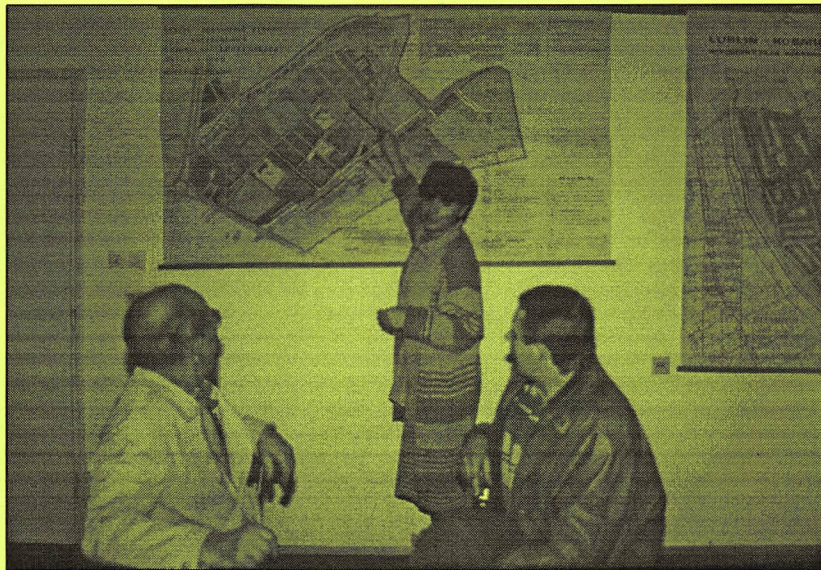


International Case Studies



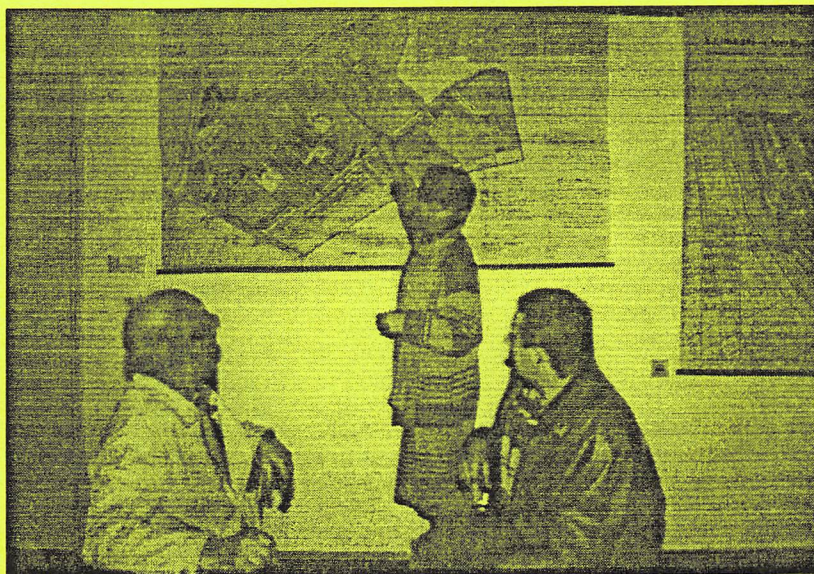
+ Baccaro

+ Vigier Paris
Slides

Szczecin Local Initiative Program
Center for Urban Development Studies
Cambridge, MA; May, 1999

Paris Regional Population Figures
François Vigier, Center for Urban Development Studies
September, 2000

International Case Studies



Tirana Project Summary

Center for Urban Development Studies
Cambridge, MA; May, 1998
(including presentation slides)

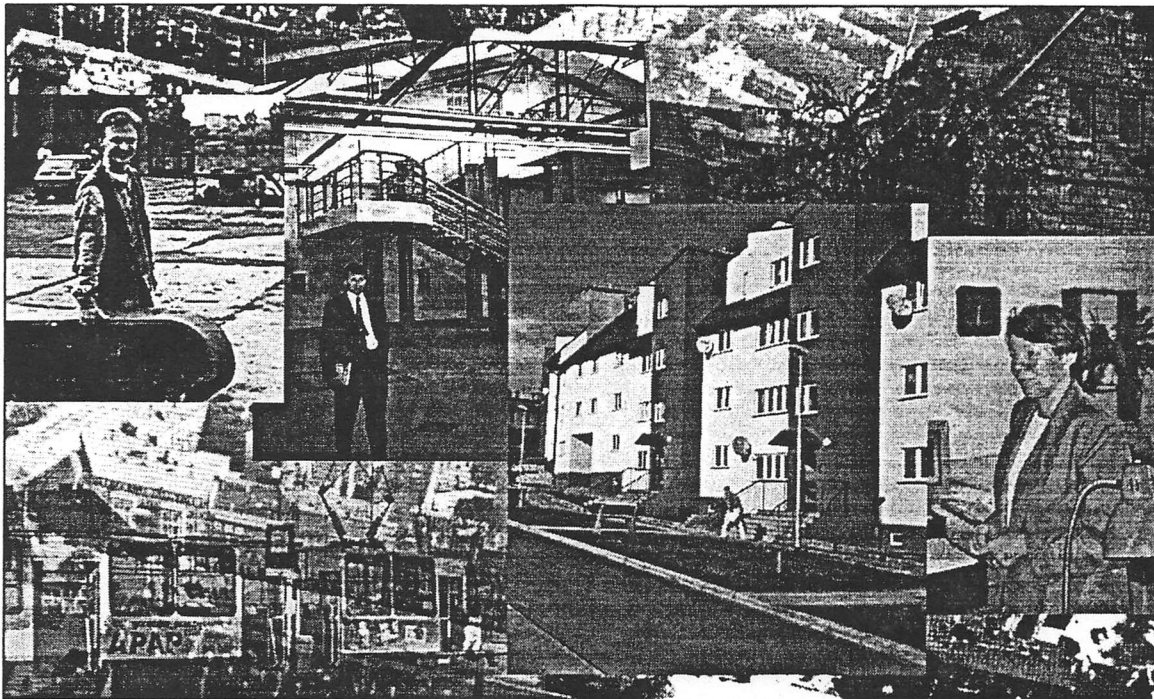
St. Petersburg

Margret Thalwitz, World Bank
Washington, DC; September, 2000
(including presentation slides)

Paris Regional Population Figures

	1960	1982	1990	2003	2015
Paris	2,550,000	2,175,000	2,150,000	2,150,000	2,150,000
Inner Ring	3,757,000	3,905,000	3,985,000	4,090,000	4,165,000
Outer Ring	3,693,000	3,390,000	3,785,000	4,080,000	4,272,000
New Towns		600,000	740,000	1,020,000	1,025,000
Total	10,000,000	10,070,000	10,660,000	11,340,000	11,612,000

Szczecin Local Initiative Program



Prepared for USAID / RHUDO Warsaw

Prepared by
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City of Szczecin

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Pilot Local Government Partnership Program (LGPP)— Assistance to
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USAID

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Credits

Photograph and diagram of Szczecin Renovation area courtesy of *Conference Report, International Conference on Urban Renewal and Housing Rehabilitation*, May 1997, Szczecin, Poland

Description and photographs of the Green Federation courtesy of Brian O'Malley, Peace Corps Szczecin, Poland

Other photographs, courtesy of John Driscoll and Mona Serageldin of the Unit for Housing and Urbanization.

Summary of Strategy Oriented Organizations was excerpted from:

- (a) the UNCHS Best Practices data base available from UNCHS and made available for practitioners at the Unit for Housing and Urbanization, the thematic center for urban planning and management for the UNCHS Best Practice Program (www.gsd.harvard.edu/uhu); and
- (b) the SURBAN database on sustainable urban development in Europe developed by The European Academy of the Urban Environment (www.eaue.de)

1.0 FOREWORD

This report summarizes the work undertaken by the Unit for Housing and Urbanization and the City of Szczecin's Unit for NGO Coordination to develop opportunities for community-based initiatives in Szczecin. The activities leading to the report were funded through USAID's Assistance to Partner Cities Program and managed through Urban Institute's contract with USAID in Poland. The report includes recommendations for an expanded Local Initiative Program in Szczecin and responds to the scope of work by:

- 1 Identifying a range of organizations from street level planning groups to larger-scale TBS-like organizations to foundations that could work with the city.
- 2 Highlighting the emerging trends in involving NGOs and the potential for action based on: strategic objectives, existing or proposed plans, and civic aspirations.
- 3 Defining the organizational frameworks needed to make community-based organizations function in collaboration and partnership with municipal agencies.
- 4 Recommending the local institutional support for developing community-based organizations and highlighting experiences, opportunities, and the changes necessary in the institutional framework to make a community based development strategy work more effectively.
- 5 Develop recommendations with City Officials including a pilot project(s) and work plans that outline immediate and longer-range activities.

The concepts and working principles of an expanded local initiative program outlined in this report were presented in a series of working sessions and public meetings in Szczecin in March 1999.

The funding from USAID also allowed two Szczecin Officials to attend the International Training Program at the Graduate School of Design in July, 1998. The program, entitled, *Partnerships and Financing Strategies for Local Development* focused on the complementary roles that can be played by public agencies, NGOs and the private sector in urban development.

2.0 EXECUTIVE SUMMARY

The City of Szczecin is strategically located at the crossroads of transport corridors linking Western Europe to the Baltic States and Scandinavia to Southern Europe. Paralleling Poland's successful transition from a centrally planned to a market economy, Szczecin grew from a secondary city to become one of Poland's five fastest growing centers. City officials recognize that, as the economy continues to go through a restructuring process, there are areas of the city that are being bypassed by the economic boom. As certain industries, including the older inefficient state enterprises located to the north of the city, are closed or downsized, lower-skilled and older employees face unemployment and economic hardship. City officials are concerned about the long-term implications of widening income disparities and social inequities between those residents who have the skills to participate in the sectors that drive the city's economy today and those who do not.

The challenge is to devise pragmatic approaches and flexible mechanisms that create economic opportunities for lower-income residents and strategically invests City assets and resources to revitalize the urban environment in distressed communities.

In response to this challenge, city officials in Szczecin are developing a supportive framework that links neighborhood revitalization and economic development. They also realize that public resources alone cannot match the need and that active funding partnerships must be developed with residents, the private sector and NGOs. By building upon its existing local initiative programs, Szczecin can effectively work with community-based organizations and the emerging network of local universities, foundations, civic institutions and other non-profit organizations to improve the physical and social conditions in lower-income neighborhoods.

The Study Team made the following recommendations:

1. Expand upon existing programs for upgrading the urban environment by bringing together city programs in a spatially focused strategy through Local Initiative Programs and partnership instruments.
2. Create areas of opportunity whereby the convergence of public resources and private initiatives results in real improvements to the urban environment and social conditions.
3. Strengthen community outreach and promotion efforts for city programs. Inform residents, civic leaders and the NGO sector of program requirements and benefits. Attract and empower civic leadership to take on new roles.
4. Use infrastructure investments and changes in development regulations to "create value" in marginalized neighborhoods and leverage direct and indirect private investments cost-sharing and in-kind contributions. Leverage new additional non-municipal funds available through national and EU regional programs.

5. Develop a package of programs that can be included in a Local Initiative Program and support mechanisms to build the capacity of potential partners such as NGOs and the Rada Osiedlowa (ward councils).
6. Increase the involvement of and support to community-based organizations and NGOs using longer-term contracting mechanisms (greater than one year).

A work plan in Section 8.0 outlines activities that Szczecin can undertake to expand its Local Initiatives Program. The major activities include:

1. Appointing a Working Group of city representatives and key organizations working at the community level to negotiate the broad principles of a Local Initiative Program.
2. City Board and City Council approval of the program and the appointment of core local initiatives team from different city departments.
3. Identifying neighborhoods for a test program and the development of proposals with a Neighborhood Partnership Committee.
4. Signing an Agreement between the City and the Neighborhood Partnership Committee.
5. Implementing a Neighborhood Partnership Agreement.
6. Monitoring and assessment of impacts and readjustment of program for subsequent neighborhoods.

Community Partnerships

Municipalities worldwide have successfully engaged community groups in structured partnerships based on joint definition of needs and issues and complementarity of roles. Cities such as Lublin, Poland, Cairo, Egypt and Boston, Massachusetts have utilized new collaborative approaches that build upon the economic, social, and physical assets in a community.

All involve a program of shared financial commitments that leverage public and private resources. In Lublin, a project in two under-served neighborhoods suffering from marginalization for over 30 years, led to the rehabilitation of over 257 houses and fostered the development of 90 micro-enterprises in less than three years.

City staff, acting as both catalysts and facilitators, provides logistical support to disseminate information about available programs and develop partnership agreements. In Boston, the partners for a typical program include a neighborhood association, a non-profit community-based developer of housing, the board of trade for the Neighborhood Business District, the area police department, the local health center, and the local

community center. They sign an agreement that is in effect for three years, outlines the roles and responsibilities of each participant and is used to plan the city's capital investment program and ensures that public investments are responsive to the needs and desires of these interested parties.

Local initiatives programs support and encourage civic leadership. In Lublin and Cairo, local initiative teams initiated a participatory planning process that engaged residents in the development of their districts. Motivated residents on each street and block became the link between the city and the community for the development of an urban plan, and the city developed a cost sharing agreement for the provision of infrastructure.

Emerging Role for NGO Sector in Poland

A stronger role for NGOs is emerging in Poland. New legislation is being drafted to clarify procedures for funding and contracting NGOs to provide services with public funds. This will be critical to enabling local authorities to institutionalize partnership programs that incorporate NGOs. In Szczecin there has been a tremendous increase in the number of NGOs. Between 1997 and 1999 the number of registered NGOs increased from 300 to 1,000. In 1998, Szczecin allocated PLZ 1.4 million to 191 NGOs through six city departments. In 1999 Szczecin will allocate about 5 million PLZ to NGOs. In parallel with national legislation, the city is structuring new legislation for funding local NGOs.

Programs developed in partnership with municipal agencies and NGOs have also focused on economic development. In Szczecin, the Szczecin Center for Economic Initiatives has created a very successful incubator program for startup businesses across a wide spectrum of employment categories.

Partnerships are also occurring at the national and regional level. The Practitioners' Working Group in Poland is supporting a consortium of community development practitioners engaged in economic development at the community level. In Katowice, the Sustainable Katowice Agglomeration Project is promoting sustainable social, economic and physical development and regeneration in the Katowice Agglomeration. In Szczecin, the EU has already funded an analysis that emphasizes the need for programs to revitalize the marginalized areas to the north of the city and is planning to fund a regional integration center.

Partnership Approaches in Szczecin

In Szczecin, partnership approaches are being integrated into existing strategies and programs. Some of these programs have a spatial focus such as the Renovation Strategy for the Centrum, while other programs are city-wide such as the housing strategy, the capital investment program, Safe City and a comprehensive inventory and review of social programs.

In Szczecin, the objective of an expanded Local Initiative Program using partnership approaches is to structure the institutional support and demand-led financial packages

that will encourage residents and community-based organizations to improve environmental and social conditions within their neighborhoods

Neighborhood Services of immediate need and benefit can be provided within an expanded local initiative program such as youth programs and playgrounds, street cleaning and maintenance of green areas and parking areas, and the upgrading or provision of new infrastructure. The Rada Osiedlowa (ward councils) can evolve into more effective facilitators of these local programs at the neighborhood level, especially with youth and sports. Street associations, local development action committees and housing associations can enter into cost-sharing programs with the municipality under the Program for Small Improvements, Our Home Program, and the existing Local Community Initiatives Program. Affordable housing can be provided in distressed neighborhoods through the two TBS's in Szczecin that are managing portions of the existing communal housing and constructing new replacement housing and modernizing existing housing stock.

The City can accelerate its program of using older building in marginalized neighborhoods and renovating them in cooperation with non-profits such as the Szczecin Enterprise Foundation which to date has converted five historic buildings into business space with more than 10,000 m² of high standard office, retail, and small-scale production space for over 100 start-up businesses. The Green Federation, an active environmental organization is renovating a city-owned building in partnership with an association of eight NGOs working with youth, environment and the arts.

Inter-Departmental Coordination

Inter-departmental coordination can be significantly strengthened through partnership programs. Complementary programs, run by different departments can reinforce the revitalization objectives for marginalized neighborhoods. A recent example in Szczecin is a comprehensive review of social programs undertaken in cooperation with the Department of Social Programs (OPS), the Church, and the Police. The review was done in cooperation with Szczecin University and involved 40 institutions and 300 students. The findings are being used to launch projects in marginalized neighborhoods.

Strategic Planning and Local Development

Strategic planning at the District Level can provide a framework for decision making and resource allocation to address the challenges of neighborhood development using opportunity driven approaches. District-wide initiatives such as the upgrading of trunk infrastructure can encourage resident investment in infrastructure and housing at the neighborhood level. Stemming vandalism by youth of the regional bus system and creating alternative recreation programs is linked to increasing the transportation options for local residents to access jobs. City-level job training programs, funded from various levels of government, can be developed with employers and targeted to workers who require new skills.

Organizing for Local Development

A common feature to the successful neighborhood initiative programs is the commitment on the part of the municipality of staff and resources to initiate and organize local activities in neighborhoods where community-leaders have not yet emerged and to assist those community leaders who have taken initiatives. In Szczecin, it is recommended that the City Council appoint a working group to develop a local initiative program and formalize this group into a Local Initiatives Team. The Team can provide a critical link between the city's programs and residents working in designated neighborhoods.

In Szczecin, the city can expand its existing local initiatives program within its current legal, financial, regulatory structure and access other funds including national programs and regional EU programs.

4.1 Successful Partnership Programs in Other Cities

• Boston Neighborhood Partnership and Main Streets Program, USA

In Boston, the city and its development agencies have created an array of programs to address the needs of the city's distressed neighborhoods. Beginning in the 1980s, the Department of Neighborhood Development (DND) redefined its role from a capital planning agency to a community development agency managing a number of diverse programs. The DND's goal is to strategically invest resources to build up the strength and vitality of neighborhoods. It works directly with community-based organizations to coordinate and implement public improvements, housing, open space, and youth and social programs.

Boston launched the Neighborhood Partnership Program in 1990 and successfully implemented 16 partnership agreements within six years. The agreements, each in effect for two to three years, resulted in the creation of affordable housing in both new and rehabilitated units, reuse of vacant public land, improved public safety, youth programs, new green spaces, coordinated public capital investments and economic revitalization. The program was based on the creation of a neighborhood partnership committee comprised of neighborhood associations, churches, city agencies, Community Development Corporations, NGOs, merchants, and other groups.

Together with the DND staff from the city, these groups worked in close cooperation over a six-month period to define a vision for neighborhood development and the physical boundaries of the partnership, to assess and prioritize the critical needs of the neighborhood, and to develop projects to address priority needs. At the end of the six months, a partnership agreement was signed by all the participating organizations that incorporated a set of shared redevelopment objectives, a revitalization strategy, and coordinated implementation plans clearly spelling out the responsibilities and commitments made by all parties involved. The partner organizations in turn worked with other partners in implementing individual projects, which in turn leveraged additional funds and resources. (See annex C, Leveraging Resources, the Boston Neighborhood Partnership Program.

The partnership program evolved into Boston's Main Street Program, a partnership program focused on the revitalization of business districts in 15 neighborhoods. The city provides seed funding for a Main Street coordinator who works with a board representing local businesses and NGOs in the neighborhood.

• Lublin Local Initiative Program, Poland

In Lublin, where dwindling central transfers and tight budgets necessitated the mobilization of community-based resources to improve the urban environment, a local initiative team initiated a participatory planning process that engaged residents in the development of their districts. Motivated residents on each street became the link between the city and the community for the development of an urban plan, and the city developed a cost sharing agreement for the provision of infrastructure.

