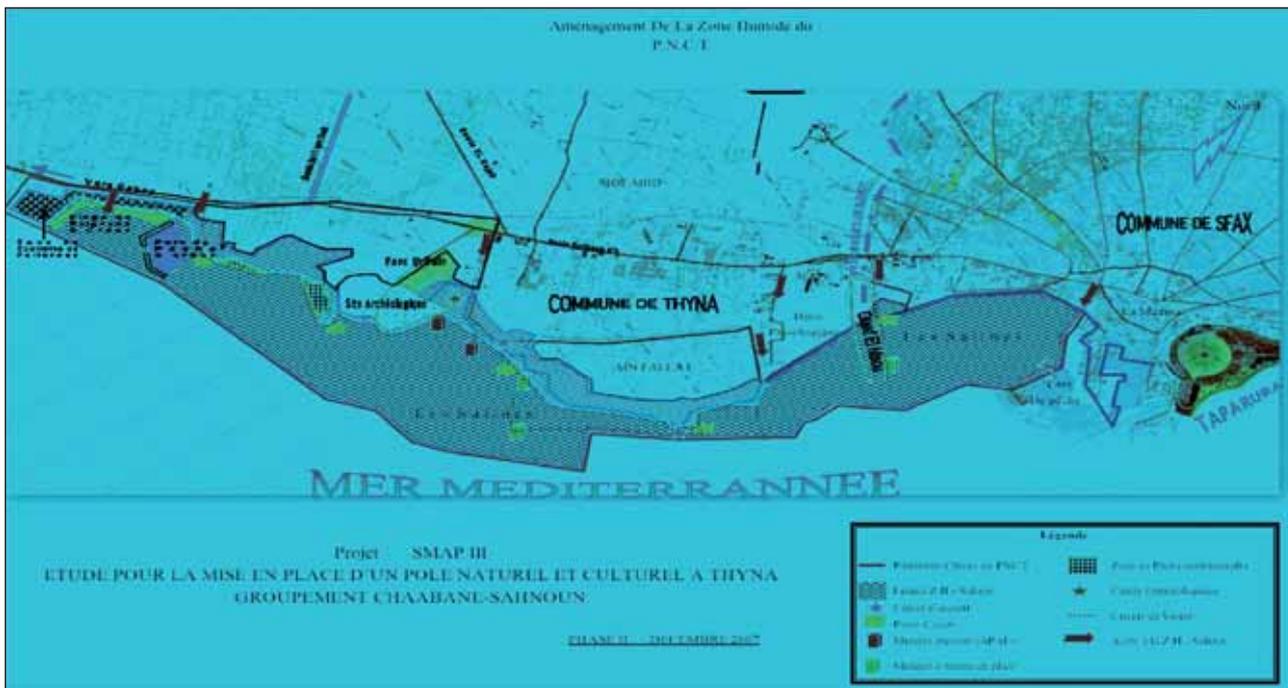
Source: Municipalité de Sfax, 2007

Of the 60 projects identified in the GFDS, 15 of which are classified as strategic, the most important of them are: communication with citizens, infrastructures, institutional responsibility, mobility, and sustainable development.

Efforts are being made to set up a sustainable development observatory in Greater Sfax and draw up indicators to measure how far objectives are being achieved.

Sfax's strategy has aroused great interest nationally and in cities in the region such as Gabès and El-Kef. Sfax is also very active within the MedCities network.

2.6 Metropolitan area of Tripoli (Lebanon)

The Metropolitan area of Tripoli comprises three municipalities, Tripoli, El Mina and Beddawy, and the **Al Fayhaa Union of Municipalities** (UoM) is officially recognized for their joint administration, planning and implementation of activities. Tripoli is located 85 km north of Beirut and is the second largest city in the country after the capital.

The Al Fayhaa population is estimated at 320,184, which represents nearly one-third of Northern Lebanon's population. More than 40% of the population in Al Fayhaa lives in poor quality housing in areas that have the highest percentages of non-Lebanese immigrants from rural areas. The deprived urban core of Tripoli and the district of Miniye, together with the north of the country, account for more than a third of national poverty. Urban degradation goes hand in hand with social segregation and poverty. Al Fayhaa suffers acutely from a constant deterioration of accommodation, accompanied by the uncontrolled consumption of peripheral green spaces with new developments. It is also facing serious environmental challenges with respect to inadequate infrastructure, solid waste management, transport and water pollution.

The civil war and its aftermath disrupted Tripoli's role as a regional "pole" and breaking down its interaction with the surrounding regions.

As a result, large-scale infrastructure investments - the harbour, the railway terminal and the petrol refinery - which could revive the economy and fuel the development in the region, are either no longer operating or are under-utilized. Such infrastructure represents untapped potential that could be revitalized through effective planning. Its rich cultural heritage and natural features could also give rise to the potential for tourism.

Poverty in % (Source: Tripoli Strategy, 2008)	
	Poverty
North	52.6 %
Lebanon	28.6 %
Beirut	5.9 %
Tripoli	55.0 %

The UoM of Al Fayaa recognises civil society and established with more than 100 NGOs a "partnership protocol" to implement joint local development projects.

The AFSDS falls within the national government commitment to strengthen municipal governments under the Taef Agreement (post-war constitution). The government supports to undertake CDS within pilot cities, starting in Al Fayhaa. Experience gained in Tripoli will provide a unique opportunity to fine tune the proposed approach before being replicated elsewhere in Lebanon and beyond.

Al Fayhaa authorities realised that the situation could further deteriorate in the absence of an integrated strategic plan, and the Al Fayhaa Sustainable Development Strategy (AFSDS) project (2008-10) was developed with the support of the Cities Alliance and partner cities (Barcelona and Marseille).

Part 3:
Conclusions and regional recommendations

3.1 Conclusions

The common challenge of cities in the southern Mediterranean is the lack of consultation when national and regional strategies are designed by the upper tiers. Cities feel excluded and want to be more integrated in planning and policy development. As the mayor of Casablanca said: "Sometimes it is difficult to establish cooperation with national governments on our strategies; while the private sector is more interested in cooperating as they identify the benefits easily."

The slow pace of decentralisation, especially in Arabic countries, means that local governments lack the means to provide adequate public services and infrastructures for attracting economic activities.

Differences between the cities couldn't be larger: from long-standing democratic environments such as France and Spain, to countries fighting economic crises such as Greece, Spain and Italy, and countries that struggle with the provision of basic services and where local democracy is still in process (Lebanon, Syria).

In the past decade, the public sector joined increased private investment in large infrastructures or urban renewal and development, such as urban renewal projects (Central Beyrouth; Old City of Aleppo), peri-urban developments (Lake Tunis), port developments (Tanger), construction of airports (Algeria, Morocco), development of large coastal tourist complexes. These macro projects accelerated urbanisation and development of local infrastructures, such as transport, highways or housing, but were not always well-integrated with the existing urban structures. Cities that fringe the Mediterrean sea have communicated well for decades, even when not supported by national policies. They also have a strong identity and are important actors in the national economy.

Airport construction in Tanger and urban renewal in Beirut

Tourism is a dominant factor for development, which implies a general openness and connection to global trends. But it brings with it a high level of environmental degradation, land consumption, water scarcity and social inequalities. As urban development crosses city boundaries, especially along the coast, inter-municipal cooperation is crucial to make such quasi-metropolitan areas more sustainable.

