



## **Working Paper of Urban Development**

### **Trio Presidency of Spain-Belgium-Hungary (January 2010- June 2011)**

#### **I. OUR VISION OF THE CONTEXT OF URBAN POLICIES AT EUROPEAN LEVEL**

Over the past ten years, great attention has been paid to urban issues on a European level, although formally they do not come under the remit of the European Union. Such attention is justified by the recognition of the importance of the role of European cities in the *Lisbon Strategy*, the renewed “*European Union Sustainable Development Strategy*”, adopted by the European Council of 15 and 16 June, 2006, and more recently, in the *Europe 2020* strategy. In effect, cities are the main driving forces for economic development, but, in other respects, they must face up to some major challenges related to social (exclusion of specific sectors of the population, social inequality, demographic change, housing, poverty, etc.), economic (unemployment, low education and skills, etc.), environmental (Greenhouse Effect Gas (GEG) emissions, pollution, brown field areas, transport, energy efficiency, etc ) and multi-cultural aspects.

In our view, there are currently two main structural challenges in the EU:

- In the short and medium term, the current world economic crisis poses a very important challenge, which has significant urban dimension.
- In the long term, the main challenge is certainly the global change that our societies are facing in relation to climate change and ecological crisis (GEG emissions, global increase of the ecological footprint, the forthcoming “oil peak” and end of the “oil era”, etc.) and demographic and social change (ageing population, integration of immigrants, social exclusion, new family patterns, etc.).

The urban dimension of these challenges can be expressed as follows:

- The world economic crisis is having a deep negative impact on the economic and social dimension of cities. On the one hand, the crisis affects different sectors of the economy. For example, the construction and real estate markets are badly hit, as the crisis seriously reduces the demand for housing due to household economic difficulties, the credit crunch and funding restrictions. It is a similar scenario for the banking sector, the car industry and the metal sector, etc, which also play an important role in the economy of many cities. This sudden paralysis of economic growth together with financial restrictions are having an extremely negative effect on these sectors, producing economic crisis in many enterprises and a consequent increase in unemployment rates. On the other hand, the crisis affects citizens and

families directly, with particular impact on certain deprived areas of the cities, thus increasing social pressures, rising poverty etc.

- The global changes expected for the future, such as the ecological and demographic challenges, have several urban dimensions that should be further explored. For instance, cities are key players in Climate Change mitigation, as they demand a high proportion of energy and material resources, and are the main centres of the emission of GEE. Land occupation patterns and urban sprawl, the worrying increase of mobility and the use of cars, extreme social segregation and zoning segregation of activities within the city, energy efficiency of new and existing housing, etc. are some of the main urban challenges we face. Social cohesion is also closely related to global change, and may be considered part of the urban policies.

In this regard, the path towards sustainability of the “European City” is a long-term challenge. We have to avoid the risk of only looking at the short term with the immediate present concerns and deep economic crisis. Attention paid to the strengthening and further development of our European cities should be continued, in the perspective of the “*European Union Sustainable Development Strategy*” and the new *Europe 2020* strategy in order to translate its key priorities to the urban dimension, so as to achieve smarter, more sustainable and inclusive cities in Europe.

## **II. COMMON PRIORITIES OF THE TRIO: FOLLOWING THE WORK OF RECENT EU PRESIDENCIES AND CONSOLIDATING A EUROPEAN URBAN AGENDA IN THE FUTURE**

The successive EU presidencies in rotation have worked on urban issues, holding informal ministerial meetings, the most recent landmarks of which have been the Lille Action Programme, the Rotterdam Urban Aquis, the Bristol Accord, the Leipzig Charter, and the Marseille Declaration.

The new framework which results from the Lisbon Treaty coming into effect accentuates the need for coordination between the Trio of successive presidencies. Experience has shown how difficult it is to develop significant common projects within the strict framework of the six-month term of each presidency. It therefore seems appropriate to start consolidating strategic areas for continuity and coordination between successive presidencies, moving towards the future preparation of a joint working programme or “European Urban Agenda”, which will need to mature gradually before taking its final shape.

