

Federal Ministry of Transport, Building and Urban Affairs

Key urban development policy areas of the German Presidency in the first half of 2007

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I. Preliminary remarks

- (1) On 1 January 2007, Germany will take over the EU Council Presidency for six months. Within the context of this presidency, Germany will host an informal meeting of the ministers responsible for urban and spatial development in Leipzig on 24 and 25 May 2007.
- (2) The key policy issue of the informal ministerial meeting will be **“Strengthening European cities and their regions – promoting competitiveness, social and territorial cohesion in Europe and in its cities and regions”**.
- (3) This key policy issue of the German Presidency picks up the thread of the European Council decisions on sustainable development and applies them in concrete terms to the spatial development of urban neighbourhoods, cities and regions.
- (4) The main results of the German Presidency as well as the conclusions will be summarized in two policy documents which will be adopted at the conference: the Leipzig Charter on Sustainable European Cities (**at the informal ministerial meeting on urban development**) and the Territorial Agenda of the EU (**at the informal ministerial meeting on territorial cohesion**).
- (5) The Leipzig Charter on Sustainable European Cities will build on the Urban Acquis of Rotterdam 2004 and the Bristol Accord of 2005.

II. The EU Sustainable Development Strategy and the urban dimension

- (6) With its decision of June 2006, the European Council adopted a renewed EU Sustainable Development Strategy which reaffirmed the former key objectives of sustainable development: **“economic prosperity”, “social equity and cohesion” and “environmental protection”**. As expressed in the Urban Acquis and the Bristol Accord, an increased integration on two levels will be required in order to attain these sustainable development objectives. On the one hand, different sectoral policy areas must be better coordinated. On the other hand, policies have to be much better coordinated at the local, regional, national and global levels.¹
- (7) The European Council emphasizes the important role of cities and regions for implementing the renewed Sustainable Development Strategy. “With regard to the important role of local and regional levels in delivering sustainable development and building up social capital, it is the overall aim to build sustainable communities in urban and rural areas where citizens live and work and jointly create a high quality of life.”²

¹ An important contribution to this process will be made by the “Territorial Agenda of the EU”. Please refer to <http://www.bmvbs.de/Raumentwicklung-,1501.963052/Territoriale-Agenda-der-EU.htm>

² Council of the European Union (General Secretariat): Review of the EU Sustainable Development Strategy – Renewed Strategy. Brussels, 26 June 2006 (18.07) - 10917/06, item 29.

- (8) In its resolution of 12 January 2001, the European Council underlined that high quality architecture can also contribute effectively to improving people's quality of life³.
- (9) The demand for a high quality of life of citizens is expressed for example in the central challenge of the renewed EU Sustainable Development Strategy "Social inclusion, demography and migration". The overall objective of this challenge is creating a socially inclusive society by taking into account solidarity between and within generations and to secure and increase the quality of life of citizens as a prerequisite for lasting individual well-being. The cities have shown in the past that they have the potential to contribute effectively to realizing these objectives. They fulfil all the prerequisites to accomplish these tasks.
- (10) Cities and conurbations
- are centres of economic strength. Here is where supply and demand, innovation and information are focused. Jobs, firms and educational institutions of all levels tend to be concentrated in cities. As a rule, the share of the population with higher education is higher in the cities. A high educational standard, in turn, is a basis and an engine for dynamic economic growth which in turn will trigger innovation activities and entrepreneurial initiative. A positive urban milieu will then attract new talent;
 - are centres of social and ethnic inclusion. In the history of cities there are numerous examples of successful inclusion of new population groups into urban society. Nevertheless, this inclusion does not always take place immediately and without conflicts. At present cities are faced with major challenges, especially in connection with the change in economic structures and globalisation. Specific problems, among others, are especially high unemployment and social exclusion. If individual urban neighbourhoods show a concentrated occurrence of these problems, they may experience decline and stigmatisation. The consequences of these overlapping social and structural problems affect mainly residents with a migration background, with especially young people being affected in this group;
 - have made major efforts in the past to conserve or recreate a sound environment. In many cities, public parks, urban forests and connected green spaces ensure healthy urban living. There are also many positive trends regarding environment-friendly transport. On the other hand, cities are particularly susceptible to environmental problems, the environmental factors concerned being noise, air quality and traffic emissions. Neglected buildings also cause health problems and a diminished quality of life. Environmental pollution in cities as well as a poor quality neighbourhood environment are among the main reasons why residents leave cities and move to the urban fringe. The resulting urban sprawl and land sealing leads to additional traffic. At the same time, more and more production and retail businesses are moving out of the city centres to the urban periphery. This also has negative consequences, because it increases car traffic and makes people dependent on motorised transport for basic services.
- (11) The European Union can only implement its renewed Sustainable Development Strategy successfully if it gives due consideration to this urban dimension of sustainability. The profound changes in the economic patterns and demography in Europe pose enormous challenges for the cities in particular. On the one hand, we have economically thriving cities with a growing population; on the other hand, we have areas and cities which are struggling with the enormous problems caused by the structural changes of the economy and a declining and ageing population. Here, the cities and those responsible in and for the cities play an essential role. At the same time, the cities must also make their

³ During the German Presidency, this issue will be addressed in detail at the **Forum "Building Culture in Europe"** which will take place at Hamburg on the 26 and 27 April 2007.

contribution to the Lisbon strategy. After all, the EU Sustainable Development Strategy and the Lisbon Strategy for Growth and Employment complement each other.