3.2 Regional recommendations

To local governments:

1 Participate in international city networks and projects to share resources and technical assistance for sustainable development and to facilitate decentralisation.
2 Apply principles and recommendations agreed by the UN on the environment and sustainable development, in particular integrated management of the coastal zones, adopted under the auspices of the European Union.
3 Encourage participation of citizens and local associations in strategic plans and projects for sustainable development, to create stronger local democracy and pressure on national governments for greater municipal autonomy.
4 The historical spatial model of the Mediterranean city be promoted and protected as it is also a social phenomenon of sharing space instead of segregating city. Land use instruments and housing policies should be revised in this regard.

To national governments:

1 Create the legal, institutional and financial conditions, encouraging collaboration with municipalities so that they can carry out sustainable development projects.
2 Introduce political decentralisation processes to confer greater capacity for political decisions and financial autonomy upon municipalities and regions.
3 Enhance the technical capacity of municipal staff to enable them to carry out successful and lasting sustainable development projects.

To international institutions:

1 Recognise the municipal authorities as key actors and stakeholders in global sustainable development.
2 Urge national governments to advance in their application of the principle of subsidiarity to increase the efficiency of sustainable development at all levels.
3 Favour the technical capacity building of municipal staff to enable them to carry out successful and lasting projects of sustainable development.
4 Acknowledge that the development of programmes and the execution of international projects should be adapted to local needs and characteristics.
5 Encourage the exchange of experiences and their replication in other cities, favouring in particular exchanges between cities on the south-eastern coast.
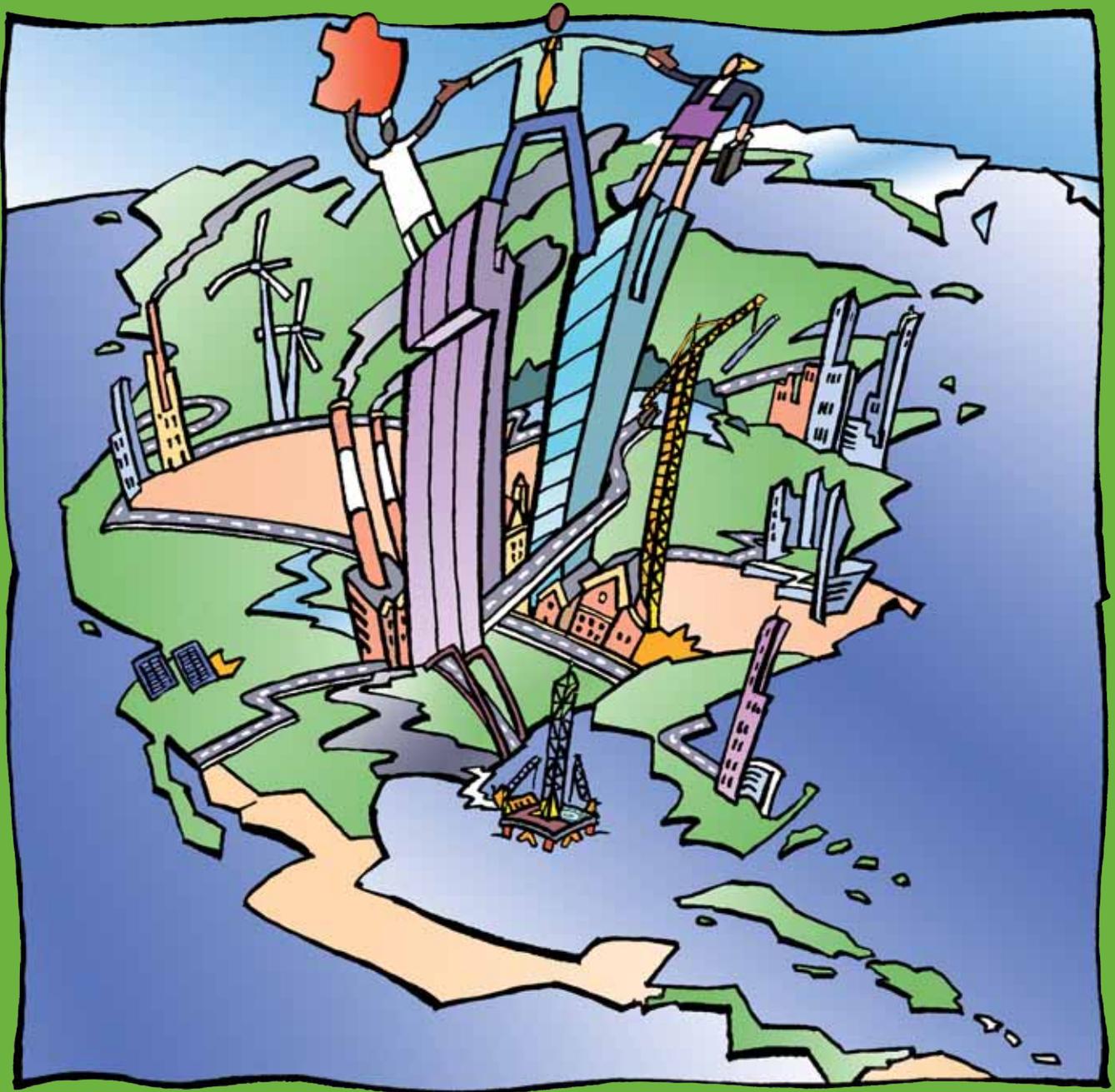
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Local leaders
preparing
for the future
of our cities

Northern America

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Part 1:
Context and challenges

1.1 Urban Growth and Decline

The two North American states of Canada and the US have a long history of mutual exchanges and many connections. Be it economically or culturally, the two countries have influenced each other throughout the centuries and thus have a number of characteristics in common.

Canadian and American cities were very dense and unplanned in the 19th century and related health issues prompted the creation of the planning profession with an emphasis on decentralization, decongestion, the rise of suburbs (first streetcar suburbs, then automobile suburbs) and a rational approach to development. After the Second World War, the development of extensive highway systems had an enormous impact on suburban development.

Cars were popular and affordable, land was cheap on the periphery of cities, and government policies including cheap mortgages promoted home ownership. The US 1956 National Interstate and Defense Highway Act poured vast amounts of money into highway systems that made suburban living and commutes to work and shopping feasible. Zoning regulations originally developed to address the overcrowded and unsanitary cities of the 19th century resulted in a separation of uses that reinforced car dependency. Canada invested less money in highways; as a result, its suburbs are less dispersed than the United States, but nevertheless the post-war automobile oriented city, with a central business district and residential "bedroom community" suburbs, is familiar to both countries.

A photograph of the first mass-produced American suburb, Levittown, N.Y. in 1948 (Source: Life Magazine)

In the 1990s, some cities saw a shift in this pattern, with cities like Vancouver, Seattle and San Francisco successfully drawing populations back to live in their downtown cores. At the same time, many cities have seen jobs move from downtown locations to suburban business parks giving rise to suburb to suburb rather than suburb to downtown commuting patterns.

In terms of regional urbanization patterns, a shift from a **manufacturing to a service economy** over the last 30 years has resulted in the decline in some of the old industrial centers such as Detroit, in what has become known as the "Rust Belt" in the central mid-eastern US. The 1970s saw a shift in population from the North-east and the rust belt to the "Sun Belt", the southern and western United States. Detroit, for example, lost over half of its population in the last 40 years, whereas Phoenix more than tripled. Rising incomes and availability of air conditioning increased the choice of places to live, and the warmer climates of California and the south-west attracted large numbers of internal migrants.

Also, these states offered pro-business environments, lower energy costs and non-union wages. One of the impacts of this hands-off, pro-business orientation has been urban sprawl and increased environmental stresses including pollution and water shortages in many of the Sun Belt cities. These areas continue to gain population, although the loss of population from the older urbanized areas of the north-east has slowed in recent years.