We would like to work closely with previous presidencies, and also to start exchanging views with the next Trio of presidencies.

Besides this intergovernmental coordination, it is necessary to continue working in a coordinated way with the European Commission, forging closer links between the Inter-service Group on Urban Development and the UDG. In this regard, we call the European Commission to continue playing a pro-active role and to take the lead, particularly in those areas of the intergovernmental process which foster the European ‘Acquis Urbain’, moving the European urban agenda forward as a whole.

Coordination with the European Parliament, the Committee of the Regions, the European Economic and Social Council and other institutions and organisations of relevance for urban development in Europe, should also be strengthened.

### **II.1. Working to achieve a common understanding of integrated approach to urban development**

The Leipzig Charter was adopted during the German presidency on 24 May 2007 by the Ministers in charge of urban development.

It presents two major recommendations that are still very relevant at the present time:

1. To make greater use of integrated urban development policy approaches
2. To pay special attention to deprived urban neighbourhoods within the context of the cities as a whole.

The Trio Presidency acknowledges the values of the Leipzig Charter and agrees that one of the main message of the document is the emphasise on integrated approach. However, integrated approach can

be interpreted in several ways, therefore we suggest achieving a common understanding of this notion. The Trio partners support Spain in its work by bringing in their experience gained by implementing integrated programmes with strong social dimension and/or introducing integrated urban plans in their countries.

## **II. 2 Developing tools to address and monitor the implementation of the Leipzig Charter at all levels of governance**

The Leipzig Charter also underlines the responsibility of every level of governance – local, regional, national and European – for the future of our cities.

In our opinion, the principles established in 2007 in the Leipzig Charter (LC) are still in force and need no revision. Considering that the principles of the LC still provide the conceptual basis to inspire the EU urban development, the actual need is not to revise these principles, but to implement and to follow up them in the Member States. Nevertheless, the Leipzig Charter needs to be more than just a series of principles, it aims to become a living document on the basis of which concrete strategies can be elaborated in order to implement all its recommendations.

New instruments for integrated and sustainable urban policies need to be developed at all levels of governance: local, regional, national and European. At city-level, the Reference Framework is an adequate tool to support an integrated approach that will be introduced in the coming period, but this sort of tools or methods still need to be developed at other levels.

In relation to this, we welcome the initiative driven by the Czech presidency to monitor the implementation of the principles of the Leipzig Charter on a national scale. The conclusions of this study showed the need to continue promoting sustainable urban development and integrated urban approaches, especially in the national policies.

In this respect, the creation of a common methodology in order to strive for an integrated and sustainable urban policy, should be addressed on at all levels of governance: both local, regional, national and European.

In order to do so, the Trio asked two European experts on methodologies for urban development to make a report on the possibilities for applying the Open Method of Coordination (OMC) on urban affairs. The OMC is a method for intergovernmental policy coordination, combined with EU-level monitoring. It is introduced by the Lisbon Strategy (2000) for policy areas where the EU has no or few legislative powers. The possibilities for the application of the OMC methodology on urban policies will be further on developed under the Belgian presidency.

This above mentioned methodology should also take into consideration the work on the **European Reference Framework for Sustainable Cities (RFSC)**. With regards to the need to continue supporting sustainable urban development and integrated approach, and to implement the principles of the Leipzig Charter, a prototype of Reference Framework for European Sustainable Cities has been set up in 2009/2010 by a high level working group led by France and will be presented for the Minister's validation at the Toledo Ministerial Meeting. If Ministers approve this prototype, a second phase is foreseen for further development of the tool and for having the tool tested by cities, in order to get a final assessment at the end of 2011. The Trio will try to give support to this process, in close coordination with the French Presidency and the European Commission.