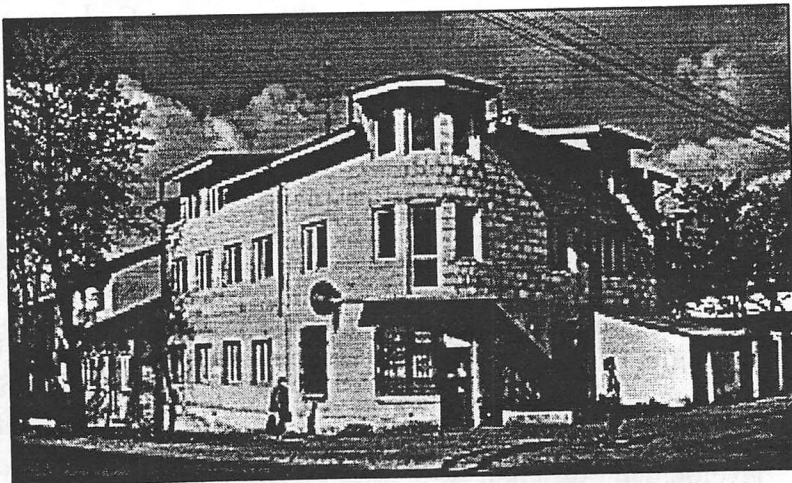
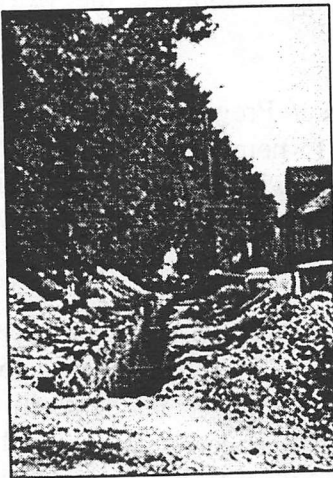
The program is structured as a partnership between the city and the community. The pilot project launched in 1994 in two under-served neighborhoods suffering from marginalization for over 30 years, led to the rehabilitation of over 257 houses and fostered the development of 90 micro-enterprises in less than three years. Improvements are continuing and have expanded beyond the pilot project areas into the old town. The demonstrated effectiveness of the Local Initiative Program earned it international recognition and a UNCHS Best Practice Award for excellence in improving the living environment.

In Lublin, streets have been improved with infrastructure. Young people who had left the site are returning to family real estate holdings that have become valuable assets. Multi-generational families are being reconstituted in houses where elderly parents had been living on their own for decades. Families who came to the area for the sole purpose of getting relocation apartments are investing in renovation and expansion of their premises. Local craftsmen, after years of repression, have emerged as entrepreneurs, establishing micro-enterprises and commercial activities. Houses are being rehabilitated and renovated, enabling families to utilize their full productive capacities.



As demonstrated in Lublin, Poland, structured partnerships between the city and community based organizations can have a profound impact by encouraging residents to become involved in revitalizing their neighborhoods and activating communities.

Partnerships that involve the community and the government make both more accountable and increase the chances of the project's success rate. In Lublin cost-sharing initiatives led to residents financing infrastructure and changes in development regulations encouraged investments in housing and small businesses.



- **Tomaszow Enterprise Incubator Foundation, Poland**

The Enterprise Incubator Foundation was initiated by an employment forum in Tomaszow to coordinate and reorganize local vocational training programs. The Forum included representatives of training organizations, public officials from ten counties, employers, and unemployed persons. Together they set out to improve local information flow, develop better training programs and bring together newly trained individuals with potential employers. They surveyed 6,000 local employers to determine training needs and hiring plans for the next three years and developed training programs tailored to the needs of the local labor market.

- **Sustainable Katowice Agglomeration Project, Poland**

This project is promoting sustainable social, economic and physical development and regeneration in the Katowice Agglomeration by strengthening local capacities for strategic planning and environmental management based on the active participation of the municipalities and their partners in the public, private and community sectors. Thirteen municipalities are members of the Union for Sustainable Development of the Cities of Katowice Agglomeration. Working groups focus on issues such as municipal sewerage, solid waste management, open space and the revitalization of post-industrial areas.

- **Practitioners' Working Group, Poland**

The Practitioners' Working Group (PWG) is a project developed in partnership with six Polish and other NGOs in the Eastern European region. The Polish organizations are working through the Foundation for Social and Economic Initiatives. The PWG initiative, with initial funding from the Ford Foundation, is supporting a consortium of community development practitioners engaged in economic development at the community level to: develop the organizational capacity of NGOs to plan and manage growth of loan and investment funds and to work collaboratively in national coalitions. The initiative is also engaging in policy initiatives to expand capital resources and develop financial intermediaries that can raise and reinvest funds for economic development at the local level. With continued funding from the Ford Foundation and new funding from USAID, the PWG hopes to expand its coalition to include ten members.

- **The Hague: Organizing the Local Agenda 21 Program, Netherlands**

To organize its Local Agenda 21 Program, the Hague established citywide task forces in seven areas: international co-operation, energy, waste and raw materials, traffic and transport, nature and landscape, sustainable building and living, and communication. The municipality appointed a project manager, who is head of the city's environment department, and a project support group that is responsible for the overall concept and for developing cooperation among the different task forces and city departments involved. A steering committee assists in promoting the program and helps guide discussions taking place in departments and task forces engaged in environmental work. One output of the process has been establishing the means for monitoring environmental quality in nine areas: water, noise, air, soil, energy, nature, business and mobility.

- **Groundwork Blackburn, UK**

Groundwork Blackburn is a network of 40 non-profit environmental service organizations that deliver practical solutions to environmental problems at the local level. The program can access a wide array of funding and is organized around four themes: improving the physical environment; educating and involving the community; integrating the economy and the environment (especially at small- and medium-sized firms); and conserving natural resources.

Structured as a partnership of national and local governments, the business sector, and local communities, Groundwork Blackburn now comprises 43 groundwork trusts throughout England, Wales and Northern Ireland. Income is from central government (37%), local authority (30%); the private sector (22%), EU (6%) and other sectors (5%).

5.0 EXISTING CITY INITIATIVES, PROGRAMS AND POTENTIAL PARTNERSHIP ORGANIZATIONS

As has been seen from the international and regional experiences highlighted above, city agencies, NGOs, community-based organizations, and the private sector can successfully institutionalize partnerships to meet specific urban development needs at the city and neighborhood levels. The combined impact of targeted and coordinated public/private initiatives in a neighborhood to raise the quality of life and level of services can be significantly greater than uncoordinated public investments (Figure 1).

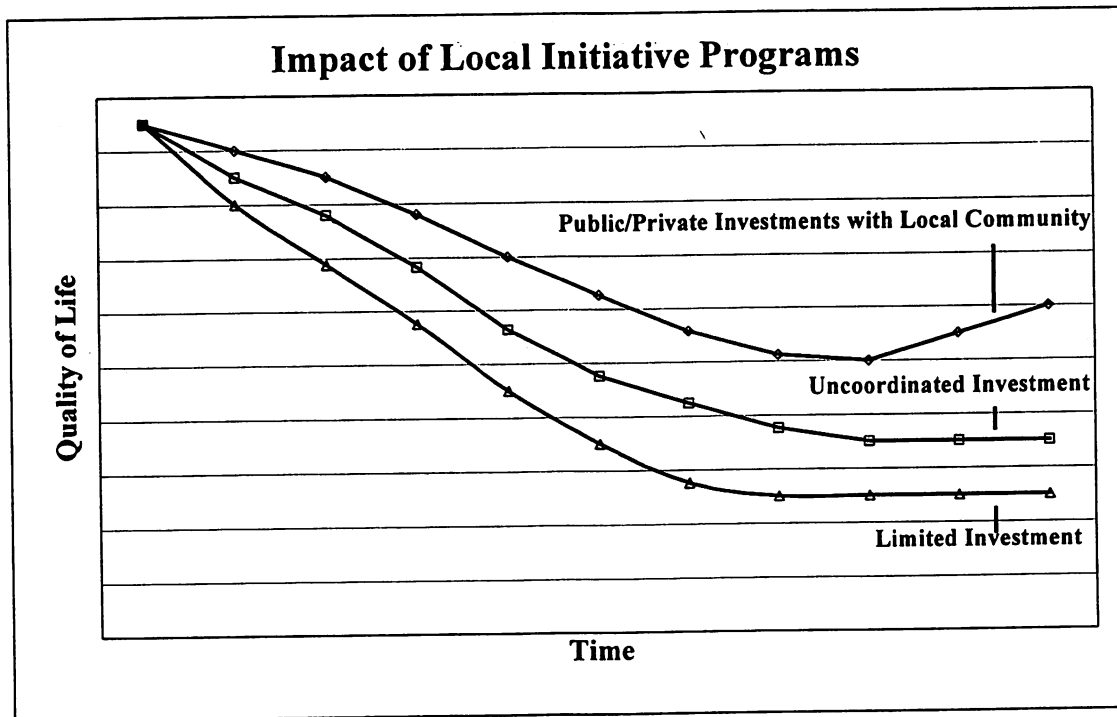


Figure 1. Impact of Coordinated Initiatives

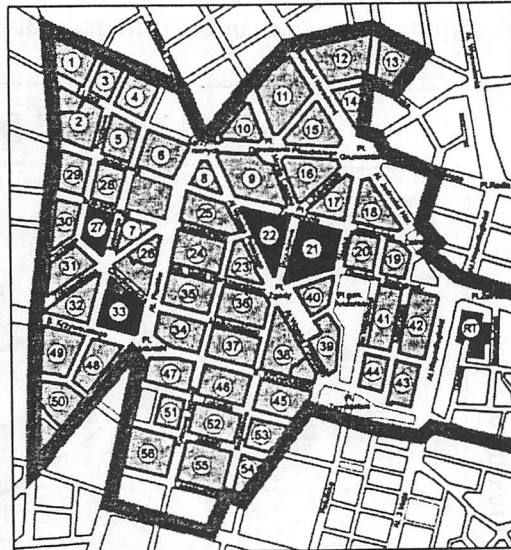
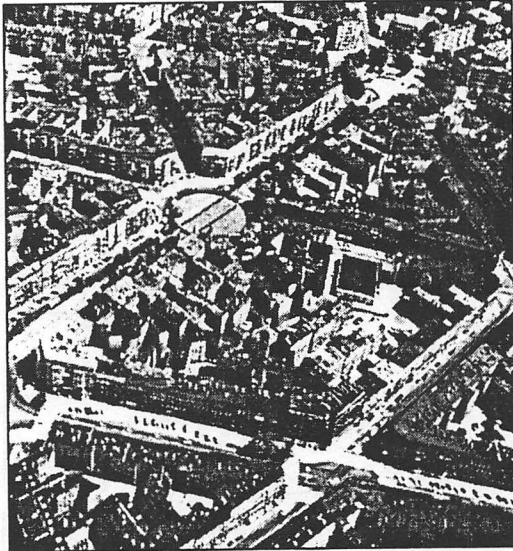
In Szczecin, partnership initiatives have in fact already been developed to address specific development objectives, including some having a spatial focus.

5.1 Existing City Initiatives

- **Renovation Strategy**

Regenerating the city center has been a top priority for Szczecin since the early 1990s, when the municipality began a program to revitalize the housing and commercial stock. A team was created to develop a renovation strategy and oversee the renewal process, and a renovation strategy was adopted, then later updated by the City Council in 1996. The renovation team introduced various approaches, including:

1. A public-private partnership between the city and a private investor, in the form of a joint company for the revitalization of larger areas (Blocks 21 and 22) through commercial and market-rate housing;
2. Packaging of smaller renovation projects for development by local investors;
3. The creation of one of the first social housing associations (TBSs) in Poland to access central government housing funds and to manage social housing for buildings in the city center; and
4. A combination of programs such as the Small Improvement Program and the Home Programs that are co-financed by the municipality and tenants.



Since the early 1990's, the City of Szczecin has taken a proactive approach in developing a renovation strategy and using different development approaches for the revitalization of its city center.

- **Housing Strategy**

The City Council adopted a housing policy in December 1996 to reformulate its activities in key areas, including housing management, development of new housing, housing renovation, neighborhood rehabilitation, and land for new residential development. A Housing Policy Unit was formed in 1998 to update and implement the housing policy.

- **Capital Investment Plan**

Szczecin has institutionalized a rolling three-year capital investment plan that is an important tool in targeting public investments to achieve citywide and neighborhood development objectives.

- **Angora Project**

In the northern area of Szczecin, the city (with EU support) initiated the Agora Project to identify social and economic priorities and produce a series of developed a summary of the issues in the Northern Zone.

3.0 INTRODUCTION

To improve neighborhood services, create economic opportunities for lower-income residents, and leverage private resources at the neighborhood level, city officials in Szczecin would like to institutionalize a local initiative program. The program would capitalize on neighborhood revitalization and economic development activities that are occurring within households, along streets, within local district councils and NGOs, and would create effective public-private partnerships with the city.

The economy in Szczecin has been experiencing strong growth among its leading economic sectors. Industries such as the Szczecin Shipyard, the Szczecin Port, and related activities are performing well and the city is increasing its economic competitiveness through stronger links to regional and international economies. Investments in major infrastructure by central and local authorities combined with support from international lenders, and new cooperative agreements between the city and industries are reinforcing these trends. Furthermore, medium-to-small businesses are experiencing steady growth in activities and are being supported by the city through loans, training, and business incubators.

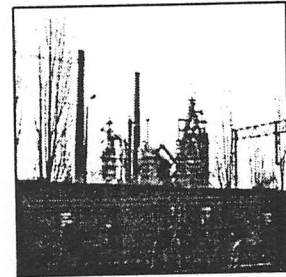
Adjusting to a Post Industrial Era

City officials recognize that, as the economy continues to go through a restructuring process, there will be a growing number of residents who are not fully participating in the economic boom due to lack of skills. Furthermore, as older inefficient industries are closed or re-engineered, lower-skilled and older employees will face economic difficulties. Recent articles in local newspapers highlight concerns regarding the long-term implications of widening income disparities between those residents who have the skills to participate in a market economy and those who do not.

Unemployment, Poverty and Dirt - This is the Real Skolwin.

Skolwin, next to Stolzyn and Goclaw, is the most impoverished city quarter. Most of the housing is old, and in need of major repair. Many buildings don't have sewer connections. Unemployment is high, two factories in the neighborhood, the Steel Works and the Paper Factory laid off many workers.

Excerpt from Szczecin Newspaper, March 1999



Any major economic restructuring has spatial implications as illustrated in the two following maps from the General Local Plan for the Spatial Development of Szczecin. In Szczecin, for example, new industries are locating near the port, attracted by existing support infrastructure and access to roads, rail, and water transport. Planned investments in bridges and major access roads will promote economic development in the southeast, toward Warsaw, and in the southwest, toward Berlin. New housing suburbs are expanding outside the city center to the northwest while the lack of access between the

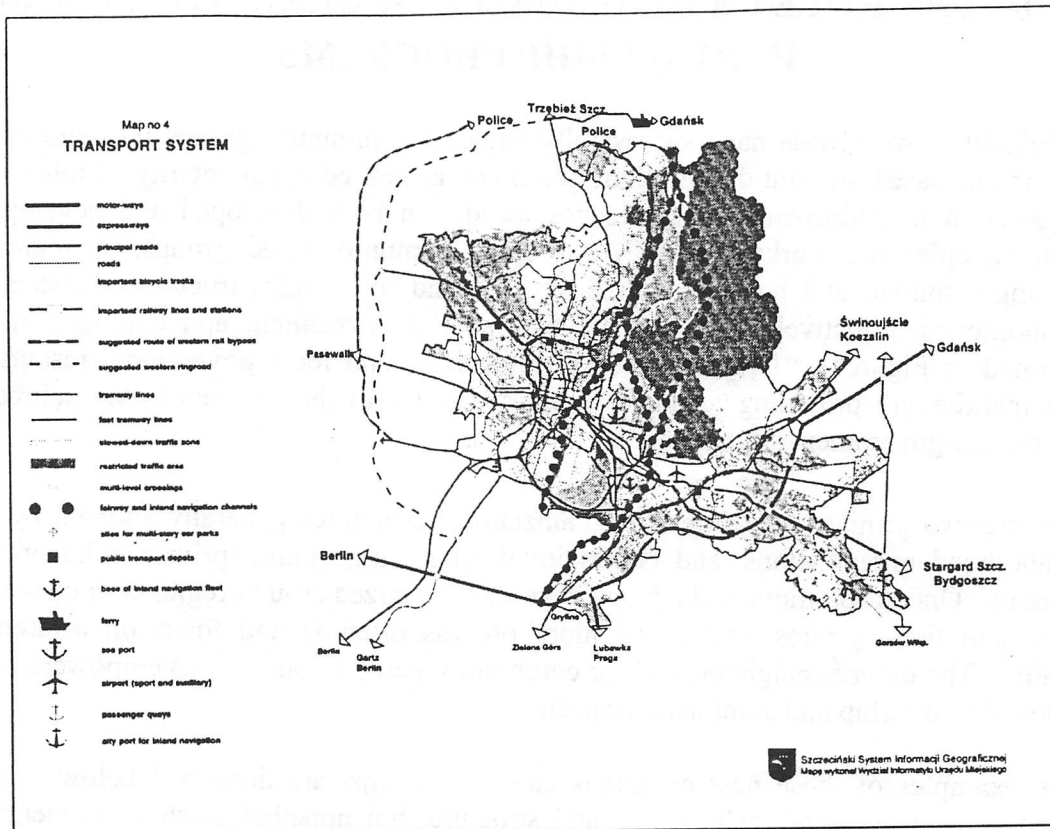
northern city areas and the new regional infrastructure will increase the isolation of neighborhoods surrounding the older, technologically outdated industrial plants.

Decentralization

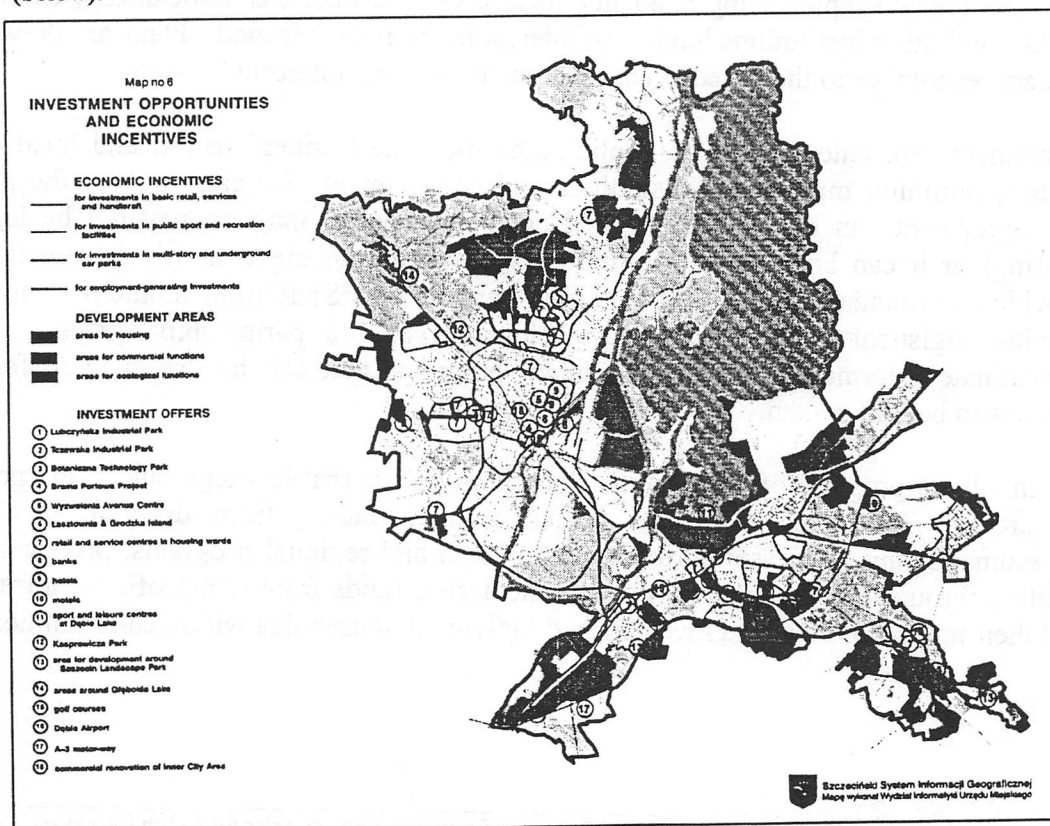
In the context of fiscal and institutional decentralization at all levels of government and the need to leverage limited local resources, municipal governments are looking for effective institutional structures for promoting collaboration between local authorities and residents in communities. The reorganization of the administrative system in Poland as of January 1999 among three levels (voivodeship, powiat and gmina) is creating new opportunities and instruments for local governments to work with neighborhood-based organizations and NGOs.