In Canada, dependence on a **natural resource-based economy** has led to volatility in urban development, with both rapid expansion of cities such as Fort McMurray in the Alberta tar sands region and Calgary (home to the head offices of all major oil companies in the country) with the boom in the oil and gas sector, and the decline in forestry industry dependent towns in British Columbia and fishing towns in Newfoundland, for example. Thanks to strong government policies, the manufacturing centres in southern

Typical suburban development throughout Canada and the US

Ontario have not experienced the same downturn as the rust belt just across the border in the US. The Sun Belt has likewise attracted large numbers of Canadians, called "snow birds", but as retirees and vacationers.

1.2 Social issues

Canada and the US continue to be shaped by **immigration**. In spite of declining birth rates (although still above replacement unlike Europe), population continues to grow at 0.9 and 0.97% respectively (UN DESA 2006). The United States has the largest number of immigrants in the world at 20.56% of the world total, and Canada ranks number 7 at 3.272%; however, as a percentage of total country population, Canada has a higher number of immigrants than the US at 18.76% compared to 12.81%. Urbanization rates are 82% for the US and 80% for Canada (CIA 2010). More than 35 percent of the current populations of Toronto and Vancouver were born outside of Canada.

Both societies have large numbers of visible **minorities**, particularly in the cities. Issues of race, diversity and integration have significant impacts on urban development, although the approaches are somewhat different between the two countries. The US as the single largest recipient of international migrants is commonly referred to as a "Melting Pot" society. In a melting pot, different metals are put in a pot to create a new type of metal, ie newcomers forego their original culture and adopt the new cultural setting. Canada, meanwhile, coined the term multiculturalism to describe its approach, which is also known as "mosaic" and "salad bowl". A multicultural society encourages maintaining cultural identity while respecting the local culture, and transforming the local society to accommodate newcomers.

Top 10 countries of birth of immigrants to Canada (Source: Canada Geographic 2010)			
1961		**2001**	
1 United Kingdom	24.3%	1 China	10.8%
2 Italy	16.5%	2 India	8.5%
3 Germany	10.8%	3 Philippines	6.7%
4 Netherlands	8.9%	4 Hong Kong	6.5%
5 Poland	5.0%	5 Sri Lanka	3.4%
6 United States	3.9%	6 Pakistan	3.2%
7 Hungary	3.1%	7 Taiwan	2.9%
8 Ukraine	2.4%	8 United States	2.8%
9 Greece	2.3%	9 Iran	2.6%
10 China	1.8%	10 Poland	2.4%

In the US, the rise of the car oriented suburbs also led to the phenomenon termed **"white flight"**, a movement of white middle class families to the suburbs, with poorer and visible minorities concentrated in the inner city. Blacks were often denied mortgages in suburbs and zoning for larger lots made houses unaffordable for new immigrants. In the 1980s central cities had more than twice the proportionate share of the country's poor. Today, whites still make up about 66% of the general US population, but only about 40% of large cities. Likewise in Canada, immigrants have traditionally been attracted to larger cities, and visible minorities now make up majorities in Vancouver and Toronto. Another demographic shift being observed in Canada is the increase in urban first nation (aboriginal) populations as they move from their often
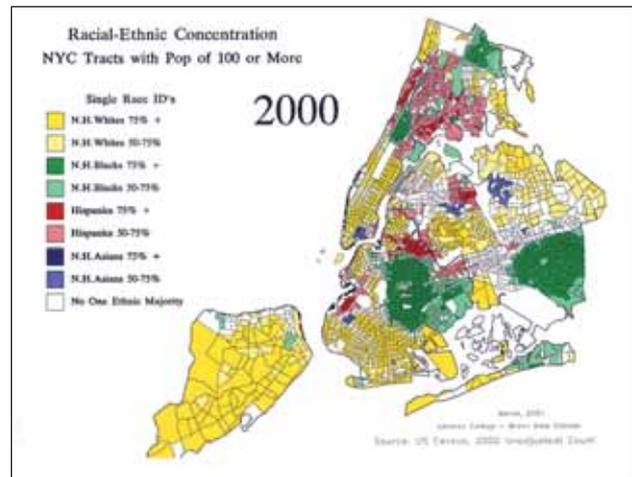
rural reserves, with Regina, Saskatoon and Winnipeg having the larger percentage of populations ranging between 6-9%.

This **concentration of poverty in the urban core** has reversed somewhat since the 1990s, with the rise in popularity of more centralized urban living for young professionals, and subsequent rises in prices. Poorer families moved further out into starter home suburbs with longer commutes. The 2008 financial and mortgage crisis has also seen the abandonment of homes in outer suburbs, while more centrally located properties frequently held on to their value.

In some cities such as Manhattan and San Francisco the inner city is so expensive that diversity, and the availability of key workers such as nurses, teachers, firefighters and police who cannot afford to live in these cities is a concern.

The federal Housing and Urban Development Department as well as several states have targeted affordable housing programs at these groups. Many cities (San Francisco, Ottawa) have developed strategic housing plans addressing public housing, affordable housing, rentals, assistance for housing rehabilitation, etc, but still struggle with these issues.

1.3 Economic issues

In the United States, models for **economic development** differ between almost every jurisdiction and may involve multiple players including the city, local businesses, the county, the state, government agencies such as the Port Authority (eg New York), and Chambers of Commerce with varying funding structures. Some are formalized into Chambers of Commerce funded by the city or county government (Florida) or economic development commissions, and some are loose-knit groups called upon by the Mayor when needed (Chicago). In Canada, when senior levels of government provide funding for economic development, local governments are usually required to match funding, and therefore become more involved. This generally happens in more economically depressed areas eg the north, and smaller towns with resource-based economies.

As economic times become more challenging, local governments are taking more responsibility for economic development. Vancouver is the only city of its size in the two countries that does not have an economic development

strategy. Typical activities include marketing campaigns, participating in downtown redevelopment plans, lobbying senior levels of government for infrastructure expenditures and promoting their city as an attractive location for companies. For example, when rumors started that Boeing was thinking of relocating away from Seattle, Mayor Daly in Chicago called on business leaders from his economic development coalition to lobby Boeing to relocate in Chicago.

Canada generally had higher **unemployment** rates than the US although in 2008 it reached its lowest since the 1970s at 6.1% (HRSDC 2010). As of April 2010, unemployment has risen to 8.1% still lower than the US rate of 9.9% (BLS 2010). For most of the last 15 years, however, the US has had very low unemployment rates of between 3-6% with Canada's between 6.5-8%. The United States spends much more money per capita on economic development than Canada.

There is conflicting information on the effect of the **sub-prime mortgage** meltdown on cities in the US with some reports pointing to the abandonment of suburban and holiday housing, particularly in Florida. Others note that the condo market in central locations such as downtown Chicago has also been hit hard, while some suburban housing markets are already recovering thanks to lower prices and government incentives for first time home buyers.

Canada was not affected to the same extent as the US due to much stricter mortgage and lending policies. However, the economic downturn did result in all levels of government taking on debt.

Spending on infrastructure was used as a way to prop up the economy through recession, with the Canadian Federal Government providing $7.7 billion, in addition to other initiatives such as tax relief, extended unemployment benefits, training, and investment in research and higher education. The US passed the American Recovery and Reinvestment Act in 2009 which provided $787 billion in tax cuts, spending on unemployment insurance, and investment in infrastructure such as roads and bridges, renewable energy, retrofitting homes and institutional buildings, and scientific research.