## **II. 3. Linking territorial cohesion and the urban dimension of cohesion policy**

We would like to explore the possibility of strengthening links between territorial and urban issues and agendas, working in a coordinated way in this regard in the process of reviewing the European Territorial Agenda that is expected to be approved during the Hungarian presidency in the first half of 2011.

Furthermore, the Trio would like to collaborate with the European Commission in the debate on the consideration of the urban dimension in cohesion policy for the next programming period.

**Other lines of work:**

**2010 will be the European Year for Combating Poverty and Social Exclusion**, which results particularly convenient in the economic crisis context.

**III. SPANISH PRIORITIES FOR THE PRESIDENCY (1<sup>ST</sup> SEMESTER 2010)**

Spain will organize an Informal Ministerial Meeting on Housing and Urban Development, at Toledo 21 and 22 June, 2010.

In terms of housing, the main issue proposed by Spain will be "the physical upgrading of existing housing stock", whose main lines of work will be: building retrofitting, promotion of energy efficiency and accessibility, housing demand, employment and finance, and cooperation between the government and the private sector.

In relation to urban development, the Spanish Presidency will promote and develop the two main goals of the Leipzig Charter, adopted in 2007: firstly, the support of sustainability in cities and the promotion of innovative integrated approaches to urban policies, in order to coordinate the three dimensions -social, economic and environmental- of sustainability; and secondly, the dedication of a special attention to deprived neighbourhoods, by means of urban comprehensive policies including quality of life, social cohesion, equality, innovation, and the fight against poverty and social exclusion.

Thus, the main theme proposed by Spain for the 2010 Presidency, which will address all these priorities, will be "**integrated urban regeneration**". Spain will organise different activities to support this reflection and debate on "integrated urban regeneration", which are included in the Annex to this Programme.

In order to prepare the Toledo Ministerial Meeting on Urban Development, focused on "integrated urban regeneration", Spain will carry out a **survey on the status of "integrated urban regeneration" policies and best practices in the EU**, which will form the basis of the Declaration and which will be presented at the Toledo Informal Ministerial Meeting.

In the Toledo Declaration, Spain would like to propose the possibility of highlighting: first, **its potential in the future and the strategic importance of integrated urban regeneration in order to achieve a smarter, more sustainable and inclusive urban development**; and secondly, **working on a common understanding** of the integrated approach in urban regeneration in particular and in urban development in general.

These lines simultaneously cover the recommendations of the Leipzig Charter and the national Spanish priorities of the new State Plan on Housing and Rehabilitation 2009-2012. Furthermore, the issue of integrated urban regeneration, and the attention to deprived neighbourhoods also have a clear connection with the declaration of 2010 as the European Year for Combating Poverty and Social Exclusion.

**The Trio idea of strengthening intergovernmental coordination and also the coordination between Member States and European Institutions** will be proposed as the second main issue of the Toledo Declaration, in order to set up the basis to **consolidate the European Urban Agenda**.

In this regard, and as the **Reference Framework for European Sustainable Cities** is expected to be one of the main outputs of the Toledo Ministerial Meeting, Spain will especially support the work on it previous to the Ministerial Meeting, and also the work to define the working programme and contents of second phase of this process.

#### **IV. BELGIAN PRIORITIES FOR THE PRESIDENCY (2<sup>ND</sup> SEMESTER OF 2010)**

Belgium is one of the most urbanised countries in Europe. Following on from the work of previous presidencies and especially in the line of the Leipzig Charter, it may, in turn, contribute to the construction of this common vision of urban development on a European level. In cooperation with Spain and Hungary, Belgium wishes to carry further on with the implementation of the Leipzig Charter and to continue to put the urban dimension, high in the European political agenda.

The activities promoting the urban dimension on a European level will be organised by the federal State in cooperation with the Regions, Unions of Cities and Municipalities and other Belgian urban actors.