Financing

City officials would like to maximize the leveraging potential of municipal programs for financing infrastructure including the Local Initiatives Act, Our Home, and Small Improvement Grant Program. The city would also like to access central government funds, the European Union (EU), and other NGO funding sources available for environmental and social programs.



New transportation investments have created more efficient links between the right and left bank of Szczecin and as well as the regional transportation network (above). The older neighborhoods and manufacturing areas to the north of the city offer reuse potential (below).



4.0 THE ROLE OF COMMUNITY ORGANIZATIONS AND PARTNERSHIP PROGRAMS

Municipalities worldwide have successfully engaged community groups into structured partnerships based on joint definition of needs and issues, complementarity of roles, and collaboration in addressing the challenges faced. In both developed and developing countries, cities are working with NGOs and community-based groups, strategically investing resources and building up the physical and social infrastructure of distressed neighborhoods, effectively breaking old cycles of disinvestment and deterioration as illustrated in Figure 1. Drawing upon central, state, and local government resources, municipalities are providing technical support directly to the community or indirectly through non-government structures.

There are two primary categories of organizational structures generally adopted by the neighborhood organizations, and NGOs involved in these public/private collaborative programs. One is coalitions and advocacy groups organized around regional or city-wide issues, and these groups tend to be more process oriented and focus on awareness building. The other is neighborhood- or community-based organizations empowered and supported to develop and administer projects.

Some examples of these new coalitions and partnerships are described below. They exhibit a wide range of scale, focus, and structure, but nonetheless share elements in common. All of them grow out of a shared vision of stability and revitalization that gives energy and momentum to the undertaking. All involve a collaborative process that builds upon the economic, social, and physical assets in a community. Partnership organizations are created representing residents, local civic and business associations, churches, NGOs, and other institutions having an interest in the neighborhood. Plans are drawn up that are responsive to the stated needs and desires of these interested parties.

Agreements are entered into by public authorities, the business sector, and local civic groups, outlining mutual responsibilities and commitments for carrying out the plans. The agreement can be a formal signed document (which may or may not be legally binding) or it can be a more informal community arrangement, in which case it may provide the foundation for a future formal partnership. Staff from municipal agencies provide logistical support for the development of the partnership agreement and disseminate information about government programs that can be drawn upon for the projects to be undertaken.

All involve a program of shared financial commitments that leverage public and private resources. These resources can include public funding from different levels of government, funds accessed through international and regional programs, private-sector funding through banks and financial intermediaries, funds from non-profit organizations and their intermediaries, and investors and individual households within communities.

- **Safe City**

Szczecin has initiated a Safe City program modeled on community policing models including those in Chicago, Illinois. The program is working closely with youth.

- **Review of Social Programs**

The city recently completed a comprehensive review of social programs throughout the city in cooperation with the Department of Social Programs (OPS), the Church, and the Police. The review was undertaken with the assistance of Szczecin University and will continue with more detailed analysis in different neighborhoods.

5.2 Existing Programs and Potential Partnerships

Neighborhood Services

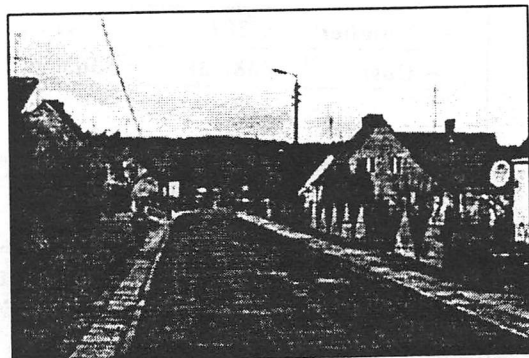
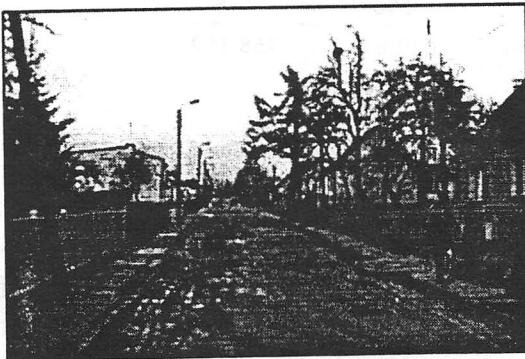
Services that could be implemented within a neighborhood initiative program might include community services such as youth programs and playgrounds, street cleaning and maintenance of green areas, playgrounds, and parking areas, and upgrading or provision of new infrastructure.

- **Rada Osiedlowa (ward councils)**

In the city, there are 36 councils responsible for organizing local activities. Each is governed by a board that can vary in size from 18 to 26 persons. The councils receive funds and provide city services at the discretion of the City Board. Organizing youth programs is an important function for the councils. They generally lack the necessary organization, staff and facilities to implement projects.

- **Street Associations and Local Development Action Committees**

Street associations and local development action committees can be formed around specific improvement initiatives of residents, such as improving infrastructure services or community facilities. The associations request the city's participation in the joint funding of infrastructure improvements and operate under the authority of the Local Initiatives Acts passed by the City Council in 1996.



• **Program for Small Improvements and "Our Home" Program**

These programs were initiated to support the renovation strategy for the city center and mobilize individual tenants to carry out improvement initiatives. The programs provides city financial assistance for the renovation of common building systems such as roofs, facades, chimneys, common areas and the upgrading of utilities in individual apartments. The program will cover between 25% and 75% of the cost depending on type of improvement. Buildings must have five or more units and owners of apartments who have a legal obligation to participate in the renovation of a building but lack the financial resources.

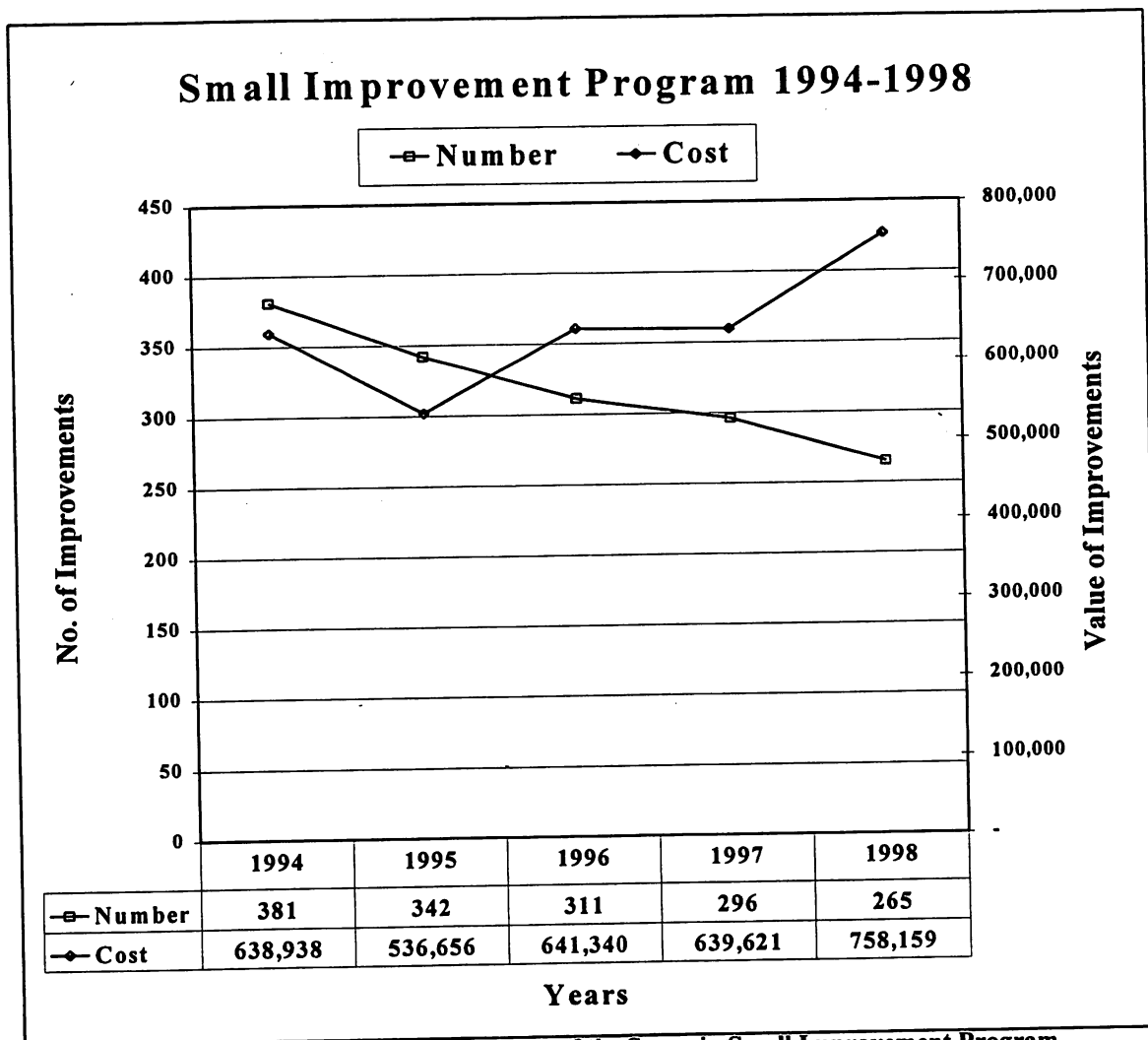


Figure 2. Change in Number and Costs of the Szczecin Small Improvement Program

The program, in existence since 1994, has steadily increased in its funding commitments while the actual number of projects has declined. This is most likely due to a shift from improvements for units in many different buildings to the targeting of the program for units in specific buildings to support the renovation strategy and "Our Home Program". Since 1996, the average cost of the improvements per project has increased from Plz. 2,062 in 1996 to Plz. 2,861 in 1998 (see Figure 2).

- **The Local Initiatives Program**

This cost sharing program for physical improvements has been in operation since 1996. Cost sharing match among the non-municipal partners varies among different sectors and specific projects but is generally in the range of 35 % for city programs in public works, housing, culture, social care and housing as shown in Figure 3. In 1998, for improvements of Plz 1.53 million the city spent .97 million and the city leveraged .56 million from its partners who included housing condominiums, street associations, educational groups and cultural associations. Annex F contains a more detailed analysis of the 1998 program including health care and educational facilities where the city's partners invested considerably more, upwards to 83% of the costs.

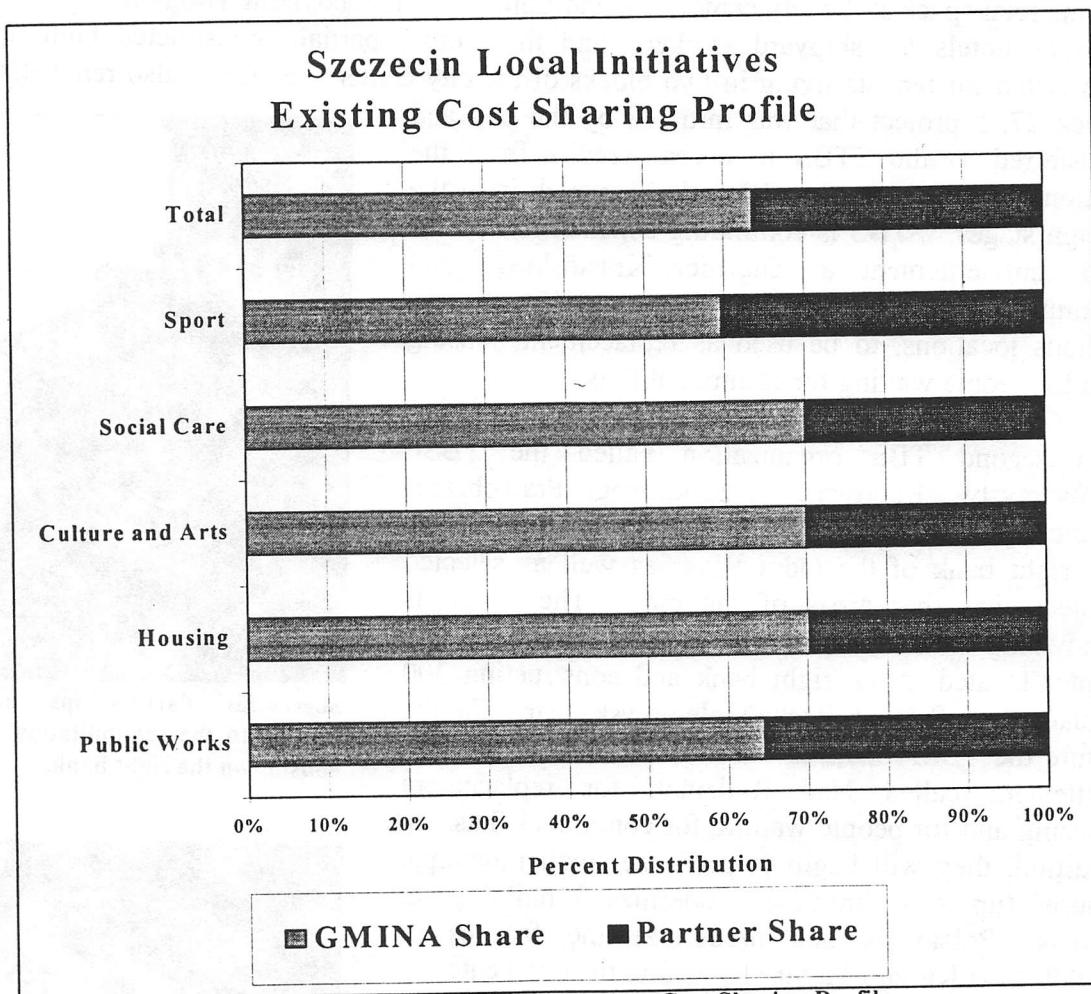


Figure 3. Szczecin Local Initiatives Cost Sharing Profile

Housing Policy

In December 1996, the Szczecin City Council adopted the Housing Policy of the City of Szczecin. The primary objective was to reorient the housing delivery process to include the broader range of groups engaged in providing housing in a market economy and ensure that lower-income families were protected as the municipality began to privatize communally owned units and increase rents on communally managed units to cover operating expenses.

• TBS Organizations

In December 1996, the Szczecin City Council approved the legal act leading to the creation of two TBS organizations to meet the policy objectives of the Housing Policy of the City of Szczecin. The two organizations manage portions of the existing communal housing in areas designated for rehabilitation such as the City Center and are also constructing new replacement housing, modernizing existing housing stock. They are also responsible for the planning and feasibility studies required to access credit at preferential rates from the National Housing Fund.

The first organization, STBS (Szczecińskie Towarzystwo Budownictwa Spoecznego) was initiated in December 1996 and currently manages 15 blocks of housing and commercial space at the city center. In addition, STBS is renovating two buildings to be used as hotels for shipyard workers, and three other partially-constructed buildings designated for tenants living in two blocks of the city center. STBS is also renovating Block 27, a project that was initiated by the city and transferred to the STBS to access credits from the National Housing Fund and Block 33, which is in the design stages. STBS is continuing construction on the 300 unit-settlement at Łucznicza/Krasińskiego and planning to start construction of around 600 flats in various locations, to be used as replacement housing and for people waiting for communal flats.

The second TBS organization called the TBSP (Towarzystwo Budownictwa Spoecznego Prawobrzeze) was created in March 1998 to initiate new projects on the right bank of the Odra River as well as selected projects in other areas of the city. The TBSP is renovating the area of Stare Dbie which is the old city center located at the right bank and constructing 300 replacement flats at Pucka/Goleniowska Str. In the future the TBSP plans to build 1,200 units at the new settlement called Nad Rudziank for replacement housing and for people waiting for communal flats. In addition, they will begin to privatize small municipal houses (up to 4 families), modernize 3 buildings at Wojska Polskiego, and modernize the facades of buildings at Kaszubska Str. located in the city center.

• **Private Development** Housing developers in Szczecin negotiate with the city over land and infrastructure investments for new developments. The amount of new developer built housing is visibly noticeable in the rapidly expanding suburbs to the northwest of the city.



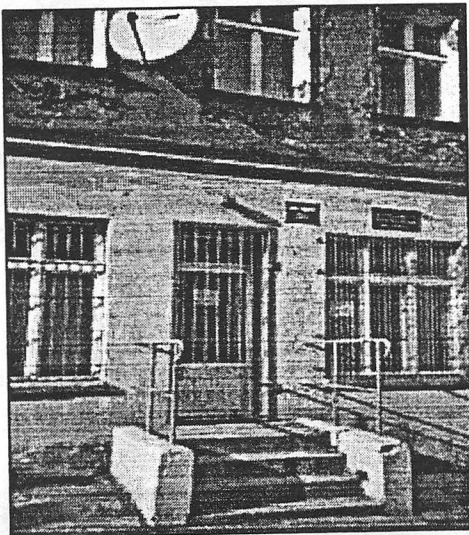
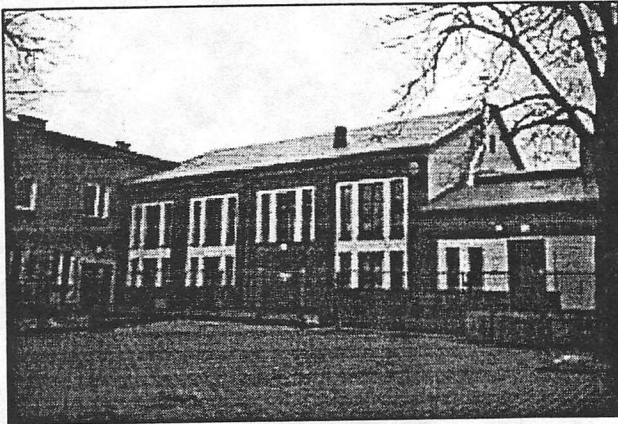
Successful Partnerships are leading to the rehabilitation of housing on the right bank.



Expanding suburbs to the west of the city are a clear indicator of increased private residential development.

• Cooperatives

Once the predominant form of housing construction and management, cooperatives are now focused on managing their existing assets, producing smaller infill projects, or extending existing cooperative housing developments. With the sharp drop in central subsidies, new cooperative housing units are primarily affordable to middle- and upper-income households.