Aging infrastructure is a concern in both Canada and the US. A 2007 report by the Federation of Canadian Municipalities put
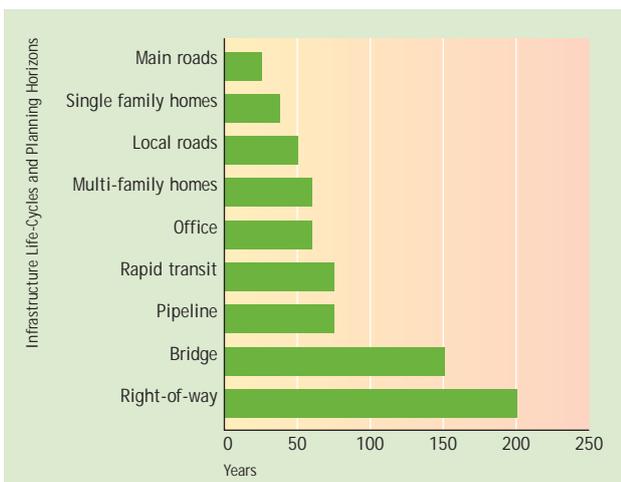
Canada's municipal infrastructure deficit at $123 billion (FCM 2007), while a 2005 report card by the American Society of Civil Engineers estimated $1.6 trillion would be needed over 5 years to address the problems (ASCE 2005).

1.4 Environmental issues

Cities in the US and Canada have become leaders in promoting understanding of climate change and green urban development as it has become apparent that they are key to sustainable development, and have frequently been able to show more leadership than their national level governments. For example, the Conference of Mayors has developed the US Mayors Climate Protection Act, and called for a boycott of the Alberta tar sands. In British Columbia, all municipalities have been required by the provincial government to set carbon reduction targets for their own operations and for their communities. Olympia, Washington, Montpelier and Vermont are competing to see which city can become the first sustainable state capital. Many cities have stated goals to become the most sustainable city in their country (Phoenix) or the world (Vancouver).

Most municipalities have identified specific initiatives designed to make their cities more environmentally sustainable such as free downtown public transportation (Seattle), green procurement policies (Halifax), retrofitting city buildings with solar panels and increasing energy efficiency (Phoenix), river restoration (San Antonio), community gardens (Minneapolis) or water conservation (Los Angeles). Some explicitly link environmental initiatives with other sustainability goals such as poverty reduction and economic sustainability, and social harmony (Calgary).

However, **car dependent suburbs** are extremely energy intensive, not just because of the transportation pattern (nothing within walking distance, little or no public transportation) but also because of the single family house, a very low density building type requiring huge infrastructure to service it. There is resistance to changing this form of development, from the development community who have

Map of Olympia, Washington, showing predicted sea level rise due to climate change covering their downtown and water treatment plant motivated the city to integrate climate change mitigation strategies throughout city operations (Source: City of Olympia)

City of Ottawa: Building a Resilient Sustainable Community

invested in suburban land, from residents who see suburbs as an appropriate place to raise children, from citizens who see attempts at restricting growth as infringing on their freedom, and even within municipalities from engineers and building codes incompatible with pedestrian-oriented dense communities. Advocates of more dense, urban style of development have been gaining ground over the last two decades, with walkable mixed-use communities in Dockside Green, Victoria; Garrison Woods, Calgary. However, many of these new urbanist or smart growth type projects are still one-offs, with Vancouver being one of the few cities that has seen this type of development become typical.

Density has been easier to push through in cities like Vancouver with rapidly expanding populations and rising house prices. Different problems face cities like Detroit who have lost over half their population since the 1960s. The Mayor began a campaign in 2009 to destroy dilapidated buildings. Thirty per cent of Detroit's land is now vacant, and 10,000 abandoned buildings by 2013. Other cities in the north-east of the US, and natural resource towns in Canada are facing similar issues.

1.5 Governance (decentralization)

The United States and Canada are both federal systems of government with three tiers: federal (national), state (US) or provincial/territorial (Canada) and municipal. Cities in the US and Canada jurisdictionally are 'creatures' of the state or province. There are also lower-tiered (1 single) municipalities and upper-tiered (regional or metropolitan) municipalities. States and provinces have legislation and ministries which define local planning functions amongst other municipal responsibilities.

Although specific municipal responsibilities vary from province to province and state to state, generally speaking municipalities are responsible for: urban transportation, road maintenance, snow removal, sewage treatment, wastewater and storm water drains, solid waste management, water supply, fire fighting, police, cultural and recreational activities, planning, local economic development, and public consultation and elections. Municipalities in the United States are also responsible for public education and public hospitals and health which are provincial responsibilities in Canada.

Property taxes account for about 40% of Canadian municipal revenue. About 40% of revenue comes from higher levels of government usually for specific purposes (eg infrastructure) often in the form of long-term loans. Sales of goods and services (eg fees for recreational activities) account for 15% but vary tremendously from city to city, while the remainder of revenue comes from special taxes (eg for snow removal) and investment income. Transportation is the largest area of expenditure, followed by environment (water, sewage, solid waste, street cleaning etc.), fire and police, recreation and social services. Planning accounts for 1.1% of local government expenditure in Canada (FCM 2006).

Cities in the United States have greater taxation powers than Canadian cities. In the US, property taxes account for 21% of municipal revenue, and other taxes for 22%. Service charges account for 29%, transfers from state government 21%, from the federal government 5% with 2% from miscellaneous sources. They can also issue municipal bonds to raise money for infrastructure investment. This is an option that Canadian cities are now also beginning to explore as a solution to their infrastructure needs, but the taxation structure in Canada is not as favourable as in the United States (SUMA 2009).

Public safety and environment, housing and waste account for the largest expenditure in US municipalities at 21% each. Other significant expenditures include transportation at 14%, education at 12%, followed by health at 11% and government administration at 7%. The remaining 14% are miscellaneous (National League of Cities).

Municipalities have fewer tax raising abilities than senior levels of government, and are dependent on higher levels of government for capital expenditures and often some part of their operating costs. Most jurisdictions require some kind of planning function, and delegate responsibility to local government for land use, zoning, infrastructure, and, more and more, provision of social services at the local level. Many municipalities have welcomed greater local control, but are frustrated by limited funds and lack of control over revenue generation.

Municipalities have also formed associations and networks to support each other. Organizations such as the National League of Cities, the US Conference of Mayors and the Federation of Canadian Municipalities are non-profit, non-partisan organizations that advocate for cities with the national governments, as well as provide research, tools and education for its members to improve urban development. There are also state and provincial level associations of municipalities such as the League of Arizona Cities and Towns, Municipal Association of South Carolina, the Quebec Municipal Association or the Union of Nova Scotia Municipalities. Some municipality networks have more specific goals such as the Great Lakes and St. Lawrence Cities Initiative, which brings mayors together with the common aim of protecting and restoring the Great Lakes and improving the quality of life of their cities.

Land use planning tends to be a very politicized process in both countries. But society in the United States in particular believe in smaller government, minimal government interference, have a strong respect for individual property rights, and a strong belief in the efficacy of markets and business. Conflicts between municipalities, private sector developers and citizens can be intense.

Part 2:
Planning trends

Federal governments have no direct legislative control over municipalities but have influenced urban development and planning through financial incentives, and federal investment in infrastructure such as highways and airports. The US federal level National Interstate and Defense Highway Act 1956 was followed up in 1962 by another highway act that required, and paid for, every urban area with a population greater than 50,000 to develop long-range highway plans.