In the line of the Leipzig Charter, Belgium wants to make a significant contribution to the following aspects :

##### **1. Re-inforcing an integrated approach to sustainable urban development**

A central theme of the Leipzig Charter, an integrated approach has become a leitmotiv of urban development policies in most European countries. Adopting an integrated approach appears to mean taking account of the interdependence of the different development objectives within a global vision in order to obtain optimal leverage in urban territories. This implies the coordination of various plans and political measures at different levels of power in order to succeed in a balanced development of a city and its neighbourhoods. This multi-level approach of integrated urban development policy is closely linked to sustainable development goals.

Despite greater attention to this integrated management, some inaccuracies and black spots continue to exist. This approach could gain in vigour, as much in terms of definition as in terms of the methodological development.

During its presidency of the European Union, Belgium will contribute to developing a common understanding of what an integrated approach is in liaison with different levels (urban area, city, neighbourhood) and different temporalities. Exploring what has been done in the 27 European Members-states, it will attempt to answer the following questions:

- What are the factors of success for integrating spatial, social, economic, environmental, cultural fields into the coordinated management of urban development, taking account of different territorial levels – from the neighbourhood to the urban region – and institutional levels – neighbourhood council to the European Union?
- How to involve the authorities, economic stakeholders, citizens, civil society in a common strategy? How to coordinate and connect the different planning instruments (with a strategic, operational, legal scope) in the best way possible at all levels (neighbourhood, city, etc.) and in all sectors (employment, infrastructure, environment, etc.)?

##### **2. Developing instruments and methodologies for integrated urban policies on all levels of governance.**

Responding to the Trio's concern that the Leipzig Charter has to be a living document, the Belgian presidency will, at the one hand, feed the debate on the concrete implementation of the main principals of the Charter and, at the other hand, develop integrated strategies, instruments and methodologies at all the levels of government.

At the city level the Reference Framework for European Sustainable Cities will be further developed under the Belgian presidency. After the consolidation of the RFSC prototype, a testing phase in a larger group of 50-70 selected cities will start. The web tool should be finalised by December 2011.

During its presidency and the Cities Forum, Belgium will also launch new methodologies and tools for an integrated urban policy at the level of the Member States and its territorial components. Special attention shall be dedicated to the Open Method of Coordination, a flexible, non-binding intergovernmental framework for concerted action, based on common objectives. .

Furthermore, Belgium will combine this meeting with the annual conference of URBACT (30 November and 1 December), where exchanges of experiences between cities will visualize the efforts that has been made for developing sustainable cities all over Europe.

Besides this urban actors event, Belgium will also organise a UDG meeting and a DG-meeting on urban development. This would take note of the monitoring of the implementation of the Leipzig Charter and, in particular, the adoption of the reference framework for sustainable cities and the results of the debate on instruments and methodologies for integrated urban policies on other levels of government on the Cities Forum.

## **V. HUNGARIAN PRIORITIES FOR THE PRESIDENCY (1ST SEMESTER OF 2011)**

With regard to the global and European challenges for cities the Hungarian presidency intends to explore two topics further: the climate change on one hand, and that of demographic change on the other. Both of these topics are closely connected to the questions raised by the Leipzig Charter.

### **1. Climate change from the perspective of urban development**

The growing awareness towards climate change and energy consumption makes it inevitable to clarify their connection with the topics of cohesion and urban development. Based on this, those approaches have to be elaborated whereby intervention against climate change and in favor of reduced energy consumption also serve the purposes of sustainable urban development and growing cohesion. Among other things such can be the application of the principle of compact city planning, the attempt to reduce the intensity of individual car use and developing a better transportation connection between the city and its functional urban agglomeration. In order to facilitate such approaches the integrated aspects of the planning process have to be strengthened (strategic/physical planning should be carried out in accordance with sectoral – e.g. housing, transportation – planning), just as the introduction of multi-level governance encompassing the city and its agglomeration area.

In the fight against climate change such measures, which also serve cohesion and urban developmental purposes should be favored over other, mostly technical and very expensive (threatening to financially incapacitate cohesion policy altogether) interventions. This is not easy, as the latter – among others, the CCS (carbon capture and storage) technologies – already receive a growing attention.