Existing Programs in Szczecin

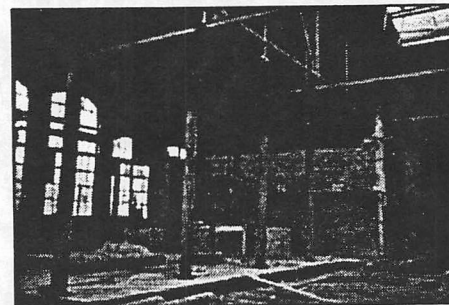
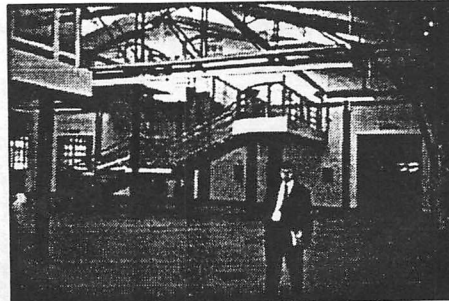
- Local Initiative Programs
- Our Home
- TBS Housing Programs
- Small Improvement Programs
- Co-Financing for New Housing
- Local Services
- Safe City
- Social Programs
- Employment Programs
- Agora
- NGO Small Donation Programs

There are 36 Rada Osiedlowa (Ward Councils) that have the potential to become partners in an expanded Local Initiative Program. Active councils are involved in recreational activities and providing facilities for youth. The elected councils have neighborhood offices in community centers and communal buildings.

Economic Development

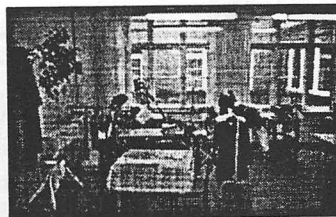
• **Szczecin Entrepreneurial Center**

The Szczecin Center of Economic Initiatives develops and manages business incubators and helps start-up companies establish and grow their businesses by providing training and consulting services to small and medium-sized private businesses and incubator tenants. The center assists start-up companies with office and retail space at below-market rents and helps tenants lower their fixed costs by providing common support facilities. The tenants come from a variety of businesses: pasta production, dressmaking, forwarding services, repair of medical equipment, ship repairs, computers, architectural, publishing, and advertising. They are all start-ups (less than 1 year old) and are striving to become dynamic companies. The center has prepared more than 100 start-up companies to face full-fledged market competition.



In partnership with and with support from the City, the Center has converted 5 historic buildings into business space with more than 10,000 m² of high standard office, retail, and small-scale production space for over 100 start-up businesses. The SCE managed the entire development process on behalf of the city council.

"I have been following development of the Business Incubator that is operated by the SCE. The achievements thus far have assured me that the decision to create this institution was the right one."
Bartłomiej Sochanski -- Mayor, City of Szczecin



The center also offers real estate services such as project and property management, and advisory services to real estate investors, property owners, and companies that want to build or renovate space. The center recently completed the development of a 3,000 m² Technology Center in Szczecin adjacent to one of its business incubators. The Technology Center provides low rent office space to start-up companies conducting new

technology research or bringing new technology products and services to the market. Tenants may include the local R&D department of a multinational firm, start-up companies established as a result of research at local universities, and the most technology-driven business incubator tenants. A large exhibition hall allows tenants to exhibit products to domestic and foreign visitors, and through contracts with Szczecin universities, the center will provide access to research laboratories.

In addition, the SCP and West Pomeranian economic Development Association, along with 30 other similar training and consulting organizations throughout Poland, has been selected to participate in a project called "FIRMA 2000." This project, funded by USAID, pairs up the center consultants to with U.S. consultants to provide clients with highly technical assistance.

Social Services

- **MOSP (social help centers)**

These centers coordinate social assistance at the neighborhood level. They are typically involved in needs assessment, establishing eligibility for participation in assistance programs, and coordinating social assistance for neighborhoods. As a result of the reorganization of social services as part of the administrative restructuring, new operating strategies are being developed for working with communities and utilizing intermediaries in the provision of services. Social workers are an important link into neighborhoods and have keen sense of the issues residents face.

- **Civic, Culture, Health, and Youth Services.**

In 1998, Szczecin allocated funds to NGOs through six city departments. The total amount of funds available for NGO distribution was PLZ 1,378,795 (\$391,843). Together, the various departments allocated funds to a total of 191 organizations. Between 1997 and 1999 there was a tremendous increase in the number of NGOs in Szczecin, from 300 to 1,000.

**Table 1.0 1998 Distribution of Grant Funds to 6 Departments
Compared to Percentage of NGOs in Each Department**

Department	Allocated Funds (PLZ)	% of total	# of NGOs which receive funds	% of total
Unit for Cooperation with NGO	50,500	4%	19	12%
Unit for Business Activity	9,500	1%	3	2%
Unit for Tourism, Sport and Education	380,865	28%	68	42%
Unit for City Culture	165,300	12%	27	17%
Unit for Nature and Ecology	258,900	19%	7	4%
Unit for Health care and Social Services	513,694	37%	37	23%
Total	1,378,759	100%	191	100%

The reorganization of social services has also shifted more of the responsibility for NGO coordination to the municipal level, and there is new legislation being drafted that will

affect how NGOs and government agencies work together and how these agencies can be contracted. In parallel with the development of the new legislation, the Szczecin City Board, through the Office of NGO Coordination, is in the process of drafting new operating procedures for funding NGO activities. They include:

1. Small Donation Program ranging from 2,500 to 10,000 PLZ (\$600 to \$2,500)
2. Grant Funding ranging from 50,000 to 100,000 PLZ (\$12,700 to \$25,500)
3. Contracts with NGOs for two or more years.

These funding instruments will allow the city to continue to fund smaller NGOs and contract with others in the areas of social services, youth programs and neighborhood services.

The Green Federation-- How Szczecin Works with NGOs

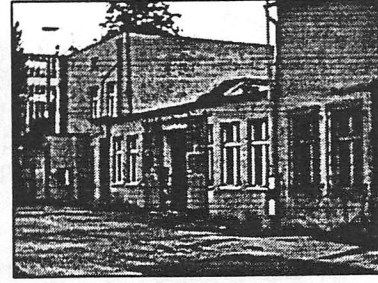
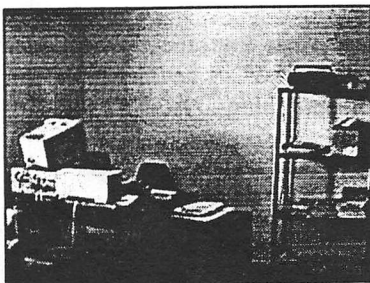
The Green Federation is an active environmental organization working in Szczecin. There are about 53 volunteers and five part-time paid members who are the organizers and directors of the ongoing projects and about 53 volunteers. The organization considers itself a youth organization; the average age of the volunteers is 18 years old.

In March 1998, the Green Federation along with other NGO groups approached the city to rent an older building in dire need of renovation on Firlika Street. The organizations share the space with the Green Federation. Each one is responsible for the upgrading of its own part of the building. These groups include the *Center of Independent Culture* (recently created by joining seven associations), two theater groups, the local ornithological society, Lambda Awareness Association, and the Local Youth Activity Group. By bringing together a variety of social groups at one location, operational costs are lowered and there is increased cooperation among the groups. About 245 people will benefit from the use of the Center's facilities.

City Hall Support

Building support. The building has a floor space of 195 square meters with a negotiated rent of \$474 a month. Initially, there was no electricity, telephone, heat, or water. An agreement has been reached whereby the organizations will undertake improvements in return for the city's waiving the monthly rent for a year and a half, with renewable periods based on city inspections of the renovation activities. The NGO groups will benefit immensely from the access to space and the city will leverage resources of the groups through the renovation of a building that would otherwise most likely have remained abandoned.

Program Support. For the past two years, the Health Department of the City Hall has been sponsoring *Teraz Zielonych!*, or 'Green Now!', a series of five youth gatherings throughout the year with speakers from around Poland invited to discuss various topics such as health and the environment. Regional bands are brought in for the accompanying dance with the entrance fee in the form of a collection of recyclable goods such as 5kg. of white paper or six aluminum cans. The Health Department gives \$1200 each year for these concerts to pay for the speakers, bands, and collecting recyclables. Posters and educational materials with the City Hall logo are passed out during the gathering. Many of the local youth have a difficult time relating to the local government because of a lack of understanding or past historical problems. *Teraz Zielonych* allows the City Hall to connect with the youth by offering activities that are lacking under the current system.



6.0 PROPOSED LOCAL INITIATIVE PROGRAM

6.1 Objectives of the Program

In Szczecin, the objective of the Local Initiative Program is to structure the institutional support and financial packages that will encourage city and community organizations to improve environmental and social conditions and maximize the leveraging potential of public and private inputs (figure 4). The partnership structure can be particularly effective at the neighborhood level where the agreement can address immediate needs and resident concerns. The partnership structure can also build on district level initiatives such as those under discussion for the Northern Zone. A summary of the Angora project in the Northern Zone of the City, which will draw upon outside resources such as the EU for the funding of social and job-training programs, is provided in annex A

The Szczecin Local Initiative Program can become a component of a citywide strategy aimed at addressing the social and economic problems of households and businesses located in marginalized neighborhoods. The proposed program would:

1. Institutionalize a legal and administrative framework to implement participatory approaches to the revitalization of neighborhoods such as the Northern District.
2. Build the capacity of local officials, community leaders, property owners, and residents to engage productively in collaborative actions that will revitalize neighborhoods.
3. Develop operational revitalization strategies and programs that are affordable to the city and the residents and carry a tolerable level of shared risk to achieve the desired revitalization objectives.
4. Explore alternative financing options including incentive-based programs to improve infrastructure services, housing and open spaces.
5. Field-test selected options to assess their effectiveness and evaluate the performance of various partnership and risk-sharing agreements under different neighborhood conditions.

"Before you had to go from one institution to the next with no response from the officials. Thanks to the new program (for Social Services) being implemented by the City and Szczecin University, things should change." People are starting to change some things. A choir was organized in school, since last summer there is a club for the elderly in cooperation with an association for diabetics. The Skolwin Friends Association was formed and there is also a Family Counseling Center.

Excerpt from Szczecin Newspaper, March 1999

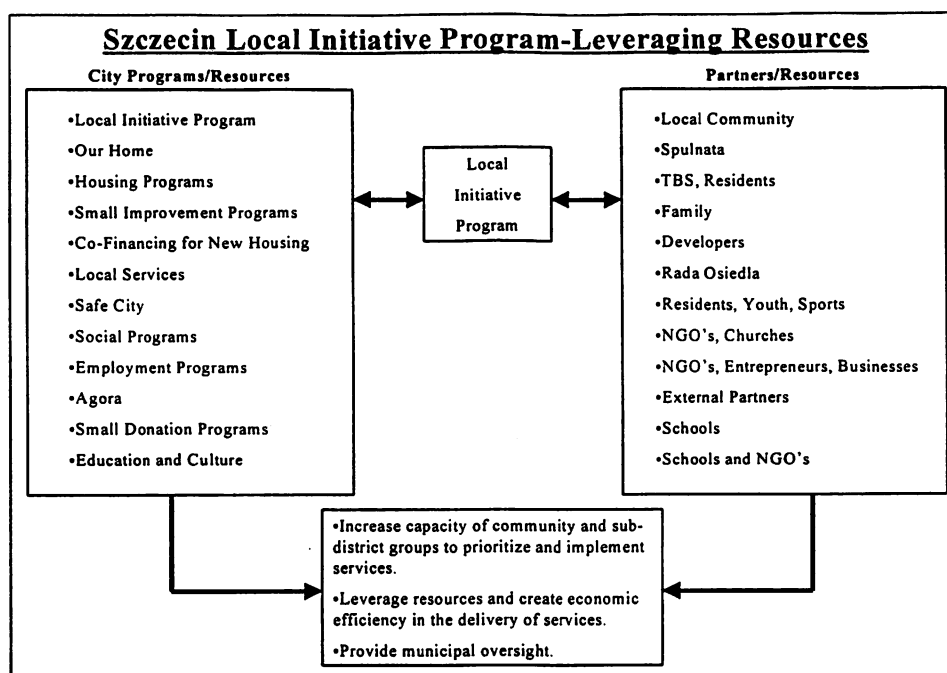


Figure 4. Szczecin Local Initiative Program-Leveraging Resources

6.2 Advantages of the Partnership Structure for Local Initiatives in Szczecin

The Directors of various City Departments involved in providing neighborhood services, have indicated an interest in developing an institutional structure that will improve the effectiveness of the services they are providing. Currently, with many different programs working within a neighborhood it is difficult to coordinate and there is considerable overlap in function and the delivery of services (Figure 5).

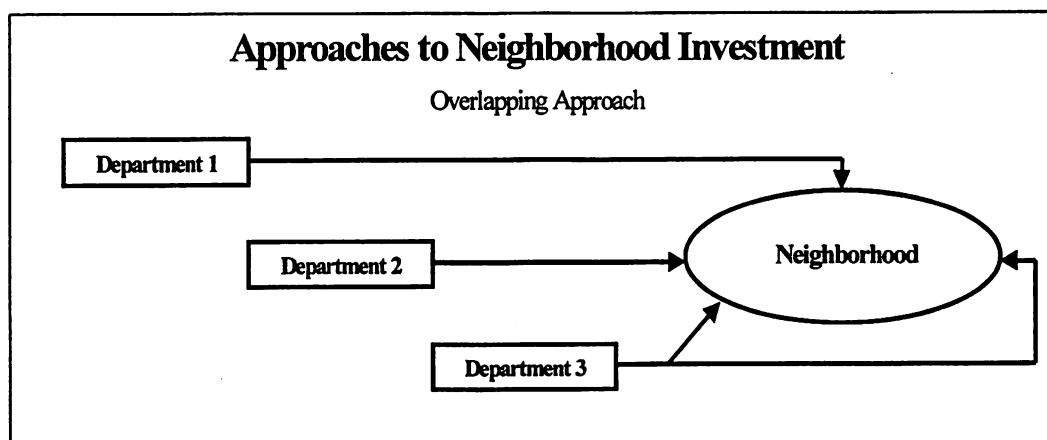


Figure 5. Overlapping Approach to Neighborhood Investment

The partnership structure at the neighborhood level helps to define services with the highest priority where coordination will leverage private initiatives and the impact of municipal assistance (Figure 6). The development of a partnership program for a specific neighborhood allows municipal programs to complement each other and encourages city resources and programs to build upon each other in a spatially focused manner.

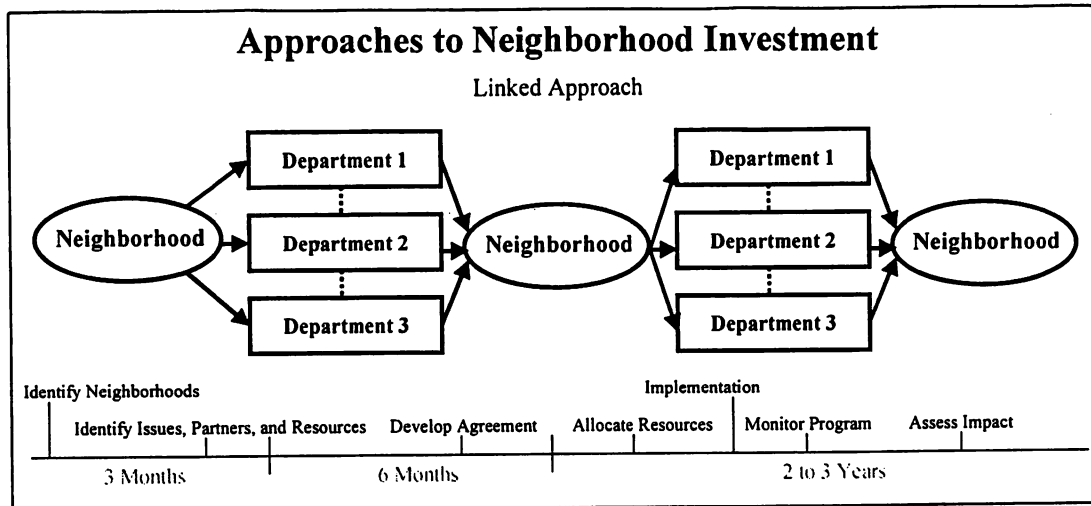


Figure 6. Linked Approach to Neighborhood Development

A linked approach identifies the critical areas in which different City departments need to work with each other and avoids the need for excessive coordination, which tends to over emphasize "process" at the cost of producing actual results. Within a partnership structure, city departments and other partners can define their roles and responsibilities, work together as necessary when implementing projects and use monitoring and project assessment tools to measure their impact and contribution to meeting the major objectives of the partnership program. Distinct advantages of partnership approaches include:

Partnership programs increase the capacity of community and sub-district groups to prioritize and implement service.

- Help to organize and mobilize community initiatives and leadership in disadvantaged neighborhoods, and develop avenues and a capacity for self-initiative;
- Identify priorities and assign responsibility for implementation among different city departments, resident groups, and NGOs; and
- Provide long-term support for NGOs to become effective implementers of programs.

Partnership programs create economic efficiency in the delivery of services.

- The development of a partnership program for a specific neighborhood allows municipal programs to complement each other;
- Direct city resources and programs in a spatially focused manner; and
- Leverage private resources among residents and matching resources from other programs.

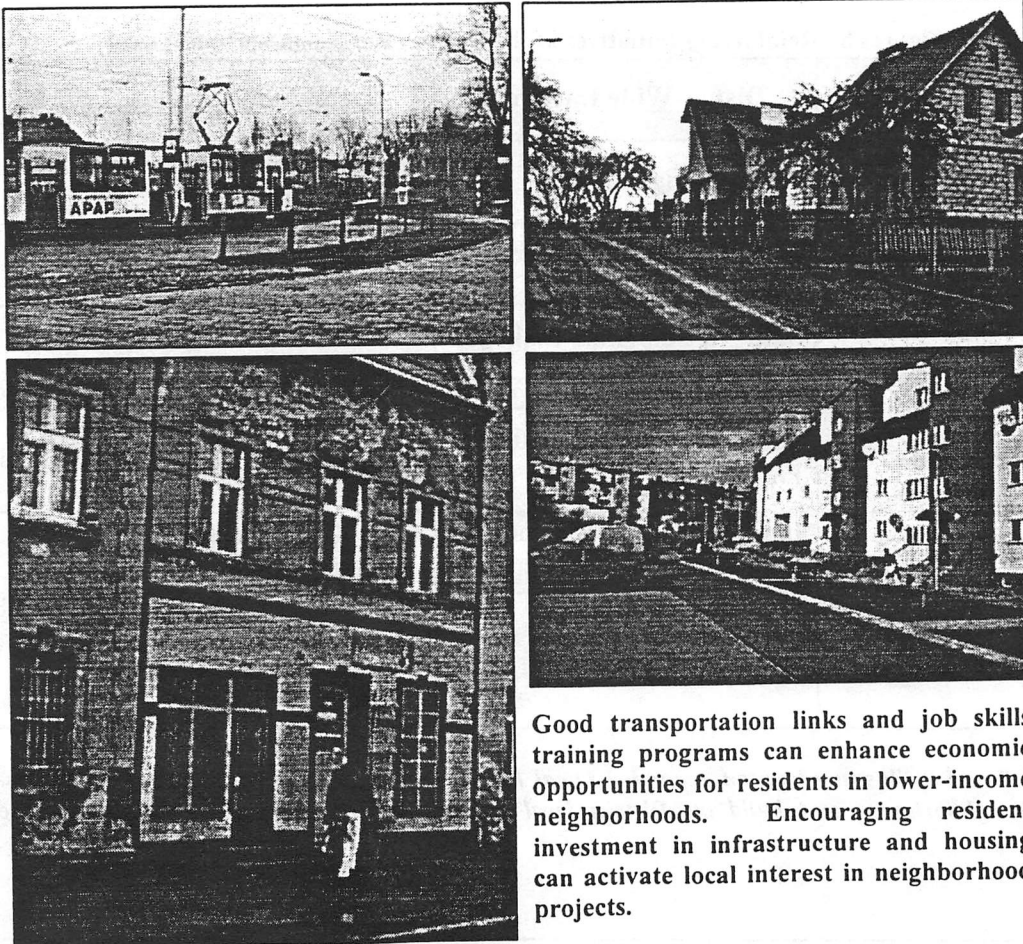
Partnership programs provide for an appropriate level of municipal oversight.