A few cities such as New York, Vancouver and Calgary rejected the building of highways through their old inner city neighbourhoods, not because of opposition from municipal government, but from citizens. This kept the downtown neighbourhoods livable, and provided a different model of urban development now becoming more popular.
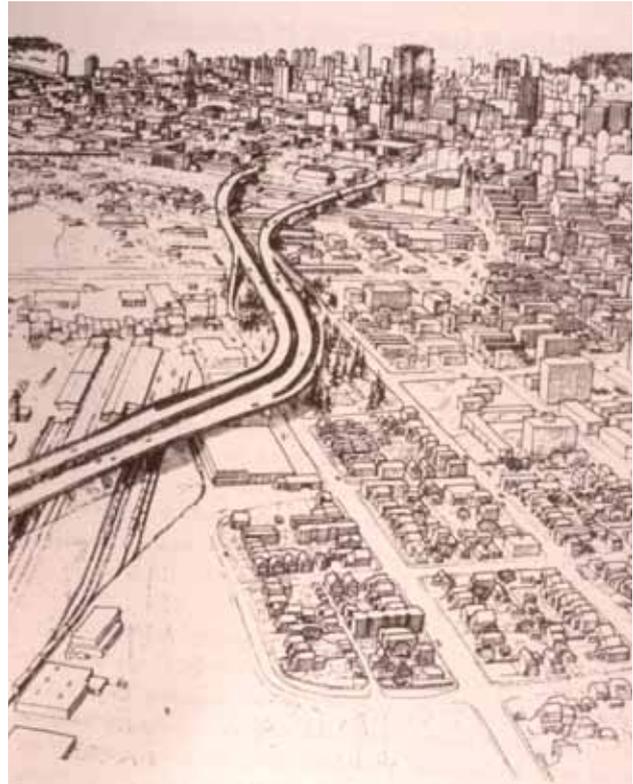
By the 1960s, the focus shifted from urban renewal to urban rehabilitation. Public participation became more and more important, and is now mandated in many states and provinces through legislation. In some places such as Portland, community planning was institutionalized through the creation of the Office of Neighbourhood Associations in the 1970s. However, there is still a wide range of approaches to public participation in municipal planning processes ranging from information sessions and open houses, to citizen's advisory groups and participatory budgeting.

The issue of how to make sure marginalized voices such as women, minorities, immigrants and youth are heard continues to be debated, as does the use of new technologies such as social networking sites.

Persistent economic problems saw more and more planners become involved in community development work. However,

The proposed freeway through Vancouver's historic Chinatown was halted thanks to citizens

The results of the 1956 Highway Act: the I-5 through Portland

there has been on-going resistance to comprehensive and strategic planning, particularly in the United States, where it has been seen as too utopian, too broad, exceeding the mandate of the municipality and somewhat authoritarian. However, the advantages to strategic planning, particularly in having broad knowledge of the city, and engaging a wide spectrum of people in setting priorities have been recognized, and most cities do in fact have some version of a comprehensive plan, as well as strategic plans for more specific issue areas (eg economic development, housing, homelessness).

In Canada, about half the provinces and territories require municipalities to carry out a form of comprehensive planning (usually called an Official Community Plan or Municipal Development Plan).

In the US, several jurisdictions, sometimes at the municipal or regional level, carry out comprehensive/strategic planning with most incorporating the following general categories (Levy 2003):

- Health
- Public safety
- Circulation
- Provision of services and facilities
- Fiscal health
- Economic goals
- Environmental protection
- Redistributive goals

These documents provide a broad strategic and policy guide that other more specific plans such as land use and transportation then align with.

Reurbanisation trends encouraged the development of **strategic plans**. Where warehouse districts and industrial areas were converted into retail, residential and commercial mixed use areas, for example, strategic planning at the neighbourhood level (eg near South Side, Chicago) was required. The competing desires of different neighbourhoods to revitalize their economies in this way often required a city-level strategic plan to coordinate these efforts (eg Connecting Cleveland Citywide Plan).

Recognition of the role municipalities have to play in **sustainable development**, concern about climate change and environmental protection have also galvanized municipalities to take a more integrated approach to planning. In Canada, this has been institutionalized by Integrated Community Sustainability Plans (ICSPs) which need to be created before

municipalities can access funding for green infrastructure from the federal government. In the United States, individual municipalities (eg Portland, Seattle, New York, Montpelier) or citizen's groups (Chattanooga) are taking the lead in creating long-term integrated plans with a sustainability focus.

Sustainability still gets framed mostly as environmental sustainability, although the use of ICSPs is working on a more integrated approach. Much of the focus around sustainability or "green" plans so far has been around decreasing resource use, and mitigation of climate change. Municipalities are only just beginning to think about climate change adaptation (seen more in coastal cities aware of sea level rise eg Olympia, WA; Delta, B.C.). However, it is common to incorporate environmental protection and green space into neighbourhood and land use plans.

Municipalities understandably have also tended to look more to their own corporate activities with regards to greenhouse gas reduction or to focus on areas under their control, for example, most municipalities have long-standing recycling programs. However, where municipalities really have the most environmental impact is on land use and transportation. US and Canadian cities are becoming better at linking the two, and planning for both at the same time (eg Calgary, State of Illinois, Albany), but it is still not the norm. Increasing density and stopping sprawl is still a struggle for most municipalities. The process has begun, but progress is slow.

Part 3:
Case studies

3.1 Montpelier, Vermont, USA

Montpelier is the state capital of Vermont and, with a population of 8,000 is the smallest state capital in the United States. The city is part of a small 'micropolitan' area with its neighboring city of Barre which has a population of 10,000. Montpelier's employment base includes government jobs, jobs in the financial and insurance industries, health services, higher education, and food service. The population of Montpelier has remained remarkably stable for 60 years; however, as an employment hub it is host to over 9,000 jobs. This creates transportation challenges of congestion and parking as the commuter numbers increase. Montpelier is also represented on a regional planning commission with 22 other municipalities from central Vermont.

enVision Montpelier is the city's long-range, integrated sustainability planning process. The project engaged 800 citizens (10% of its population) in dialogue about the future

of the city. Montpelier takes citizen engagement to a new level with ongoing community engagement embedded in the day to day processes of the city. The city regularly facilitates community meetings with hundreds of participants.

Goals and targets in the enVision plan cover all of the systems of the city including economics and livelihoods, governance, infrastructure and the built environment, the natural environment, and social and human development. enVision Montpelier is a public engagement, planning, and most importantly a learning process that has been used to create the city's Master Plan. Montpelier's Master Plan now contains policy direction based on enVision for a broad range of city services including biodiversity, water resource management, land use, transportation, utilities, conflict management, education, recreation, economic renewal, zero waste, energy, and housing.