With regard to the climate change, from the aspects of cohesion and urban development the following topics, fields of analysis/intervention come to the fore:

- insulation and energy-efficient renewal of buildings (introducing energy-certificates for both old and new buildings), linked in large housing estates with the expansion and renewal of the district heating systems

- making densely built urban areas attractive again (applying the method of integrated urban rehabilitation, taking special attention towards the loosening of density where the aspects of compactness and sustainability might clash with each other), using also spatial planning tools to give preference to compact city structure.
- defending the unbuilt areas in the agglomeration and even further in the city-region area against new green-field constructions, making the already existing agglomeration areas denser and strengthening the poli-centricity of the core cities
- develop systems to reduce the use of private vehicles (coordination of local and long-distance transportation systems, creation of transport associations concentrating on city-region level public transportation, harmonization of schedules and tariffs, optimalization of the connection between private and public transportation, parking policy, application of traffic management tools)

This urban development and cohesion focused approach to climate change has to be connected, among other things, to related initiatives by previous EU presidencies:

- the work initiated under French presidency for the creation of a “reference framework for the sustainable city” (establishing local discussion groups including all affected parties that would work on finding appropriate local answers through understanding the challenges, studying best practices and working out a set of indicators)
- the work under the Czech Presidency on the “urban-rural relationships” (overcoming the traditional city and village dichotomy with opting for the integrated regional approaches).
- the work carried out under the Swedish presidency and the outcome of the international conference of September 2009.

Besides the above mentioned points, the results of the undergoing discussions on the future of cohesion policy should also be taken into account during the elaboration of the topics.

## **2. The urban developmental aspects of demographic change/migration**

The population of Europe is aging, decreasing and becoming more heterogeneous. Within the time span of a few decades changes of such magnitude are foreseen that will not only make the radical transformation of the welfare system (most importantly the pension system, health care system and that of social benefits) inevitable, but will also lead to the need of rethinking the urban development strategies.

With regard to the unfavorable demographic processes, European city regions can react in different ways. The following approaches are not mutually exclusive, they can be applied parallel to each other:

- the volume and spatial consequences of the demographic processes can be influenced, mitigated with the help of carefully designed urban and regional development strategies
- the inevitably occurring consequences of demographic change (some city neighborhoods and regions might become abandoned, the infrastructure system could face problems, the population will change the way using the city) need adaptation from the side of the city-regions
- assessing, dealing with and influencing outside migration (between settlements, regions and countries) and preparing for the consequences.

Looking at demographic change from the point of view of urban development, the following fields of analysis/intervention can be mentioned primarily:

- employment (the concentration of work places in the dynamic parts of the city region might lead to some areas becoming disadvantaged, and to growing transportation problems within the city region)

- housing (the change in the number of inhabitants and household structures might be much quicker than the change in the housing stock, leading to areas with a surplus or shortage of apartments)
- social benefits and social institutions (where the effects of the change in the number and demographic composition of the population are the most direct: the use of different institutions providing for the young and the elderly can change dramatically and quite differently in different parts of the city regions)
- physical infrastructure (the operation of basic infrastructure connected to housing is influenced by drastic changes in the population – from this point of view the lack of usage is just as big a problem as the lack of the infrastructure)
- transportation (changes in the proportions and location of work places and residential areas within city regions and changes in the demographic structure of citizens mean new challenges that will have to be dealt with in order to avoid personal vehicle transportation gaining more weight while creating areas without any transport means available).

With regard to the above mentioned fields of demographic change it is of primary importance to study their likely effects in the different areas of the city region, which could help to plan the necessary interventions.

Regarding the spatial consequences, **special attention should be paid to the segregation of poor ethnic/migrant groups**. This problem is prevalent in all EU member states, however, in different magnitude and different forms: in the east-central European countries mostly the Roma, while in the western countries mostly the migrants constitute the problem groups.