- The city can direct resources to priority programs that support citywide strategies (for example, housing strategy, safe city, or youth programs); and
- Monitor program for impact and provide financial oversight.

6.3 Strategic Planning and Local Development

Strategic planning at the District Level can provide a framework for decision making and resource allocation to address the challenges of neighborhood development. Linking opportunity driven approaches within a context of broader economic, social and environmental objectives can significantly enhance the impact of a local initiative program (see Figure 7 and Figure 8).

Public, NGO and private funding will often differentiate their planning, financing and managing of development activities at the regional, city-wide and neighborhood levels. District-wide initiatives such as the upgrading of trunk infrastructure can encourage resident investment in infrastructure and housing at the neighborhood level. Stemming vandalism by youth of the regional bus system and creating alternative recreation programs is linked to increasing the transportation options for local residents to access jobs. Regional job training programs developed with employers can be linked to increasing economic opportunities for residents in lower-income neighborhoods.



Good transportation links and job skills training programs can enhance economic opportunities for residents in lower-income neighborhoods. Encouraging resident investment in infrastructure and housing can activate local interest in neighborhood projects.

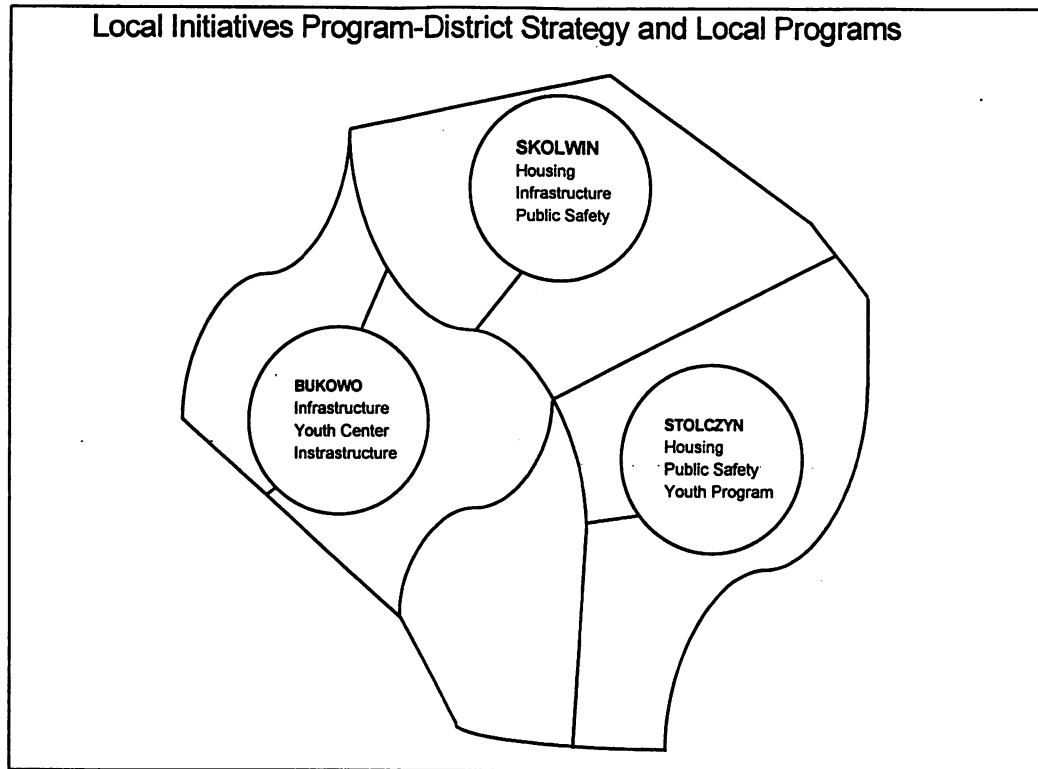


Figure 7. District Development Strategy and Local Programs

Figures 8. Reinforcing Initiatives at the District and Neighborhood Level

Strategic Objective	District-Wide Initiative	Local Neighborhood Initiative
Increase Economic Opportunities	Job-Training Program	Maintenance contracts for public areas with local residents
	Regional Training Center and Incubator	Local outreach with Rada Osiedlowa
	Safe Transportation Linkages to local of Jobs	Bus-Stops located in safe areas with lighting. Work with police and social workers on youth vandalism of buses
Youth Programs	Safe City, Youth and Culture Programs	Play grounds, sports facilities and programs with Rada Osiedlowa and NGOs
Infrastructure	Improvements to Bulk and Connecting Infrastructure	Small Improvement Program for street and building systems
Housing	Housing Strategy for Northern Zone	Renovation, land purchase, affordable housing for lower-income families and housing opportunities for middle income families

Figures 7 and 8 illustrate how an expanded Local Initiative Program can leverage resident initiatives within neighborhoods and build on District level investments including infrastructure and social programs.

6.4 Organizational Structure

A common feature to the successful programs outlined earlier is a commitment on the part of the municipality of staff and resources to initiate and organize local activities in neighborhoods where community-leaders have not yet emerged and to assist those community leaders who have taken initiatives.

Another common feature is the use of partnership committees that create the opportunity for a broad set of groups to work together with the city acting in the role of facilitator and convener of the partnership process. Partners in Szczecin could include commercial enterprises, municipal departments and affiliated organizations such as the Rada Osiedlowa, community-based organizations such as street and neighborhood associations or a neighborhood church, NGOs such as the Szczecin Enterprise Center and educational institutions such as Szczecin University which is currently working with the city to assess social services. Basic groups within a partnership structure and outlined in Figure 9 include:

- **Local Initiatives Team**

To support the program, it is recommended that the Szczecin appoint an inter-departmental team to work with local residents, associations, NGOs and other city departments. The composition of a core team should include representatives of key city agencies that would be involved in the program. Members should maintain their positions in their respective departments and continue to report to their department heads. The core team would help define the program, liaison with senior city officials and develop the operational procedures including outreach, implementation, monitoring and follow-up.

An expanded team could be developed for a particular neighborhood to include city departments involved in the neighborhood and also include the Chairperson of the Rada Osiedli for the particular neighborhood. The expanded Team would assist the partnership committee to define the program for their particular neighborhoods and help to undertake the necessary research of existing programs and priorities through meetings within the community and surveys when appropriate. Team members working closely with the neighborhood should have good community outreach skills.

- **Standing Committee for City Development**

The Standing Committee should consist of directors of key departments that would work with the Local Initiatives Team to ensure coordination among city strategies, funding and implementation programs. This will help to integrate the inputs from different departments into projects being developed for the various neighborhoods, link to city funding cycles and help to resolve implementation and monitoring issues which arise when different groups are working together.

- **Partnership Committee**

A partnership committee would be developed for each designated area involved in the local initiative program. Persons serving on the committee could include representatives of key agencies working in the area, private businesses, civic

leadership, churches, NGOs and residents. The partnership committee would work with the city to define the priority issues within the neighborhood, such as social, youth, and sports programs, economic development and job training, operation and maintenance of neighborhood open space and social facilities, or housing revitalization. The partnership committee would work out a plan with the Local Initiatives Team to write the agreement and undertake their respective areas of action.

- **City Board and City Council**

The City Board is responsible for appointing a working group of representatives from city departments and other organizations, proposing the program, appointing a core local initiatives team and seeking the approval of City Council for the expanded Local Initiative Program.

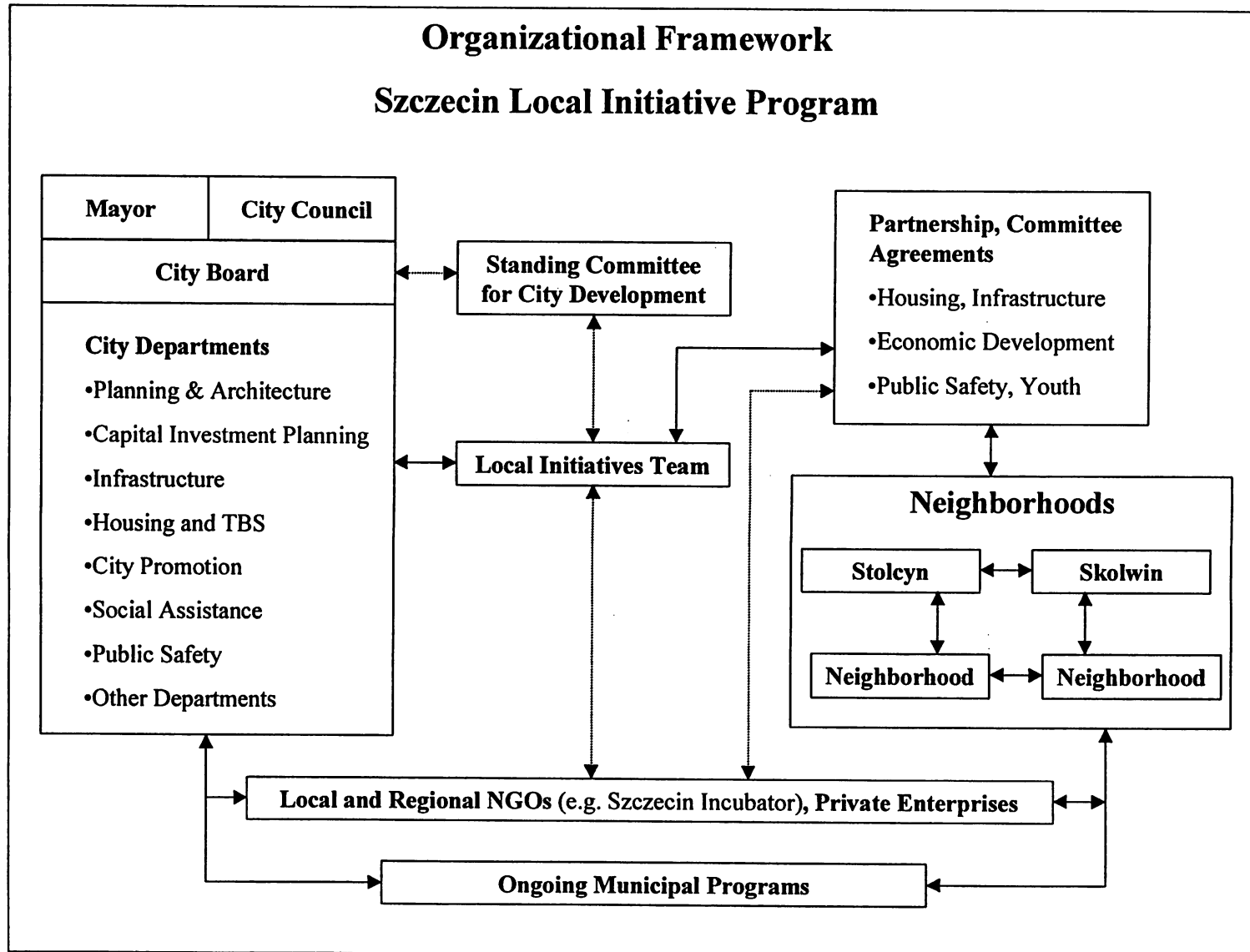
- **City Departments**

An expanded Local Initiative Program working through partnership instruments can promote better collaboration among city departments in delivering services to marginalized neighborhoods. The Local Initiatives team would work with City departments to secure commitments for their respective work within a partnership agreement and assist them in structuring sub-agreements with residents and NGOs.

- **Local and Regional NGOs**

With the tremendous growth in the number of NGOs in Szczecin, there is an opportunity to leverage the human and financial resources of groups working within neighborhoods. The two cases highlighted in this report illustrate how the city can partner with NGOs and how in certain cases, these NGOs can leverage funds from outside the greater Szczecin community including private sector funding and regional and national funds.

In developing an expanded Neighborhood Initiative Program, the city can begin to distinguish among community-based organizations that have the capacity or the potential capacity to deliver services that meet the objectives of a partnership agreement and build the capacity of local groups to provide these services by providing longer-term contracts.



6.5 The Enabling Environment

In Szczecin, the city could initiate a local initiatives program within its current legal, financial, regulatory structure. The current instruments available include:

- **Local Community Initiatives Act**

Act No. XXII/267/96 of the City Council--Organizing and Refinancing Local Community Initiatives

- **Financing of Technical Infrastructure**

Act No XXI/286/96 of the City Council --Planning, Financing and Realization of Technical Infrastructure in the Building areas in the Szczecin Commune.

- **Program for Small Improvements and Our House Project**

The program provides financing of renovations of common building elements such as stairs, roofs etc. Participants include the residents of the buildings.

- **NGO Support Grants**

The City is redesigning its support to NGOs to incorporate three levels of grants, ranging from operating support funding for NGOs to longer contracts for services.

Discussions with city officials highlighted how these programs can be drawn upon to develop a neighborhood initiative program that has a spatial focus and creates an impact that leverages additional resources. Partner organizations and commercial firms can also provide funding and inkind contributions. Examples include the Szczecin Enterprise Center and the Green Foundation's reuse of old buildings and their ability to raise inkind funds.

- **Other Funds**

The advantage of the neighborhood initiative program is the ability to leverage funds from sources outside including national funds for housing; regional EU funds for social and environmental projects and specialized funds that are often made available to initiatives undertaken by NGOs in association with bilateral founders such as USAID or foundations such as the Ford Foundation.

The city can develop agreements to work with potential partners at different levels and within different time periods. For example:

1. A partnership agreement can be developed at the neighborhood level among key partners over a longer time period, for example three years during which they would enter into a separate agreements, for example a street association, that wants to upgrade its street.
2. A district-wide activity such as training would involve NGOs, city agencies, and neighborhood outreach.

7.0 DRAFT WORK PLAN FOR SZCZECIN LOCAL INITIATIVE PROGRAM

Activities	Outputs	Dates
1. Appoint Working Group of city representatives and NGOs in sectors of relevance to the potential pilot areas 1.1. Negotiate broad principles of project 1.2. Identify potential modalities of collaboration among sectors (e.g. social, economic, housing, infrastructure programs) 1.3. Conduct site visits to potential pilot areas and identify local improvement groups	1. Workplan for the first six months,. 1.1. Identify jurisdiction and competencies of neighborhood groups, including dynamic initiatives and activities and where there are key gaps. 1.2. Organizational and Financial Structure for working with residents and resident organizations 1.3. Structure of relationship with appropriate authorities 1.4. Identify key issues in potential neighborhoods and sub-areas and develop description of physical, social and economic conditions	
2. Agreement with City Board and City Council of project basis including appointment of core local initiatives team	2. Approval from City Board and City Council 2.1. Brochure describing program	
3. Identify Neighborhood (s) for pilot 3.1. Start dialogue with residents and neighborhood representatives, e.g., rada oshedia and neighborhood-based city representatives and other groups including NGOs 3.2. Identify specific city and other programs to support initiatives 3.3. Determine boundaries for local initiative 3.4. Test structure for the pilot at neighborhood and local government levels	3. Methods/Tools 3.1. Community meetings, surveys, household visits if appropriate 3.2. List of Programs 3.3. Map 3.4. Organizational Structure in Place, Draft Agreement (s)	
4. Financial Analysis 4.1. Identify key financial issues: 4.1.1. Affordability, resident potential to participate in cost sharing and self-financed improvements 4.1.2. City potential to participate in programs 4.1.3. Private and NGO Sources	4. Financial Analysis 4.1. Potential Municipal Funding 4.2. Potential Resident Funding 4.3. Other Funding Sources	

Activities	Outputs	Dates
5. Develop Preliminary Proposals for Pilot Site (s) 5.1. Identify short-term and long-term improvement programs at the district and neighborhood levels 5.2. Assess affordability 5.3. Assess neighborhood initiatives already undertaken 5.4. Dialogue with neighborhood residents on specific projects and programs 5.5. Assess willingness of residents to invest in improvements 5.6. Assess potential for income-generating activities 5.7. Conduct inter-departmental meetings to identify existing and planned programs and city redevelopment strategies 5.8. Assess appropriate basis for neighborhood improvement projects.	5. Proposed Initiative Program 5.1. Technical Proposal for Improvements 5.2. Proposal for Social and Economic Programs 5.3. Proposal for Participation with residents and other partners Proposals for: (1) district-level programs or citywide initiatives implemented by public or NGOs; and (2) neighborhood level programs that can be implemented by community members, partners, and city agencies.	
6. Finalize Agreement 6.1. Prioritize Projects and different levels, 6.2. Identify responsibilities and commitments of all parties 6.3. Agree on time line (s) 6.4. Develop monitoring and impact evaluation criteria and procedures.	6. Finalize Agreement 6.1. Signed Agreement, 6.2. Secured Financial Commitments and Personnel 6.3. Implementation Schedules 6.4. Monitoring Program to measure Impact and Leveraging Factors.	
7. Sign Agreement	7. Public Event	
8. Implement 8.1. Secure commitments for projects and programs including city-wide initiatives, NGO initiatives, and others (e.g., Agora)	8. Completed Projects	

**Urban Land Management Project
Program Summary and
Socio-Economic Report**

**Volume 1
Program Summary**

February 1998

Ministry of Public Works and Transport
Municipality of Tirana
District of Tirana

Unit for Housing and Urbanization
Harvard University Graduate School of Design

Urban Land Management Project Program Summary Socio-Economic Report

Introduction

Since 1995, the Tirana Land Management Task Force has been developing new urban initiatives to respond to the rapid urban growth in Tirana. The Task Force, with support from local and international consultants, is in the final stages of preparing the Urban Land Management Project (ULMP) that will be funded by the Albanian Government and the World Bank.

The primary objectives of the project are to provide essential urban infrastructure to under-serviced or neglected areas in Greater Tirana and to strengthen the institutions responsible for the delivery of urban services at the national and local levels.

Investment in roads, water supply, drainage, sewerage, electricity, street lighting, and waste collection as well as technical assistance to local authorities and participating communities are expected to:

- Enhance productivity in Greater Tirana, the country's economic growth center and most rapidly growing urban area.
- Improve environmental living conditions, leading to improved health, especially for children.
- Rationalize use of scarce urban land through the development of active land markets, densification, and control of urban sprawl.
- Improve cost recovery of urban services, through resident participation in decision-making and project financing.

The Project will initially focus on two under-serviced areas to test and evaluate innovative ideas and evolving strategies. These sites include Lapraka in Tirana Municipality and Bathore in the District of Tirana. Other sites have been identified as possible project areas (Mihal Grameno, Old Selita, and the Kombinate area along Durres Road) and new sites are expected to be identified during the project implementation.

To assist in project preparation this *Program Summary and Socio-Economic Report* reviews existing information compiled from reports produced under the Tirana Land Management Project and other related Programs.¹

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- *Preliminary Structure Plan for Greater Tirana; Infrastructure Needs Assessment for Tirana; and Legal, Institutional and Financial Issues*; Tirana Land Management Task Force under the Ministry of Construction and Tourism. May, 1995.
 - *Tirana Neighborhood Improvement and Infrastructure Upgrading Program*, Tirana Land Management Task Force, Ministry of Construction and Tourism Municipality

Urbanization in Greater Tirana

The population of Greater Tirana at the end of year 1997 is approaching approximately 575,000, increasing at a rate of about 30,000 annually, or 6,500 families. A complete range of urban services is available only in the old city, developed before 1990 and housing about 300,000 residents. The majority of these services are unreliable and poorly maintained. Investments in new and rehabilitated primary infrastructure lines, temporarily suspended during the fiscal and political crisis in 1997, are expected eventually to result in upgraded services in the old city. However, the newer zones, both formal and informal, lie outside these planned improvements.