Montpelier's strategic planning has positioned the city to take advantage of funding opportunities as they arise. Building on the community and stakeholder engagement and strategic direction established through enVision Montpelier, the city recently bid for and won an $8 million federal grant from the Department of Energy for a renewable biomass district thermal energy and power plant. The city's planning has also opened the door for innovative practices to emerge. Montpelier has recently received a $1m grant from the US Administration on Aging to create a new complementary currency to deliver elderly care services. Clearly, comprehensive sustainability planning has paid off for the city.
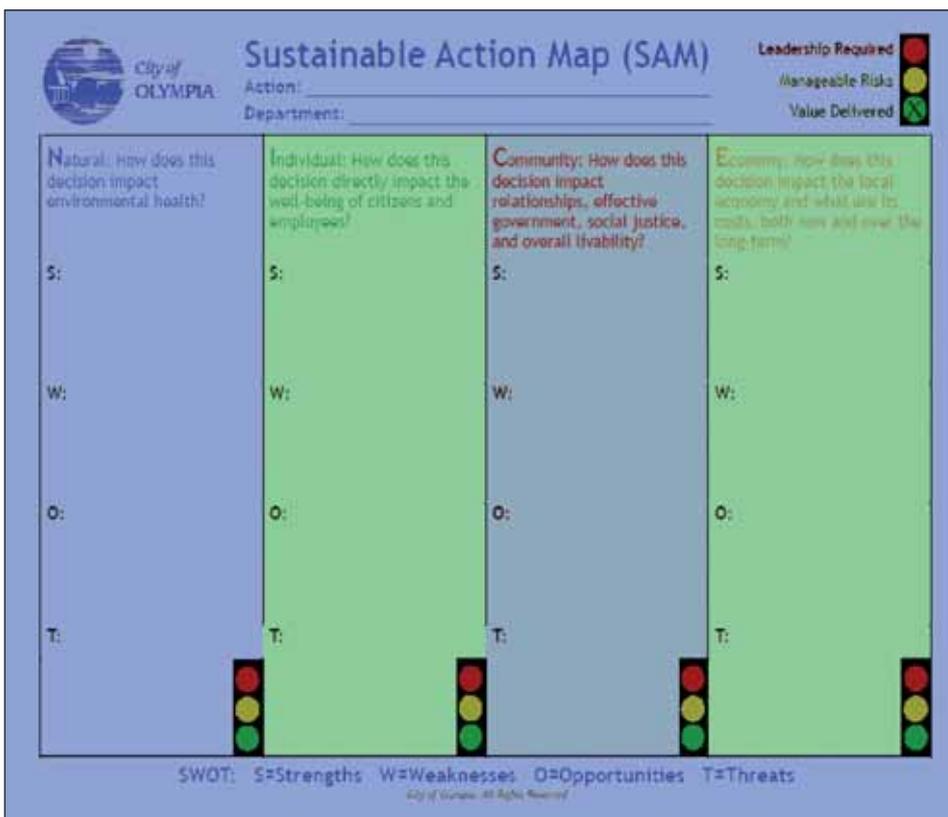
3.2 Olympia, Washington, USA

Olympia is the capital city of the US State of Washington and has a population of 45,000. It is also the seat of the county government making government activity the main driver of the local economy and providing an ongoing stable economic environment for the city. Situated in the US north west, the city is at the southern tip of Budd Inlet which connects to the Pacific Ocean, and it is this close relationship with the ocean that guides strategic planning on one of the city's more critical issues; sea level rise as a result of climate change. In 1991, Olympia committed itself to greenhouse gas reduction within its own operations, increasing tree cover to provide some greenhouse gas mitigation and an adaptation plan to prepare for the effects of climate change.

Olympia is a progressive city with a focus on sustainability. 'Putting sustainability into action' is one of four Council goals. Olympia uses a sustainability action map (SAM) to guide its decision making across a wide range of services and functions including such diverse activities as human resources, union negotiations and parking fines and rates.

All decisions by the City of Olympia are run through the Sustainable Action Map first to make sure they align with the City's sustainability goals (Source: City of Olympia)

The city is currently reviewing its comprehensive plan, which will provide overarching statutory policy direction to all city services including utilities, police, fire and parks. They are undertaking the work through a community consultation process called imagine Olympia.

One of the strongest areas of strategic planning is the city's public works department. The department manages the city's key infrastructure systems including; water and waste water, transportation and waste. Through its strategic business plan, which is revisited and updated twice annually in a cross departmental meeting, the department identifies and refines its strategic directions.

The majority of the budget for public works (80%) comes from utility rates and fees which, to some extent, provides the department more freedom to raise the appropriate levels of revenue for the work that needs to be done. However, recognizing the continued need to be responsive to their customers, the department has taken creative approaches to ongoing engagement. They have established a utility advisory committee made up of citizens that assists with public engagement and advises on strategic direction as well as rate changes. The department also undertakes regular statistical surveys of its customers to ascertain if its strategies are not widely recognized on the public radar for example reclaiming and reusing water.concurrent rates are acceptable by its customers. By charging a combined rate for its water and waste utilities, the city is able to smooth rate changes over time, while still addressing some of the pressing issues.

3.3 Portland, Oregon

Portland, a city of 580,000 people, located in the north western US is the capital city of the state of Oregon. The city has long been known for its commitment to good planning and stakeholder and public participation. In order to manage its physical growth, Portland has had an urban growth boundary in place since the early 1970s. As a result, the city's core has remained vibrant with many people living and working downtown. The growth boundary has not been without its challenges as it is seen by some as an inappropriate constraint on the housing market. In keeping with its goal for a vibrant city centre, the city has also made a strong commitment to public transit with a light rail system, a street car line and extensive bus service. Portland is part of a wider metropolitan area of 1.5 million people and called Metro which has the only elected metropolitan government in the US.

Portland is currently undertaking an extensive strategic planning process called The Portland Plan, the first in two decades. In 2007, Portland completed Vision PDX, an extensive public visioning process that engaged 17,000 citizens in developing a sustainable vision for the city. Building on this vision and led by the municipality, Portland is working on a

new plan with 18 public sector agencies including schools, universities, utilities, regional governments and transit authorities.
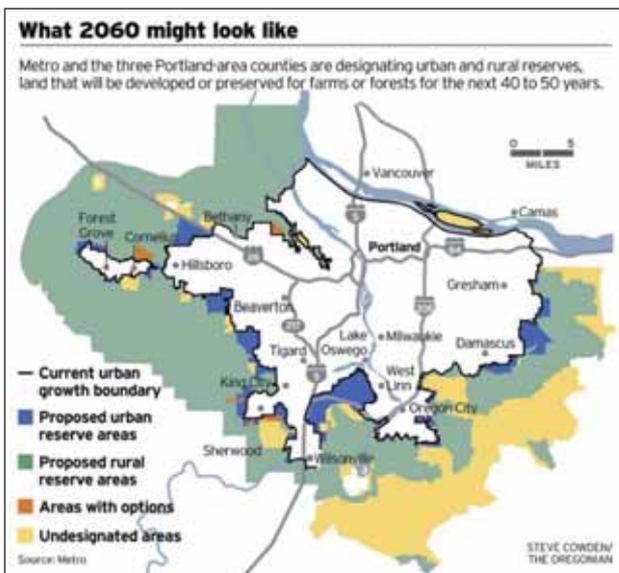
The goal is to provide a greater focus for some of the public expenditure of these agencies estimated to be $9.7 billion US. While recognizing it cannot influence all of this expenditure, the city aims to achieve alignment around a few shared issues that, while not being a priority for any single agency, are a priority for the city as a whole such as economic development and climate change.