III. Integrated urban development policy: A contribution to the EU Sustainable Development Strategy

An integrated development concept for the city as a whole

(12) The strategy of integrated urban development planning has proved to be an effective instrument for implementing sustainability in numerous EU member states. It mainly implies the coordination of different sectoral policies in terms of space, subject matter and time on the basis of an “integrated urban development concept”. This concept is developed in cooperation and accordingly in consultation with all urban stakeholders but also with the population in particular.

By integrating the concerns of the public, businesses, sectoral planners and neighbouring communities at an early stage and in a comprehensive manner, a particularly sustainable urban development can be obtained.

(13) An integrated urban development policy can contribute significantly to improving the standards of living and prospects for people, businesses and the environment. The initial basis for this is an integrated development concept for the city as a whole. The main objectives of developing these overall concepts are as follows

- increase the effectiveness of public measures by coordination at an early stage and by increasing the pooling of public and private funds at the level of the individual urban neighbourhoods. Coordinating the use of funds in this manner will establish planning and investment certainty and will reduce the costs for the public and private sectors. Possible benefits of involving public and private banks on a national and international level in funding urban development measures should always be considered.
- give citizens and firms (Corporate Social Responsibility) the opportunity to participate. This participation will increase the positive reception of measures and promote inclusion, identification with and cohesion in the urban neighbourhoods. The objective is to promote the establishment of new partnerships between citizens, the private sector and the public sector.
- The concepts for an integrated urban development should
 - describe the strengths and weaknesses of cities and neighbourhoods,
 - define consistent objectives for development,
 - coordinate the different neighbourhood, sectoral and technical plans with each other,
 - concentrate and coordinate the use of instruments by public and private stakeholders and
 - be well coordinated between the local authorities.

Therefore, an integrated urban development policy is an important contribution to the EU Sustainable Development Strategy.

Integrated urban development and deprived neighbourhoods

(14) Against this background, the main focus in the field of urban development policy under the German Council Presidency will be on the important role that integrated urban

development plays in the sustainable development of European cities. The objective is to demonstrate the benefits to be gained from integrated urban development in the rehabilitation and upgrading of economically, socially and environmentally deprived urban neighbourhoods. This policy focus was chosen for the following reasons:

- Within one city, considerable differences can prevail in terms of economic and social opportunities, but also in terms of the different quality of the environment (physical state of buildings, public space and public infrastructure). Actually, the economic and social differences within one city are quite frequently more significant than between different cities. In addition, the social distinctions and the differences in economic development are often continuing to increase which contributes to destabilization in cities.
- The existence of deprived urban neighbourhoods affects the attractiveness, the competitiveness, the engines of social inclusion and the security of cities. In consequence, they also have a negative impact on the sustainable growth of urban regions, Member States and of the European Union as a whole.

Moreover, combating social exclusion in cities is a key element of the EU's community of shared values.

- As social problems increase in deprived urban neighbourhoods and economic stagnation sets in, public funds will be needed to stabilize these neighbourhoods. This will tie up public funds – scarce as they are already - which could better be used for measures to increase competitiveness or for supporting education and research.
- In a development phase with a declining population and an increasing number of elderly people in many European cities, one of the priorities of spatial policies must be to involve the younger generation as future key players in the production and knowledge process. This applies particularly to deprived neighbourhoods with a relatively high proportion of children and young people, many of whom have a migration background.

(15) Within the context of an integrated urban neighbourhood development policy, special consideration should be given to the following strategic approaches on economically, socially and environmentally deprived neighbourhoods:

- **Field of action: upgrading the physical environment**

Many deprived neighbourhoods are characterised by urban blight, outdated infrastructures and a poor environment. Frequently the existing building stock does not meet present day design and energy efficiency requirements. These deficiencies have a negative impact on the development opportunities of the neighbourhood – especially if they are compounded by social and economic deficiencies. They prevent its population from participating in growth, employment and prosperity. Moreover, these deficits are an obstacle to entrepreneurial activities.

Deprived neighbourhoods must not be left behind in terms of the prevailing standards in the quality of construction and infrastructure, energy efficiency and building culture. For this purpose, public investments in these sectors with the aim of upgrading public spaces, improving the area's infrastructure and the architectural quality are indispensable.