The population is likely to reach one million by 2012 and unless there are radical policy changes the number of people living in under-serviced neighborhoods, mainly low- and middle-income families, will be on the order of 600,000.

Recent efforts on the part of the public sector to provide low-cost housing have failed. Costs have not been recovered and the monitoring reports suggest that traditional public housing programs are not fiscally sustainable and cannot even begin to meet the scale of the demand for new housing. The Government of Albania is in the process of developing a new housing strategy and a supporting legal framework for financing, regulating, and enabling intermediaries to work in partnership with the central and local government to create a range housing options and delivery mechanisms for lower-income residents.

Surveys of recent urbanization throughout the country reveal that low-to-middle-income settlements, some of which may be informally developed, can be built to acceptable standards. Households are willing and able to

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- of Tirana District of Tirana, March 1996.
 - World Bank Mission Report, November 1996.
 - *Albania Social Assessment*, Urban Poverty, World Bank, May 1996.
 - Survey of Mihal Grameno by LMTF Team and Zone Specialists, January 1996.
 - Socio-Economic Survey of Lapraka, 1996, Cebemo
 - *Socio-Economic Updating for Bathore Pilot Site*, Co-Plan Center for Habitat Development, October, 1997;
 - *Socio-Economic Updating for Lapraka Pilot Site*, Co-Plan Center for Habitat Development, November, 1997;
 - *Report on the Breglumasi Program 1995-1996*, Annual Report for Cebemo/Netherlands.
 - *The Breglumasi Program, Lapraka-Tirana, Albania, 1995-1997, Bilance/Mesen.*

invest in housing construction in spite of the uncertainties caused by the informality of subdivision, permitting, land tenure, and lack of infrastructure. Investments in housing structure typically range from US\$ 5,000 to 10,000 per family for low-to-middle-income units. Furthermore, in recent years, as restitution issues are slowly resolved, formal development of medium-to-higher-income housing is occurring through the construction of apartment blocks and higher-income subdivisions, while existing buildings are being renovated and extended at an accelerated pace. Within the Tirana municipality, approximately 750 requests for building permits, ranging from single-family to multi-unit buildings and commercial developments, were submitted to the Urban Planning Office in 1997.

Profile of Urban Residents

Context of Urban Poverty. The World Bank's poverty assessment published in 1996 defines the thresholds of annual income for relative poverty and absolute poverty as US\$ 1,750 and \$1,160, respectively. Household income and expenditure surveys in the initial project sites were carried out during the ULMP project preparation. It was found that reported incomes are generally understated and need upward adjustment by a factor of two to three, as families often either have temporary jobs (usually in the informal economy) or receive assistance from family members working abroad. Tables 1.1 and 1.2 show the distribution of adjusted household incomes of residents and household expenditure patterns for families, for two of the project sites. Even using adjusted household income, absolute and relative poverty are estimated to occur at the 25th and 35th percentiles, respectively, within the project areas.

Employment and Incomes. There are serious issues of unemployment and underemployment in Tirana and the creation of employment opportunities is a stated goal of the government of Albania. Table 1.3 shows employment data for persons legally eligible to work, for Lapraka and Bathore.

In general, the residents in the initial project sites, newly settled and living in under-serviced areas, are engaged in either the informal or marginal sectors of the economy. The social assessment revealed that about one-fourth of the adult project beneficiaries are unemployed, and that 60 percent of them are underemployed. A substantial percentage of project beneficiaries are estimated to have supplemental income or combine family incomes within households to meet household expenditures. Direct interviews with about 90 beneficiaries in 50 households in Lapraka revealed that approximately 1.8 persons per household had sources of income. About 30 percent of the beneficiaries are supported by pensions and 20 percent by remittances.

As the area densifies, there is increasing evidence of business activities within the project area, particularly in Lapraka. Since 1995, despite the civil turmoil in 1997, about 30 small-scale enterprises such as construction materials and fabrication, retail, and repair shops have opened up. This trend is expected to accelerate if secure infrastructure services are provided. The government's goal of creating new jobs can only be achieved if private-sector commercial activity is promoted and encouraged by the provision of efficient and reliable urban infrastructure and services.

Within the greater Tirana urban area, which is emerging as the major economic center, reliable infrastructure services that can leverage the economic and job creation potential of smaller and medium scale businesses are severely lacking. The Urban Land Management Project will begin the process of change by providing secondary and tertiary infrastructure in areas chosen for immediate action.

Table 1.1: Distribution of Adjusted Annual Household Income² in Initial Project Sites

	Lowest 25th percentile (adjustment factor 2) US\$	Median 50th percentile (adjustment factor 2.5) US\$	Highest 75th percentile (adjustment factor 3.0) US\$
Lapraka	1,160	2,610	6,360
Bathore	1,690	3,275	5,865
Mihal Grameno	1,990	3,475	5,610

² Adjusted household income was estimated by multiplying reported income by the adjustment factor, which was derived from an analysis of household expenditures against reported incomes within the three sites. In addition, the amount invested in housing over a four-year period was used as a proxy to measure the ability of households to generate funding.

Table 1.2: Expenditure Patterns of Low Income Families within Lapraka

Income Percentile Annual Income (US\$)	Allocation of Expenditures	Absolute Poverty Level 25th	Relative Poverty Level ³ 35th
Food	70%	825	1,225
Transportation and Misc.	15%	175	260
Extraordinary Expenditures	6%	70	105
Balance for housing	9%	90	160

Table 1.3: Distribution of Employment

Type of Employment	Percentages
Formal Employment	22%
Self-employment	17%
Pensions or State Assistance	29%
Informal or Temporary	20%
Other	12%

Source: *Social-Economic Updating for Lapraka Pilot Site*, Co-Plan Center for Habitat Development, November 1997

Profile of Urban Land and Housing Issues

Land Issues. Population migration and the resulting demand for housing have overwhelmed the regulatory system for processing planning and housing permits. Within the greater Tirana area, it is estimated that new residential growth is consuming between 150 and 200 hectares a year. The majority of this growth is occurring in an unplanned manner, with serious long-term environmental, social, and economic consequences.

Informal development is taking place on under-utilized, unprotected land regardless of ownership. During the transition period in the early 1990s, land near the urban centers, formally under State control, suddenly became available to speculators. Large parcels were "claimed" with or without payment and were subsequently subdivided. The process is continuing and has created a morass of complications, with restitution claims from former owners adding to the confusion. Similar issues have also faced the formal housing sector. As a result, disputes and ownership claims confound the land market (see Annex 7 for a map of urban land values).

Overall, four basic patterns of land tenure can be distinguished for sites on which houses have been built or are in the course of construction:

- Private land in clear ownership, on which houses have been built by or in agreement with the formal land owner (mostly in the city center and areas such as Selita).
- Former state land currently in private ownership (through restitution), on which informal housing has been constructed (examples exist in the outer edge of Mihal Grameno).
- State land held in temporary or permanent leasehold by occupants with household interests (usually agricultural), on which informal housing has been constructed. This land is by and large situated on the boundary of the municipality (Kombinate).
- Public land in state ownership, increasingly occupied by informal settlements (Bathore and Lapraka).

Given that land tenure patterns vary from site to site and restitution claims can still, in principle, be made, strategies for providing infrastructure and services

³ The 1998 poverty line (30th income percentile) used by the World Bank is equivalent to one dollar per day per capita per month. In Lapraka, for a typical family this would be \$1,870 per year.

should separate (a) the procedures for assessing and collecting infrastructure costs from (b) the final sale or transfer of land ownership. In view of the fact that substantial houses exist, the most critical aspect becomes the protection of public access, the provision of infrastructure and the collection of development fees for infrastructure. Mechanisms to settle the land disputes can be worked out over time.

Restitution. Conflicting laws and the lack of a deadline complicate the restitution process.⁴ While the ULMP cannot be expected to resolve national land issues, two key restitution issues exist that could disrupt project implementation and undermine the confidence of residents. They are:

- Resolution of outstanding restitution claims.
- Protection of ULMP parcel occupants against possible future restitution claims that occur in the process of legalizing informal settlements.

Restitution cases have recently been identified in both Lapraka and Bathore. In the case of Lapraka, the Restitution Commission has decided to offer monetary compensation and/or alternative land to a claimant who is claiming 18.5 hectares of a 33-hectare site. Under the current restitution law, until the claimant formally accepts this decision, the possibility remains that the claimant could still seek a court decision to reconstitute up to 1.0 hectare of original holdings. In Bathore, as the site is designated an urban zone, a legitimate and non-supported restitution claim will be filed. If open space can be preserved, there is enough land within the area to provide a claimant land of up to 1.0 hectares.⁵ Adding to the uncertainties is the fact that the government also has the option of invoking the expropriation law if legal ownership is awarded to a restitution claimant.

A longer-term option is to consider the creation of a separate fund to compensate land claims. Households located on land claimed by public or private owners would pay for the land, and these funds would be used to compensate former owners.

Housing and Infrastructure. It is estimated that approximately 50,000 houses were built in the Tirana

⁴ See Annex 1 for a review of restitution issues discussed during the February 1998 World Bank Appraisal Mission.

⁵ Restitution claims are compensated according to the following rates: 10% up to 100,000 square meters and 1% over 100,000 square meters. Within denser, built-up areas which naturally have higher land values, the former owner is usually provided with half a hectare of land and monetary compensation for the remainder.

region since the early 1990s, of which 80 percent were privately built. Indeed, residential construction activity has been one of the most important contributors to economic growth.

Households are financing housing construction through a combination of sources that usually include the household incomes of extended families. Survey data and field interviews point to a general pattern where housing is financed from three sources: (a) savings and the sale of assets such as land or other properties; (b) salaries and current incomes, including remittances; and (c) borrowing, generally from relatives. Within the more built-up areas of Tirana, landowners typically enter into an agreement with a builder/developer and receive units equal to approximately 20 percent of the value of the investment.

Infrastructure is often financed through joint agreements with neighbors. In informal communities, typical costs associated with household connections on an individual parcel range from \$300 to \$400 for a septic tank or connection to a sewerage line, water connection, electricity, and an unpaved access road. In the Bathore pilot site, households have invested an average of \$400 per parcel for infrastructure improvements without formal approvals.

Within the informal areas, owners typically build houses over time. It is estimated that on average it takes two to four years to advance from plot occupancy to a one-floor house, depending on incomes and the ability to mobilize additional resources. Household investment typically ranges from an initial investment of less than \$1,000 for a wooden barrack under 90 square meters, to \$10,000 for a higher-quality one-story house. In the Bathore pilot site, for example, 78 households living in 65 houses have invested an average of almost \$4,000 per household or \$4,700 per structure. This is equivalent to \$100 a month over a four-year construction cycle.

The dynamic nature of buildout in informal settlements is evidenced by the fact that, in Bathore, 46 percent of the houses that are under construction have families already living in them. The incremental nature of housing investments is further evidenced in Lapraka, where nearly 70 percent of the houses have flat roofs, an indication that the households are planning to expand vertically.

Financial Impacts. On the average, a typical 300-square-meter parcel with a house and services provided in a community such as Lapraka costs \$10,500. The traditional approach to providing housing requires that the government finance 100 percent of the capital

cost of a delivered unit, recovering the investment over time from the new owners, and consequently incurring the risk of failing to recoup a substantial portion of the total investment. The ULMP takes a different approach, capitalizing instead on the willingness of homeowners to invest in housing and infrastructure. The basic strategy is to "unbundle" the traditional housing package. Under the ULMP, the government's contribution is equal to 17 percent of the total cost for a serviced parcel. Even in cases that involve government land, where there is risk of non-payment or payment over an extended period, the level of investment and risk to the government is substantially lower than in traditional projects.

Table 1.4: Typical Allocation of Housing and Infrastructure Costs per Parcel

	Cost	Government Contribution	Building Owners Costs
Land	\$2,400	0	\$2,400
House	\$5,000	0	\$5,000
Secondary Infrastructure	\$2,250	\$1,800	\$450
Tertiary Infrastructure	\$850	0	\$850
Total	\$10,500	\$1,800	\$8,700
Percent Contribution		17%	83%

In theory, programs which provide infrastructure to cope with the annual increase of housing stock would have a financial impact on the municipal and national government budgets of at least \$12 million per annum⁶ (for secondary plus primary costs). At the present time this is unaffordable and underscores the need for a realistic utility tariff structure.

It is not beyond the bounds of credibility, however, to expect building owners to fund their share of the costs, previously estimated at US\$ 56 million per annum.⁷ At the individual household level, the private sector is already building houses at a total cost of about US\$ 32 million per annum.⁸

The primary incentives to building owners to increase expenditures on housing are the prospect of having a

⁶ Estimated as the average cost for secondary of \$1,800 times 6,500 households forming each year in the formal and informal housing markets.

⁷ Estimated as the average cost to the homeowner of \$8,700 for a serviced parcel times 6,500 units.

⁸ Estimated as the average investment of \$5,000 per household times 6,500 units.

marketable asset at the end of the process and, in addition, having a house that is legally connected to the infrastructure networks and likely to receive a higher level of service.

Private-Sector Responses to the Current Situation. The government's inability to finance infrastructure has resulted in a variety of practical responses from residents. Whenever possible, they are tapping into existing systems through formal and informal arrangements with utility companies, and there have been many instances of residents grouping together to provide infrastructure and upgrade roads. In new, formal, higher-income settlements, developers are reaching agreements with the local government to construct their own infrastructure networks within the site.

In Lapraka, the adoption of the Urban Concept Plan in 1995 and the upgrading of roads by the community association during 1996-97 prompted an immediate and visible upsurge of new housing investment in a more regularized and structured pattern. Densification, through subdivision of parcels and vertical expansion of housing within the site, is expected to accelerate in response the provision of infrastructure and increases in land prices.

These pragmatic initiatives on the part of residents should be encouraged, but without a proper response from government, many of the economic and environmental costs associated with the unregulated growth are being externalized. Infrastructure systems will overload from unplanned connections and environmental conditions in public spaces will continue rapidly to deteriorate.

Development of Community Groups and Social Networks. Community groups can and do influence the design, standards, phasing, and implementation of infrastructure improvements. Field interviews confirm that in many informal settlements parcel layouts, setbacks, and strategies for addressing infrastructure needs are often worked out among family members or groups formed from households originating in the same village. In some areas, families or groups may nominate a member to a newly formed neighborhood association. In addition, NGOs and neighborhood associations are developing initiatives and learning to present their concerns more effectively to government officials. Among both officials and residents, recognition of the necessity of providing infrastructure and developing practical mechanisms to regularize land tenure is gaining momentum.

These formal and informal social structures can provide an important forum for identifying community leaders and involving residents in the planning of infrastructure improvements and maintenance in their communities. Under the current legal structure in Albania, neighborhood associations can be formed to help organize and implement activities under a neighborhood initiatives program. In Lapraka, the Community Association was formed in 1994 and in Bathore, residents in the pilot site have requested formal registration of their newly formed association.

The Approach to Project Design

The existing situation found in a majority of under-served neighborhoods in Tirana can be characterized as follows.

Housing.

Substantial properties have been built or are under construction, usually without permits, implying an investment of between \$1,000 and \$10,000 for lower- and middle-income units.

Infrastructure and Services.

Roads and footpaths: All-weather roads do not exist; access to public transport is limited; rights-of-way are partially defined and, in certain circumstances, residents have shown a willingness to move their property boundaries and provide gravel to facilitate access.

Water Supply: Up to 10 percent of household connections have been made with the Water Enterprise; other supplies are obtained illegally or from underground sources.⁹

Sewerage and drainage: Disposal is by either septic hole or trenches; proper channeling of surface water drainage does not exist, which seriously hampers pedestrian and vehicular access.

Solid Waste is not collected, but rather is disposed of by burning or heaping into large piles which slowly decompose.

Electricity: While a majority of the sites have electricity, only about 20 percent or fewer households have legal contracts with KESH. Because most of the illegal connections are made using substandard materials, the quality and safety of the service is highly inadequate.

Permits: Subdivision permits, land occupation permits, and housing permits have generally not been regularized.

Clearly, shelter and infrastructure are being constructed and settlements are being created in the absence of supportive government policies. The living environment, however, is unsatisfactory and the social, economic, and environmental consequences of ignoring the rapid growth of Tirana will undoubtedly have long-term detrimental impacts. Moreover, it is equally clear that organized communities can help themselves and that government investment in infrastructure can leverage and guide community and private investments.

These conclusions are supported by recent international experience. Feasibility studies carried out by the Tirana Land Management Task Force from 1995 to 1997 indicated that, ideally, the project should:

- Be demand driven, with the community paying, up front, a contribution to infrastructure costs.
- Involve residents and the community in all aspects of the design and implementation process through empowerment and direct participation.
- Create responsive control by means of local government linkages in the planning and allocation of resources for service improvements.
- Strengthen the capability of local government to capitalize on the willingness of residents to participate within a realistic urban planning and regulatory structure.

In short, a demand-driven, community-empowered, participatory approach is essential for dealing effectively with the growth issues facing the city of Tirana today. This approach can be successfully applied in both formal and informal neighborhoods.

Setting Priorities. Feasibility studies and social surveys have confirmed that residents in the various sites have different needs and priorities that should be balanced against government priorities. For example, in Bathore, full services are required, yet the first priority is the layout of roads followed by water and sewerage. In Lapraka, full services are required, yet the introduction of electricity is a first priority for residents. In Mihal Grameno, where the percentage of electrical and water connections is high, the residents' priorities focus on roads, drainage, and sewerage, while the local utilities are interested in legalizing their connections.

Project Alternatives. The Land Management Task Force considered two alternative project designs. One was the continued support of public housing to help alleviate the housing shortage in Tirana. The other was larger, green-field developments where the public sector would service and sell serviced land to private

⁹ This is typical of informal communities such as Lapraka and Bathore that have unreliable connections to primary water sources. In other areas of the city, such as Mihal Grameno, the percentage of households with contracts rises to 63%, due to the proximity to rehabilitated water mains.

developers who in turn would build up the area for re-sale to private investors.

Both alternatives have a history of poor implementation and both require substantial government capital investment with little likelihood of recovering the costs. *By contrast, the approach selected for the proposed ULMP project assumes that it is more cost-effective to create an urban planning structure within which an emerging community can properly grow and to provide infrastructure to areas where people already live.*

Key Policy Aspects of Project Design. The fundamental difference of the ULMP from previous urban investment programs is the shift from a supply- to a demand-driven urban planning and implementation process. In addition, growth management policies, legal and social conditions, cultural perspectives, and the financial capabilities of the different communities and local authorities are important elements taken into account in the process of selecting the servicing options for each sub-project.

Communities participating in the program will be chosen by means of a formal process for determining eligibility (see figure3). The creation of community associations guided by a charter and representing at least two-thirds of the residents is an essential prerequisite for participation in the project. Priority will be given to under-serviced communities that are willing to form associations and contribute to the provision and maintenance of the infrastructure and towards their own self-improvement.

Under the project, the municipalities in association with community residents will prepare an urban concept plan setting out the basic infrastructure layout, preliminary cost estimates, and priorities for servicing. This will form the foundation for a partnership agreement between the community associations and the local government. Among other things, the agreement will outline the agreed-upon roles and responsibilities for each signatory and will provide the framework for organization and coordination of household inputs.

While this partnership approach is innovative, it is not unlike existing practices in Tirana where groups of households cooperate to finance infrastructure and upgrade roads that serve their parcels. Through the community partnership agreement, residents will signify their willingness to participate in the project and to help to defray the expenses of providing secondary infrastructure for at least 20 percent of project costs by means of a land development fee (see Annex 1 for a description of Partnership Agreements).

The resident share of infrastructure will vary – somewhat, depending on the income level of the community and/or decisions by City Council.