The city is using social media as well as public meetings and workshops to engage the community in identifying, through a prioritization process, at least 4 strategies for the public agencies to focus on. The key challenge will be to gain the support and collaboration of the agencies. Each strategy will require different collaborative mechanisms and governance structures, depending on requirements. It is envisioned that, to accomplish some strategies, formal partnerships may be required while others may be achieved through informal collaborative arrangements.
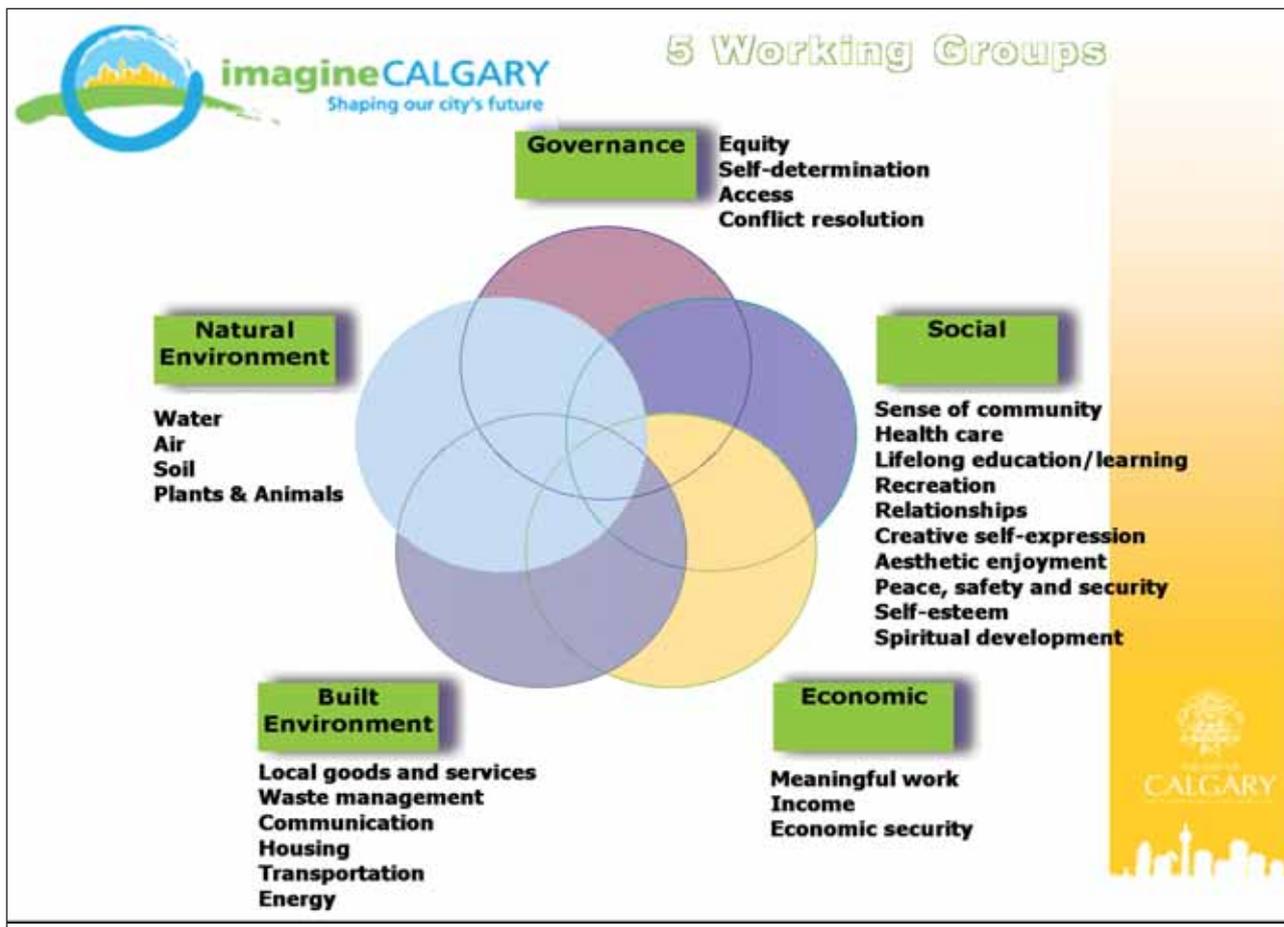
3.4 Calgary, Alberta, Canada

Calgary is located in western Canada in the foothills of the Rocky Mountains, at the edge of the prairies that stretch over 1,500 kilometers eastward. Strategically located on major rail, highway and air corridors, Calgary is an important transportation centre. It is also the financial centre of western Canada and headquarters of Canada's oil and natural gas industries. Calgary has grown from a small outpost to its current size of 1 million people in just over 100 years. Calgary is the fourth largest metropolitan area in Canada and the third largest city and one of its greatest challenges is the rapid population growth and accompanying development over the last decade.

The historical focus of the city's long range planning has been on land use and development. Calgary's first general plan which guided land development was tabled in 1963 and has been revised regularly. The City has also undertaken long range planning for its public infrastructure investments such as transit and water. Like many North American cities, most of the urban form of the city results in many dispersed, car dependent suburbs. To counter the potential for losing a

What 2060 might look like

Metro and the three Portland-area counties are designating urban and rural reserves, land that will be developed or preserved for farms or forests for the next 40 to 50 years.

- — Current urban growth boundary
- ■ Proposed urban reserve areas
- ■ Proposed rural reserve areas
- ■ Areas with options
- ■ Undesignated areas

Source: Metro

STEVE COWDEN/ THE OREGONIAN

Limiting Urban Growth in Portland (Source: Metro Portland)

ImagineCalgary working groups (Source: City of Calgary)

vibrant city centre, the City has instituted many initiatives to encourage business and people to continue to live and work in the downtown core including the provision of a high quality light rail transit system.

Led by the mayor, from 2004 – 2006 The City of Calgary led an initiative called imagineCALGARY which engaged over 18,000 citizens and over 150 active stakeholders in developing a sustainable vision for the city. This 'city led, community owned' initiative resulted in a comprehensive long range plan that expressed a vision for the social, economic, governance, natural and built environment systems of the city. Although the imagineCALGARY plan was not legally binding, City Council directed that future planning for the municipality, including land use and infrastructure, would align with this work.

The next step for the city was to review the existing land use plan and transportation plan as part of an integrated project that aligned with imagineCALGARY. The Plan It Calgary project, a two and a half year initiative set the stage for a more sustainable urban form and associated infrastructure. The land use and transportation policies resulting from Plan It Calgary are legally binding and provide direction for an increase in transit associated with greater densification of housing, as well as improved environmental performance around water and energy use.

As Calgary was leading its own long range strategic sustainability planning, the region in which it is located began a cooperative, volunteer effort to align the policy direction of the municipalities surrounding and including the city. The Calgary Metropolitan Plan is an integrated land use, transportation and infrastructure plan which is now being considered by the provincial government as to whether it will play a legally binding role in the future of the region.

3.5 Toronto, Ontario, Canada

With a population of 2.7 million people Toronto is the fifth largest city in North America. It is situated in a densely populated urban agglomeration called the Golden Horseshoe which curves around the western end of Lake Ontario and which makes up 25% of the country's entire population. The city is Canada's financial centre and the 3rd largest financial centre in North America. The Toronto Stock Exchange is the 3rd largest exchange in North America. The city is also home to telecommunications and aerospace industries, media and arts, medical research and computer software firms.

Toronto's current size and boundaries were set as part of an amalgamation of 7 municipalities in 1998. It is a single-tier municipality that delivers a broad range of services including transportation, social services, parks, land use planning and development, water and waste. Amalgamation was driven by the provincial government to create efficiencies and improve accountability with the overall goal of improving the city's global competitiveness. Toronto's most recent comprehensive strategic planning initiative supported the challenging amalgamation process which began in 1998. In addition to the

amalgamation, numerous services were transferred from the province to the municipality.

Council's strategic plan consists of three components; vision and goals (community, economy, environment, governance and city-building), city directions (how the City government can contribute to the goals) and; fiscal principles. The plan was developed through issue based task forces (eg environment) that undertook separate community consultation. Toronto also consulted on an economic development strategy, a social development strategy, an environmental plan and a land use and transportation plan (The City's legally binding Official Plan). Toronto's Council has moved to four year political terms and strategic planning activities have allowed for the refinement of the 1998 strategic plan and new priorities to emerge from each new Council while retaining the overall vision.

Raising revenue for services remains a challenge. In 2005, Council produced a long-term fiscal plan which urges other orders of government (eg federal and provincial) to provide the City with new revenue opportunities through enabling legislation and sharing of consumption taxes. Property taxes, development charges and user fees, some of the few revenue tools of municipalities, do not meet the city's needs.