- **Field of action: Strengthening the local economy and local labour market policy**

In deprived neighbourhoods, approaches for economic stabilization must also exploit the economic forces inherent in the neighbourhoods themselves. The

opportunities for employment and training in the ethnic economy in particular are important starting points.

The strategy of “Strengthening the local economy“ (Focal group: businesses and firms in the urban neighbourhood) and “Strengthening the local labour market policy“ (Focal group: employable residents in the urban neighbourhood) ranges from the support of small and medium-sized enterprises to the public promotion of creative milieus in cities and urban neighbourhoods. In the draft working paper of 1 March 2006 on “State Aid Control and Regeneration of Deprived Urban Areas”, the European Commission described good examples for the promotion of the local economy. Micro-credits are a further instrument which can be an impetus for important economic developments.⁴ More use should be made of the potential of the local ethnic economy for training and employment and the impetus given by architectural interventions and rehabilitation for the regional economy.

- **Field of action: proactive education and training policies for children and young people**

A central starting point for improving the situation in deprived neighbourhoods is the improvement of the local education and training situation in conjunction with proactive policies on children and young people. This approach has proved to be of particular relevance in neighbourhoods with a high percentage of children with a migration background.

Keeping this in mind, training programmes must be established or improved which are orientated towards the possibilities and the situation of the residents in the neighbourhoods concerned. The same applies to programmes for children and young people. Considerations to develop an integrated, interdepartmental policy approach, as the “European Youth Pact“⁵ demands, are part of this approach as well as the establishment of viable partnerships between the public sector, independent institutions, schools and businesses.

IV. Leipzig Charter on Sustainable European Cities

- (16) There are European best practice examples for each of the action areas described above. The German presidency will prepare presentations on these successful projects for an exchange of experience between the member states which will take place in the run-up to the informal ministerial meeting at Leipzig in May 2007. This will also involve the European URBACT and EUKN networks. With this exchange of experience, the German presidency will follow up on the activities and decisions of the previous presidencies. At the same time the principle of

⁴ The JEREMIE programm (Joint European Resources for Micro to medium Enterprises) is designed to be the EIB's contribution to resolving these development deficits. JEREMIE will be integrated into the cohesion funding from 2007 on and can be backed-up by funds for regional development.

⁵ At the European Council spring meeting on 22 and 23 March 2005, the heads of state and government adopted the "European Youth Pact" as one of the instruments to attain the Lisbon objectives for more growth and employment. The Lisbon Strategy is also significant for young people as they are immediately concerned by the requirements it defines, such as in the areas of education, employment and social inclusion. The objective is to reinforce the efforts to dovetail all policy areas concerning young people. The presidency conclusions of the European Council of 24 March 2006 underline the objective of considering social cohesion and the promotion of equal opportunities for everyone as a path to a socially more inclusive society and as a basic principle of the EU's reform processes in economic and labour market policy.

using best available knowledge which is one of the guiding policy principles of the Sustainable Development Strategy is to be taken into account.

- (17) It is planned for the results of the political discussion to be finalised in the adoption of a “**Leipzig Charter on Sustainable European Cities**” at the informal ministerial meeting. This charter will concentrate on the strategy of integrated and sustainable urban development and the fields of action for deprived neighbourhoods.

V. Political conclusions of the Presidency

- (18) In addition to the “**Leipzig Charter on Sustainable European Cities**”, the political conclusions of the informal ministerial meeting will provide comments on the progress achieved regarding the work programme adopted in Bristol in late 2005 under the UK presidency.

This includes

- the role of the **European Investment Bank (EIB)** in urban development:

A Member States working group chaired by the UK with the participation of the Commission and the EIB will draft a report which analyses the funding of urban development investment by the EIB and derives conclusions as well as recommendations for the future. In this context, the EU’s JESSICA initiative (Joint European Support for Sustainable Investment in City Areas) plays an important role because it aims at a more credit-oriented use of structural funds. For this reason, the Jessica initiative is also mentioned in the report concerning the EIB. JEREMIE (Joint European Resources for Micro to Medium Enterprises) is a second EU initiative which is of relevance to urban development. It envisages the creation of funds which will provide (micro-)loans, equity capital and venture capital, as well as guarantees for small and medium-sized enterprises. The report is also planned to include JEREMIE.

- Further development of the European exchange of experience:

Here, focus will be placed on an assessment of the “*Skills for the Future*” symposium of the Academy for Sustainable Communities as well as a debate on the development of the European URBACT II, EUKN (European Urban Knowledge Network) und EFAP (European Forum for Architectural Policies) networks.

- (19) A further subject for discussion will be a **contribution of the commission** which will presumably deal with the role of sustainable urban development in the new programming period 2007-2013.
- (20) Experiences gained in these subject areas and from the conference of the European Forum for Architectural Policies on “Building Culture in Europe” will also be incorporated into the “**Leipzig Charter on Sustainable European Cities**”.