Fifty percent of this land development fee will be payable prior to initiating construction, with the remaining 50 percent due before completion of civil works. Upon proof of full payment, residents will have the right to purchase the land they are claiming or to receive secure occupancy rights. Temporary tenure rights would be granted during the construction period with a rent payment included in the land development fee. Typically, a household would end up paying almost 80 percent of the total cost of a serviced parcel and house.

To implement each project, the local authority and the Ministry of Public Works and Transport will enter into a Memorandum of Understanding, this will facilitate the planning and allocation of budget and staff resources. See Figure 2 for an outline of responsibilities and Figure 3 for a the process.

Affordability and Willingness to Pay. Current cost estimates based on detailed designs indicate that within Lapraka and Bathore the resident contribution (20 percent of cost) for secondary infrastructure will be approximately \$450 for a 300-square-meter parcel. Residents will also be responsible for the cost of tertiary infrastructure, which can be broken into labor (\$530) and materials (\$320), and for the purchase of land at a rate agreed upon with local authorities. The total investment in infrastructure for a homeowner would be equivalent to 15-17 percent of a serviced parcel with a house. In meetings between residents and local authorities, the residents felt that this level of infrastructure cost was both fair and affordable.

Furthermore, the project is designed to provide a variety of affordability buffers, especially for those below the 35th income percentile. These include:

- An option for residents to work together on a street or subdivision basis. This option builds on existing practices that provide a financial buffer for poorer households. Households can work out informal agreements with neighbors or provide contributions in the form of specific skills and labor (this should be monitored to assess the impact).
- Registering smaller plots and selling land prior to formal registration, to generate income and lower the cost share of infrastructure.
- Incremental servicing.
- Phased payment schedules for land purchase.
- Reduce investments in housing.

Project Cost. The proposed project cost is estimated at approximately US\$ 15.58 million based on late-1997 prices, including physical and price contingencies. The World Bank, through IDA, would finance up to US\$10.0 million, covering up to 70 percent of civil works cost, and 100 percent of technical assistance and equipment.¹⁰ Residents participating in the ULMP would also contribute an estimated US\$ 3.96 million over the five years of project implementation, covering 100 percent of the tertiary infrastructure network costs and at least 20 percent of secondary network costs. The estimated required counterpart funding from the Government would be US\$ 1.62 million (see cost summary in Annex 8).

There is a strong possibility of attracting funding from other sources and capitalizing on programmed rehabilitation programs already funded or about to be funded, such as water, sewerage, etc.

Institutional Aspects. Two levels of government—central and local—have been involved in preparing the project and will remain involved during implementation. The Ministry of Public Works and Transport (MoPWT) forms the secretariat to the National Council for Territorial Adjustment and is the lead agency responsible for overseeing activities impact land management and the provision of infrastructure. Local authorities have similar responsibilities to those of the MoPWT, as far as land management is concerned, but at the local level. Also, in 1994, the MoPWT established a Land Management Task Force (LMTF) staffed by seconded personnel from both central and local agencies, and requested USAID support in developing a new approach to structuring growth in Tirana.

The organization and stated responsibilities of these institutions indicate that they are capable of carrying out their responsibilities under the project. The MoPWT needs to continue initiatives to create more effective central/local linkages that can respond to

rapidly changing, fluid situations where the local authorities may need immediate access to resources to address the challenges that face them.

Demand-driven, community-empowered and managed projects cannot successfully be undertaken by national agencies alone. Active involvement of local authorities is essential if the momentum created by the project is to be maintained. Local authority administration passes through Vice Mayors to the Administrative Units (11 in the Municipality) and Communes (17 in the District).

The administrative units and communes are the first point of contact between residents and the local authorities. They are responsible for processing requests for planning and building permits and well as infrastructure and social services. The project would retain their current functions but the administrative units and communes directly affected by the project would be strengthened to enable them to conduct outreach to residents, as well.

The link between the local authorities and residents is being further strengthened by the creation of Project Management Teams that will have direct links to the Project Coordination Unit administering the ULMP within the MoPWT.

Finally, a Senior Coordination Group will be created to enable the three key municipal and district departments responsible for planning, public services, and finance to improve their support services. The basic organizational framework is outlined below. More detailed organizational charts are in Figure 1.

¹⁰ **Extension of Infrastructure Networks** includes providing access roads, water supply, sewers, and electricity to eligible sites. **Institutional Development** includes strengthening the urban planning capacity of central and municipal government; support for preparation of subprojects; application of strategic infrastructure planning and programming tools (e.g. strategic GIS, monitoring urban indicators, etc.) **Project Administration Support** includes support for the Project Coordination Unit (PCU) at the Ministry of Public Works and Transport, as well as for Project Management Teams in participating local governments; and technical assistance to guide the first phase of project implementation, including construction supervision and support for Community Associations through NGOs.

Figure 1
Urban Land Management Project
ORGANIZATIONAL FRAMEWORK

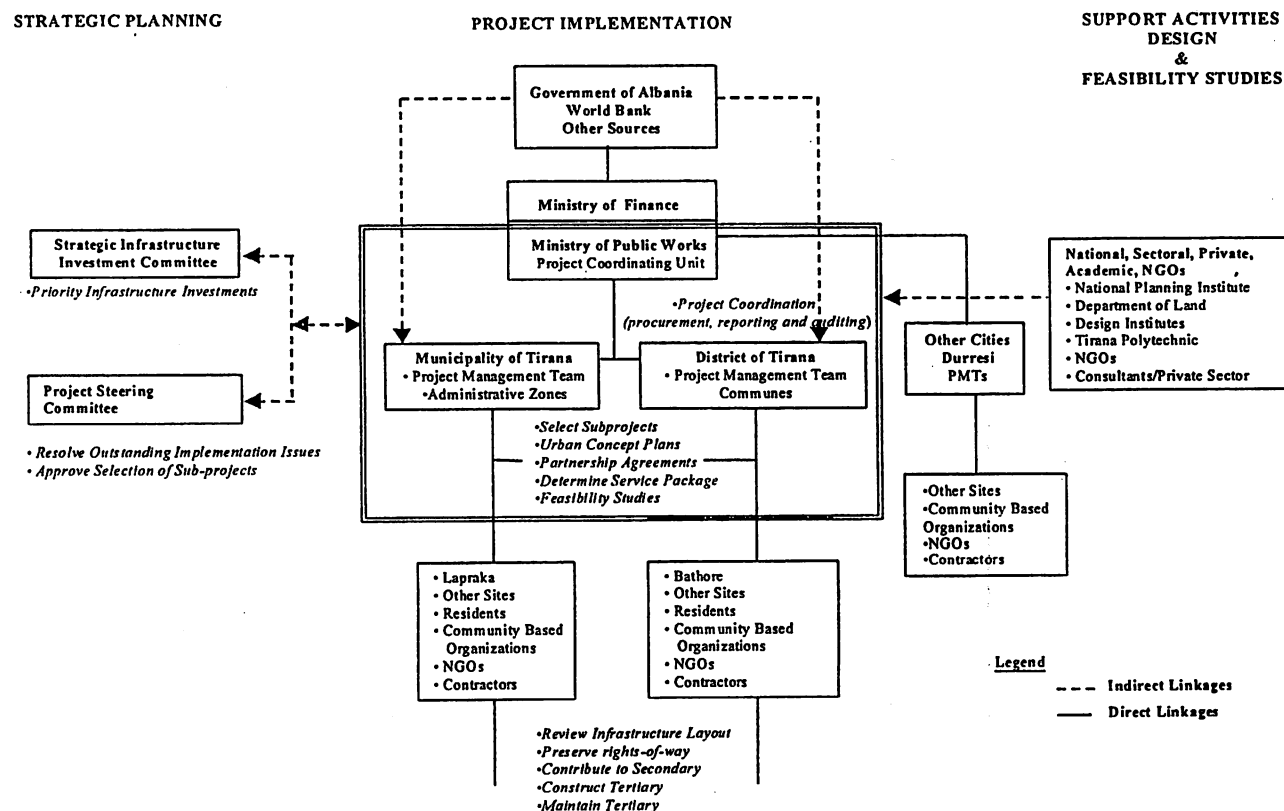


Figure 2: Project Responsibilities

	Central Government Project Coordination Unit	Local Government Project Management Team and Other Departments	Community Community Partnership Committee	Street Subdivision Groups	Plot Occupants	Other
Urban Concept Plan	X	X	X			NGOs, Consultants
Urban Project: Final	X	X	X			
Protecting Open Space: Roads, Public Facilities		X	X	X	X	
Infrastructure Design: Primary and Secondary	X	X	X	X		Consultants
Infrastructure Design: Tertiary		X		X	X	NGOs, Consultants
Subdivision		X		X	X	
Infrastructure Payment: Primary	X					
Infrastructure Payment: Secondary	X	X			X	
Infrastructure Payment: Tertiary				X	X	
Land Tenure		X			X	
Maintenance	Primary	Secondary, Open Space	Open Space	Tertiary	Parcel	

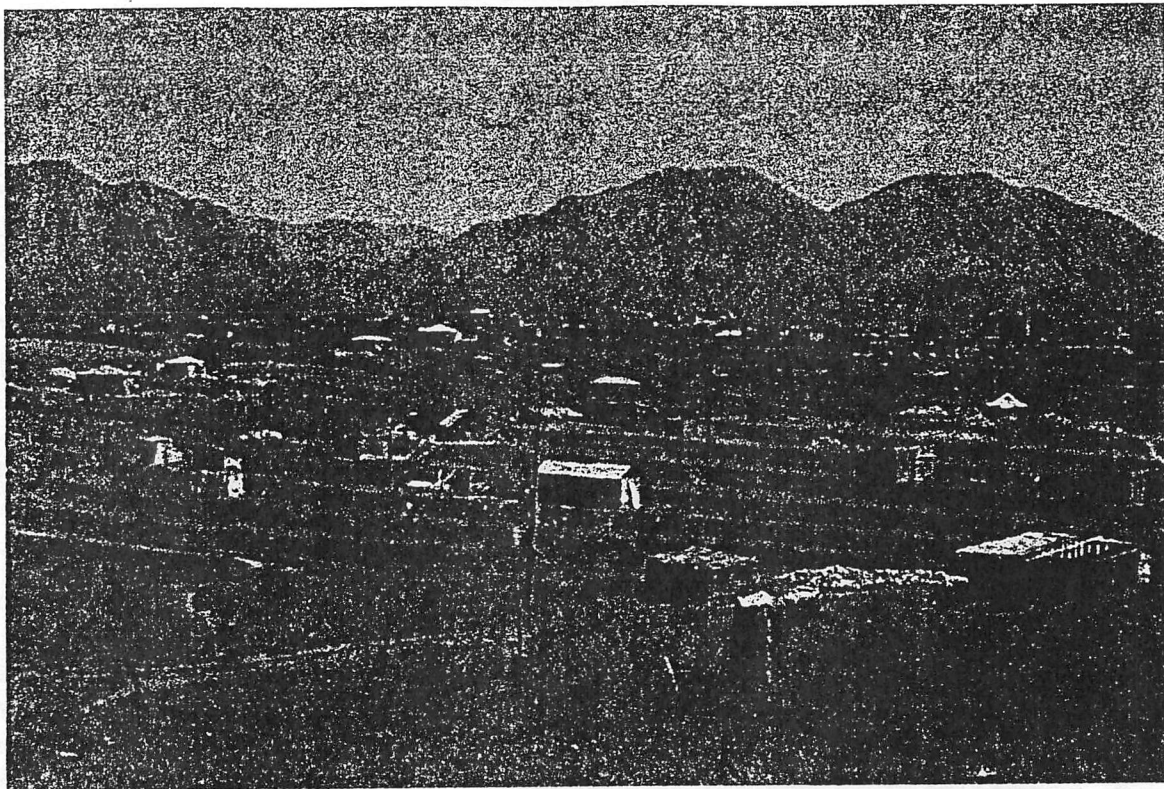
Figure 3:
Summary of Steps for Site Selection and Implementation

Activities	Approvals and Comments
STAGE ONE. Site Selection	
1. City-wide Planning	
<input type="checkbox"/> Survey/identify potential sites	
<input type="checkbox"/> Recommend sites, based on eligibility criteria	<input type="checkbox"/> Submit selected sites to City Council for approval
2. Local Area Planning Activities	
Form community working groups	
<input type="checkbox"/> Identify community priorities	
<input type="checkbox"/> Social and physical surveys, including	
<input type="checkbox"/> Identification of structures requiring relocation	
<input type="checkbox"/> Develop Urban Concept Plan	
<input type="checkbox"/> Complete Pre-Feasibility Study	
<input type="checkbox"/> Enter into a Partnership Agreement	
	<input type="checkbox"/> Submit Partnership Agreement to City Council for approval
	<input type="checkbox"/> Submit Urban Concept Plan to respective Councils of Territorial Adjustment (if required)
	<input type="checkbox"/> Submit application for large-scale capital investment to PCU/Steering Committee for inclusion in the Project
STAGE TWO. Feasibility Study	
3. Feasibility Study	
<input type="checkbox"/> Detailed social and physical surveys, including eligible relocation cases	
<input type="checkbox"/> Urban Plan and Infrastructure Study, plus cost estimates	
<input type="checkbox"/> Strengthen Community Association and street/block/subdivision groups	
<input type="checkbox"/> Protect public space and circulation	
<input type="checkbox"/> Review and acceptance of Urban Plan and Infrastructure Study, plus cost estimates	
4 Initiation Fee/Opening Joint Account	
<input type="checkbox"/> Initiation fee paid by Community/Street Associations into a special account	
	<input type="checkbox"/> Submit Urban Plan and Infrastructure Study plus cost estimates to respective Councils of Territorial Adjustment (if required).
	<input type="checkbox"/> Submit Application for large scale investments, with Feasibility Study, to PCU/Steering Committee for inclusion in the Project

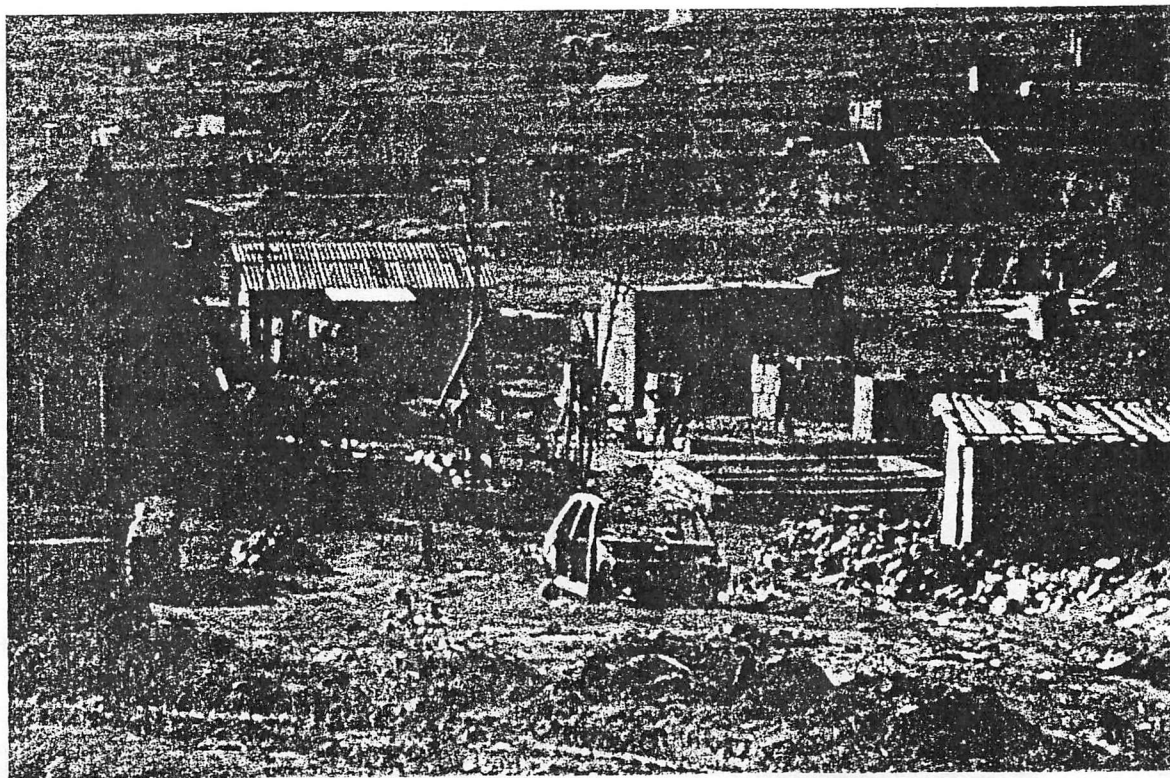
Figure 3, continued

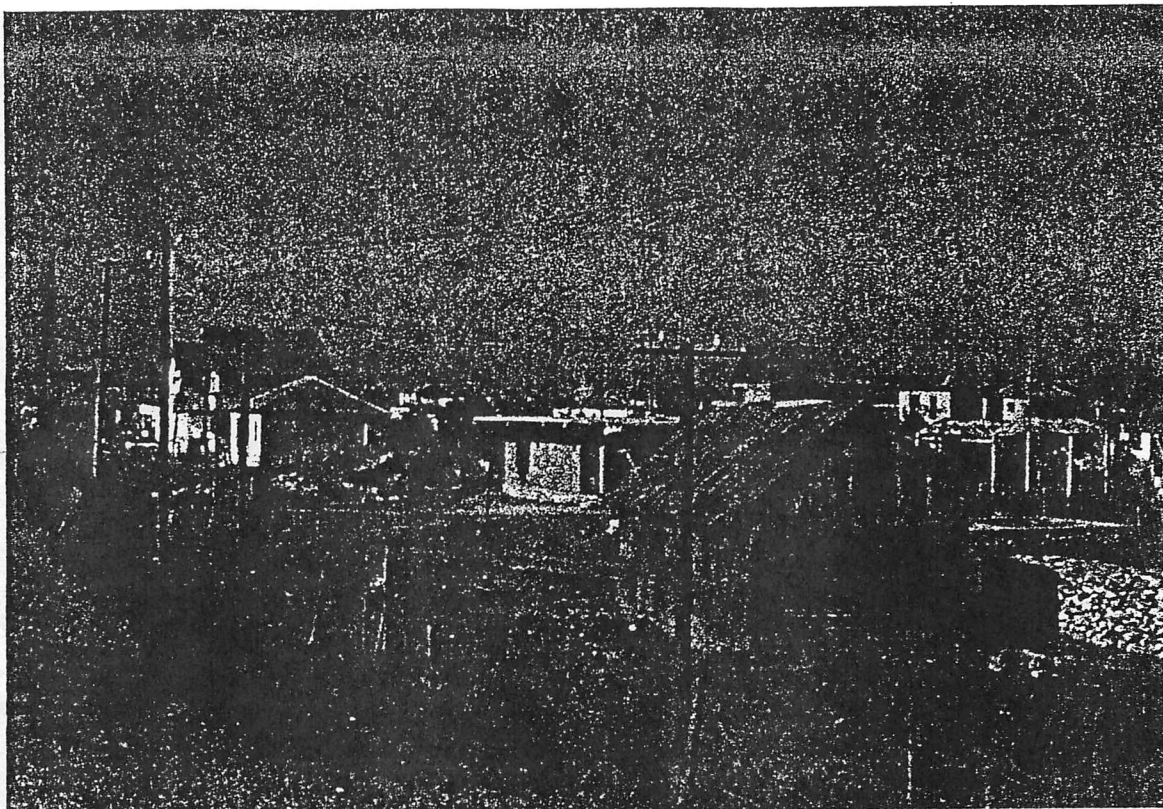
Activities	Approvals and Comments
STAGE THREE. Implementation	
4 Prepare subdivision plans, by street/block (if required)	
5 Prepare detailed designs and tender documents	
6 Registration. Cartella created, noting claimed land boundaries and rent/sales options (if required)	Subdivision or block groups can organize and register as subdivision, noting the total surface area that can subsequently be subdivided.
7 Payments: <input type="checkbox"/> Parcel occupants pay 50% development fee toward secondary infrastructure installation	Subdivision or block groups can pay for the total subdivision area as a group.
8 Contract awarded for primary and secondary infrastructure	
9 Payments: <input type="checkbox"/> Parcel occupants pay remaining 50% development fee upon 75% completion of secondary infrastructure	
10 Permits issued for connection for tertiary plus connection fee (if required)	
11 Construction of tertiary by residents, with technical supervision	
12 After all connection approvals and payments are made, residents apply to purchase or lease land (if public land), ¹¹ to formalize houses, and/or to obtain permission for new construction.	If not begun earlier, residents can begin to register individual land parcels and receive temporary title until all obligations are met.
13 Initiate Maintenance Agreements	

¹¹ If land involves private or competing claims such as restitution, other means of reaching sales/lease agreement can be designed.