3.6 Greater Vancouver Regional District, British Columbia, Canada

The Greater Vancouver region (GVRD hereafter) is located on Canada's Pacific Coast at the mouth of the Fraser River and has a population of more than 2.1 million people. The City of Vancouver, (present population 575,000), was founded in 1886 after the Canadian Pacific Railway designated it as the site where the transcontinental railroad would terminate at Pacific tidewater. The region's role as a trading gateway has been a key element in its economy ever since, supplemented by its function as a service centre for British Columbia's agricultural and resource economy and, more recently, a centre for high-tech industry and tourism.

Rated as one of the world's most livable cities, Vancouver has had to meet the ongoing challenges of high levels of domestic and international in-migration and the concomitant pressures on a limited land base. The Fraser Valley has Canada's best agricultural land with the best climate for growing the widest

Source: John Anderson

range of crops. In addition, there have been ongoing challenges of providing infrastructure for continued growth including a transportation system that services the freight traffic generated by the ports as well as the flow of commuters. The region and its constituent municipalities have invested heavily in transit and cycling as strategies to relieve congestion. Greater Vancouver has also developed strong land use policies to encourage intensification of the city core and in suburban town centers. In addition to transportation challenges, the region has some of the highest housing prices in Canada and local governments are continually challenged to provide an adequate stock of affordable housing.

In 1989, the GVRD embarked upon a multi-faceted visioning process for the protection of livability and environmental quality. This process, which was led by the mayor of Vancouver, involved more than 4,000 residents. The result was Creating our Future: Steps to a More Livable Region, adopted by the GVRD Board in 1990.

The next step was to develop an integrated set of measures to translate the Creating our Future vision into tangible plans with the necessary legislative authority. These included a growth strategy (the Livable Region Strategic Plan) and a transportation plan that focused on reducing journey times and encouraged walking, cycling and public transport. Recognizing that financing and governance arrangements were required to meet the transportation goals of the plan, the region worked with the provincial government to create the Greater Vancouver Transportation Authority (TransLink) in 1999.

The Livable Region Strategic Plan won the UN Habitat Dubai Award for outstanding contributions to the human environment, but the GVRD realized that its plans needed to be reformulated to align with the Brundtland Commission's definition of social, economic and environmental sustainability.

An opportunity to do some rigorous thinking came when the GVRD, in partnership with a private consulting firm and the International Centre for Sustainable Cities, won the right to represent Canada in the International Gas Union's competition for long range sustainable urban systems design. Canada's entry, Cities^{PLUS}, won the gold award in the competition in Tokyo in 2003.

These ideas were incorporated by the GVRD into a planning process called The Sustainable Region Initiative, which produced a sustainability framework, operational plans for the GVRD's own activities, a set of management plans including a new regional growth strategy and other initiatives in which the GVRD (now called Metro Vancouver) wishes to provide leadership in the broader community.

Vancouver's Downtown as seen from Kitsilano (Source: John Anderson)

Part 4:
Conclusion and
recommendations

In the context of this paper, strategic planning means:
- Planning that links together several different policy areas (eg solid waste management, energy conservation and land use) in the pursuit of a broader goal (eg a sustainable neighborhood).
- Planning that recognizes multiple avenues to achieve a common vision.
- Planning that is part of a continuous process of planning, implementing, monitoring and updating.
- Planning that provides a common framework so that more specific land use, transportation, utility etc. plans can align with each other.

In reviewing the history and case studies of strategic planning in Canada and the United States of America, it is apparent that there is a great deal of overlap and lack of clarity on the difference between strategic and comprehensive planning. This may have arisen in the Canadian and US context because of a suspicion of what is seen as too much state intervention in the free market. However, there may be an advantage to this blurring of categories. Strategic planning is often seen as a futile exercise in high level aspirations with little grounding in reality, or little chance of implementation. However, when used well, strategic plans, regardless of what they are called, are enormously beneficial.

Some of the key factors in developing a successful strategic plan include:

Adopt a long-term lens: cities that plan for the long-term consider trends such as climate change, resource scarcity, technological innovation, demographic changes, social conflict and globalization; to recognize the lifespan of city infrastructure; to understand the likelihood of events such as natural disasters, epidemics and economic shocks; and go beyond narrow interests or terms of office.

View the city as a complex adaptive system and using an integrated and comprehensive approach: cities are *complex* in that they are made up of multiple interconnected elements and actors, and *adaptive* in that they can change and learn from experience. A well-designed strategic planning process can factor in how policy decisions in one area affect other areas. Specific plans (eg land use plans, transport, water, waste management, economic etc.) should align with strategic plans.

Adaptive management and collective learning: cities are not static and therefore, strategic plans cannot be static. Regular updates and reviews to reflect changing realities and new knowledge are required as part of a continuous process.

Focusing on a city's bioregion: the economic, social and ecological processes that affect the future of a city are not confined to its jurisdictional boundaries. While more specific legislated plans such as a land use need to be limited to a specific jurisdiction, a strategic plan allows the city to acknowledge, address and develop strategies, working through partnerships, for dealing with issues outside of its strict purview. Watershed plans are a good example of the need to plan across jurisdictions.

Participatory engagement and partnerships: strategic plans require partnerships, at the very minimum with other levels of government and key stakeholders responsible for implementing the plan. Broad public engagement needs to be well managed from the start of the planning process to ensure that citizens' voices are heard and there is support for the plan. However, there is a risk of participation "fatigue" and cynicism if this is not handled well, and if participants cannot see results.

Recommendations: International
- International organizations should acknowledge the importance of cities and the reality that the world is now more urban than rural in their funding and research priorities.
- Sustainability in cities must be recognized as not just addressing environmental concerns but as the integration of environmental, economic and social perspectives on issues that relate directly to the future of human civilization.

Recommendations: National Governments in Canada and the United States of America
- National governments should support cities with their strategic planning initiatives with funding for planning and implementation.
- National governments are partners with municipalities in providing money for infrastructure and must recognize the current infrastructure crisis that cities are facing and plan for significant, consistent, on-going support to cities for planning and infrastructure needs.
- National governments should let cities set their own priorities.
- National governments should be partners in discussions with cities and provide advice but should recognize that the cities are best positioned to identify their own needs.

Recommendations: Provincial and State
Like national governments, provincial and state governments are also partners with municipalities in the provision of services to residents, in funding infrastructure projects. Provincial and state governments have tended to either ignore or interfere in municipal planning, in some cases overriding local decisions or disallowing planning functions.

- Provinces and states should respect the results of open, participatory strategic planning processes.
- Provinces and states should provide steady funding sources, and rethink revenue sharing strategies.
- Provinces and states should have funding and taxation policies that recognize the right of local governments to have access to wealth and income from the local services they provide.
- Provinces and states should partner with cities to identify shared priorities in strategic plans.

Recommendations: Municipal

Municipalities in Canada and the US have shown considerable leadership in the last few years in areas such as sustainable development and climate change, when that leadership was lacking at higher levels of government. This kind of strong local leadership must continue.
- Municipalities should encourage an environment where staff can engage with complex problems, and even risk making mistakes, promoting greater innovation.
- Municipalities should foster more interaction between departments, avoiding a siloed approach to city development, and improving alignment between department goals and the overall vision for the city.

- Municipalities should participate in networks/partnerships to foster learning and information exchange.
- Municipalities should recognize the role that they have to play locally, nationally and internationally.
- Municipalities should develop a policy outlining the commitment to stakeholder engagement.

Recommendations: UCLG and other city networks
- UCLG should continue to support the development of tools and research for municipalities to engage in effect strategic planning.
- Networks should also provide a channel for advocacy about urban issues to other tiers of government and international organizations.

The story of how humanity deals with the challenges it faces will be largely the story of how sustainable cities are planned, developed and managed. Local governments are the lead players in this endeavor and strategic planning processes are an essential tool, but they need the active and intelligent support of other partners.

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