In the search for public policies as reaction to demographic change, it is essentially important to rethink the questions of regional governance, strategic planning, financial support systems and public transportation. Local answers should fit into the framework of multi-level governance, meaning that regional and city region plans should be worked out within the framework of national policies.

**As for the events**, Hungary intends to organise a **DG meeting (preceded by an UDG) concentrating on the issue of the urban aspects of climate change**. A high level conference back- to- back to the DG meeting is also envisaged **dealing with the impact of demographic changes**.

## ANNEX: PREVISION OF ACTIVITIES RELATED TO URBAN DEVELOPMENT

### Spanish Presidency:

- **Urban Development Group Meeting.**  
Madrid, 23<sup>rd</sup> and 24<sup>th</sup> March 2010.
- **High Level Conference: “Urban Sustainability and Integrated Urban Regeneration in Europe: Policies, Programmes and Best Practices”.**  
Madrid, 26<sup>th</sup>-27<sup>th</sup> April 2010.  
<http://www.sepes.es/actualidad/eventos/eu2010>
- **Directors General Meetings:**  
  
**Housing DG Meeting.**  
Madrid, 27<sup>th</sup> April 2010.  
**Urban Development DG Meeting.**  
Madrid, 28<sup>th</sup> April 2010.
- **Regional International Conference SB10mad: "Sustainable Building. Revitalization and Rehabilitation of Districts”.**  
  
(Preparatory event of the World Sustainable Building Conference, SB2011 London.)  
Organised by the World Green Building Challenge. GBC España-Ministry of Housing.  
Madrid, 28-29-30<sup>th</sup> April.  
<http://www.sb10mad.com/>
- **EFAP. European Forum of Architectural Policies.**  
Madrid, 29-30<sup>th</sup> April 2010.
- **SOLAR DECATHLON.**  
Madrid, June 2010.  
<http://www.sdeurope.org/>
- **INFORMAL MINISTERIAL MEETING.**  
Housing Ministers. Toledo, 21<sup>st</sup> June 2010.  
Urban Development Ministers. Toledo, 22<sup>nd</sup> June 2010.

### Belgian Presidency:

- **Eurocities conference : Innovation in the cities**  
07<sup>th</sup> July 2010, Brussels – org. Eurocities
- **European Conference “How to use structural funds to get sustainable cities”**  
15<sup>th</sup> Sept 2010, Brussels – org. Brussels Capital Region
- **UDG-meeting**  
14<sup>th</sup> Oct 2010, Namur – org. Federal Government
- **NTCCP-meeting**  
15<sup>th</sup> Oct 2010, Namur – org. Walloon Region

- **European Conference “Towers, density and compact city”**  
16<sup>th</sup> Nov 2010, Brussels – org. Brussels Capital Region
- European Forum “Architecture as vactor of social cohesion”  
18-20 Nov 2010, Brussels, org. European Forum for Architectural Policies
- **City Min(d)e Urban Forum**  
19-20<sup>th</sup> Nov 2010, Brussels – org. City Min(d)e
- **DG Meeting Territorial agenda**  
30 Nov. org. Namur, org. Walloon Region
- **Urbact Monitoring Committee**  
29<sup>th</sup> Nov 2010, Liège – org. Urbact
- **Urbact Annual Conference**  
30<sup>th</sup> Nov – 1 Dec. 2010, Liège – org. Urbact
- **High Level conference ‘Methodologies for integrated urban policies’**  
02<sup>th</sup> Dec 2010, Liège – org. Federal Government
- DG Meeting Urban Development  
14<sup>th</sup> Dec 2010, Ghent org. Federal Government

#### Hungarian Presidency:

- **Urban Development Group Meeting**  
February 2010, Budapest
- **Urban Development Directors General Meeting**  
End of April 2010, Budapest
- **High Level Conference on demography/migration**  
(back-to-back to DG meeting) – End of April 2010
- **EFAP- European Forum of Architectural Policies**  
Budapest, April 2011