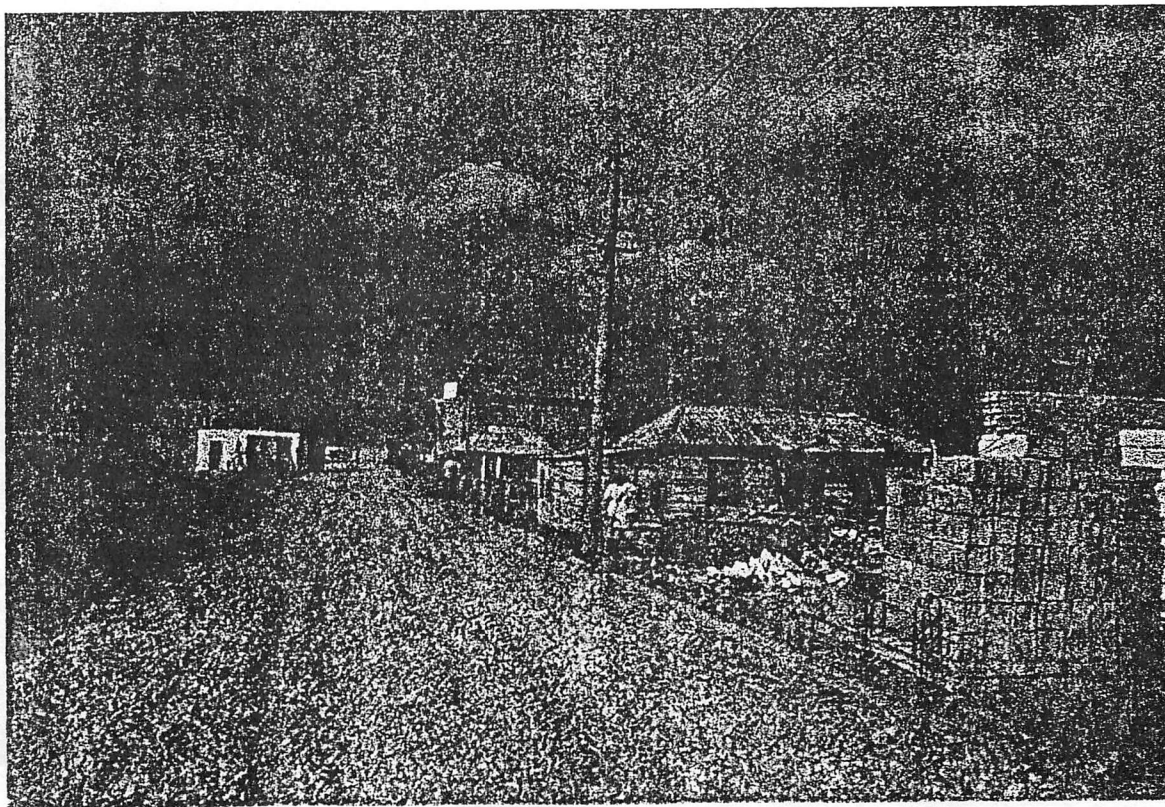


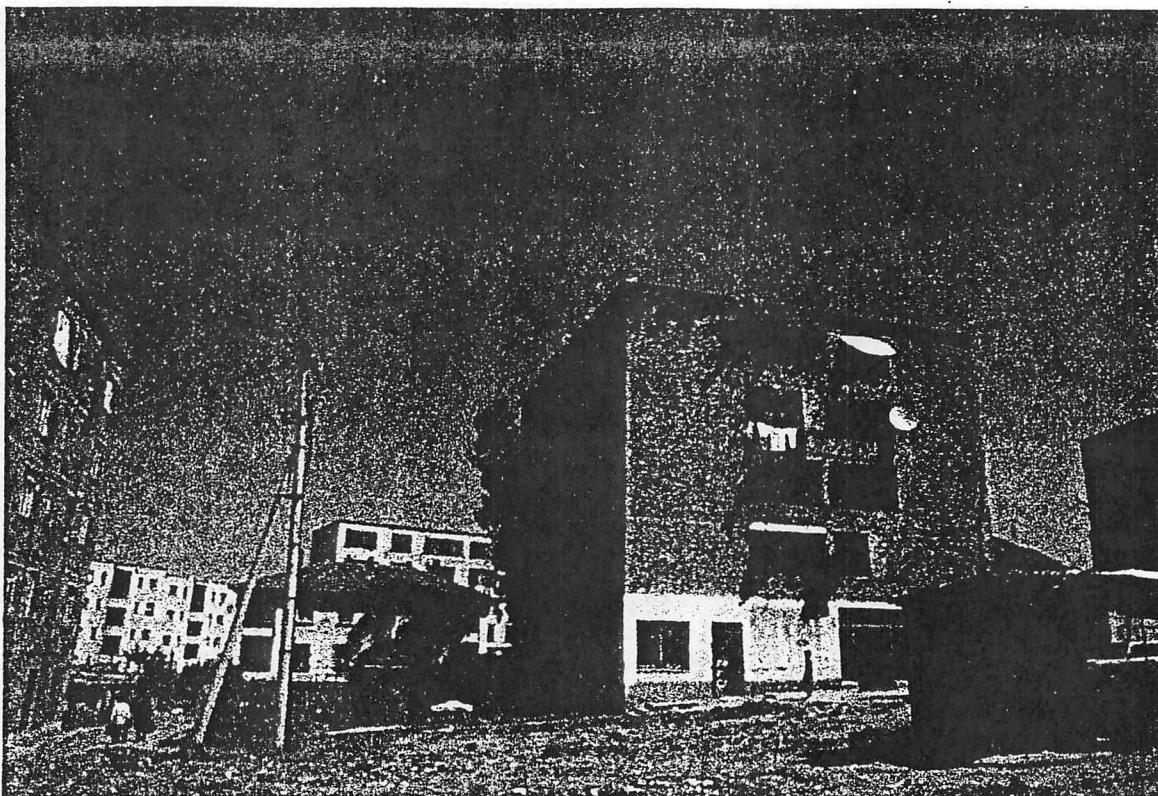
Above: Bathore (1994). Below: Bathore (1997): Between 1991 to 1995, the number of new households increased at an astonishing rate of 55% per year in the most rapidly growing areas of Bathore. Since 1995, the growth has leveled off to approximately 10% per year. In the 13.5 hectare Bathore Pilot site, the existing 78 households, living in 65 structures, have invested an average of \$4,700 in their housing, typically spread over a two-to-four-year period. Rapid and pragmatic initiatives from national and local authorities in partnership with community residents can lead to considerable improvements in environmental conditions. In January 1998, residents formed a community association to organize street alignments and participate in infrastructure improvements.



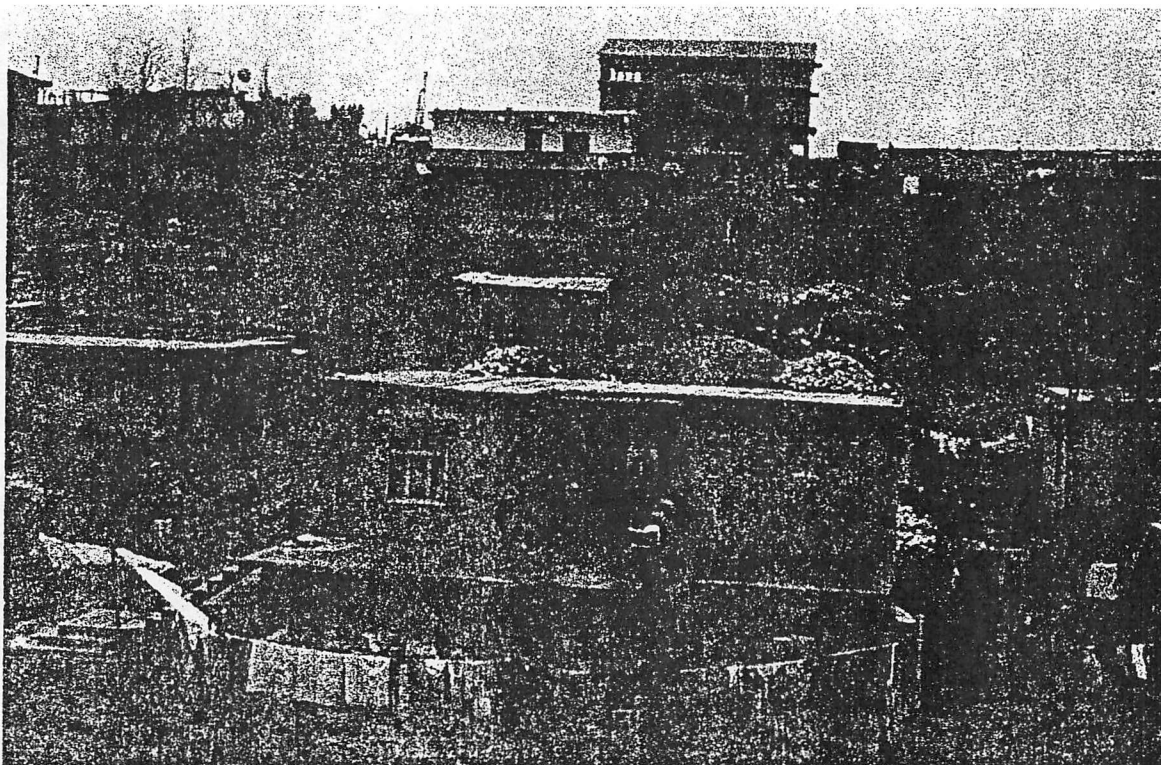


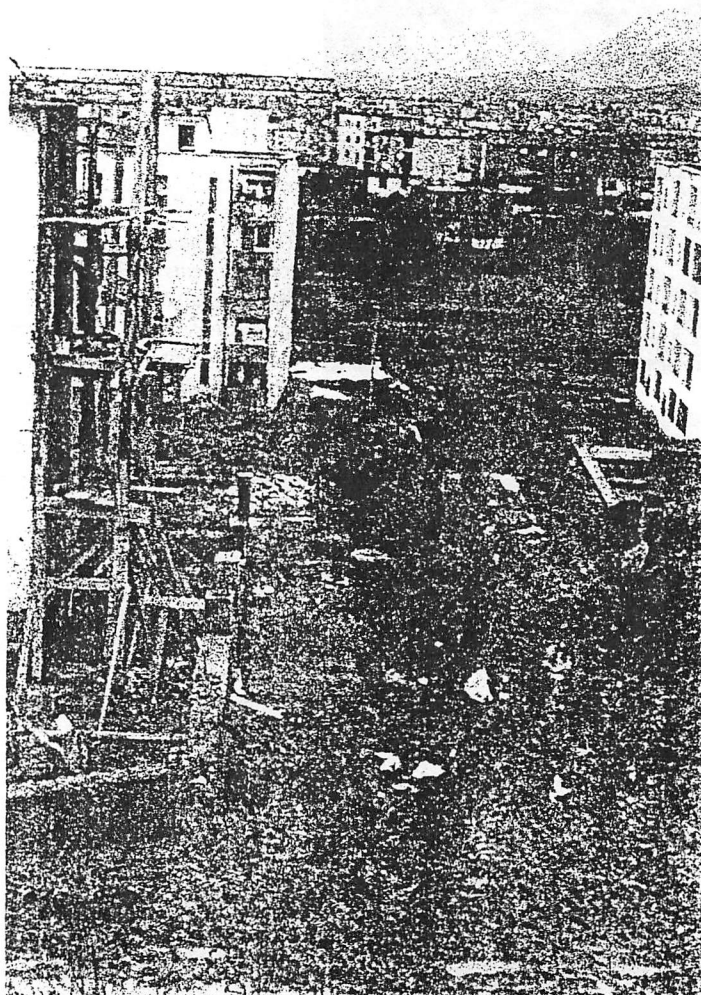
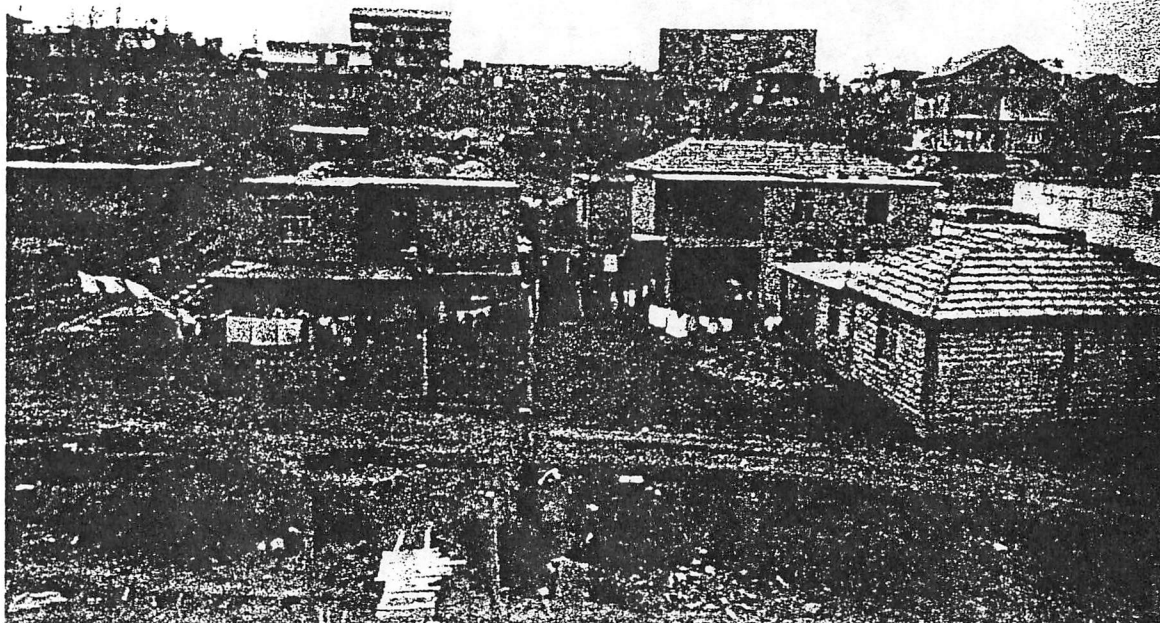
Above: Lapraka (1996) Below: Lapraka (1997). In 1990, 175 residents lived within the 33 hectare site, by 1997 there were 2,700 residents among 520 households in the pilot site. The median investment in housing is equal to \$5,000; sources of funds for house construction include a combination of remittances, selling of property, savings and income. The adoption of the Urban Concept Plan in 1995 and the upgrading of roads by the community association prompted an immediate and visible upsurge of new housing investment in a more regularized and structured pattern. More efficient use of land through the subdivision of parcels and vertical expansion of housing within the site, is expected to accelerate in response the provision of infrastructure.





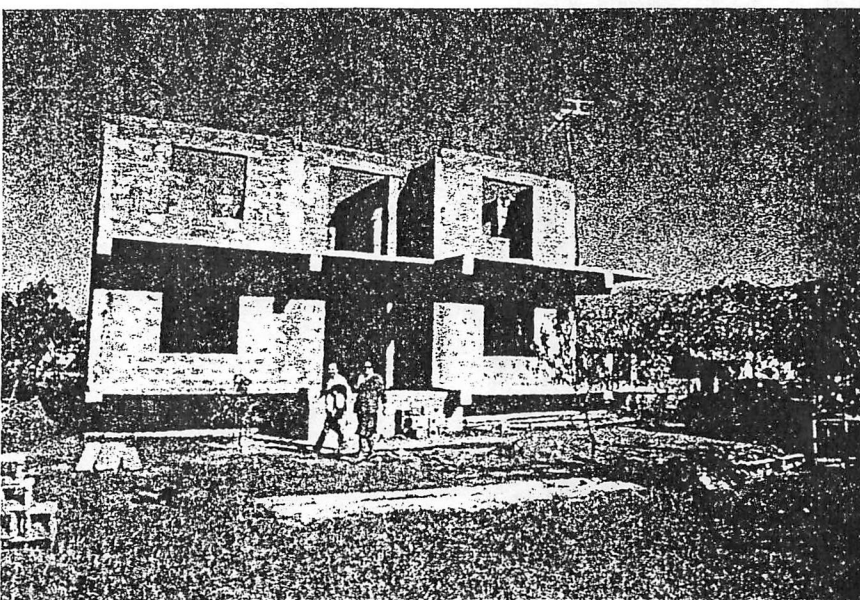
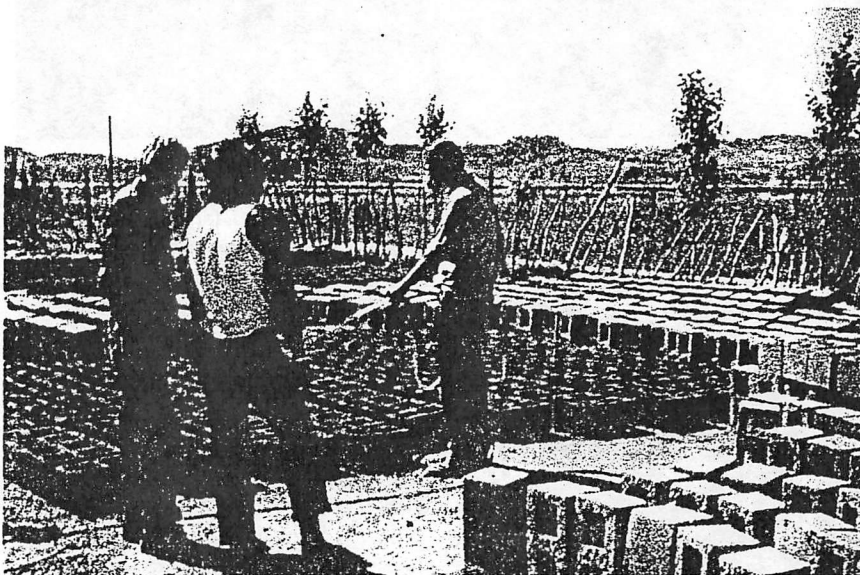
Above: Typical Central City Neighborhood (1997) Below: Milhal Grameno (1996) A demand-driven, community-empowered approach is essential for dealing effectively with growth issues facing Tirana in both formal and informal neighborhoods. Under the program, local governments, in association with community residents will prepare a urban concept plan and an infrastructure servicing package. Priority will be given to under-served communities willing to from associations and contribute to the provision and maintenance of infrastructure.





Above and Left: Milhal Grameno (1997)

In Milhal Grameno, formal and informal housing can often be found next to each other. Infrastructure priorities include roads, drainage, sewerage and formalizing existing water and electrical services. Household investments are on average much higher than Bathore and Lapraka. Coordinating public investments in primary infrastructure to structure and manage urban growth together with a cost-sharing program for secondary infrastructure can leverage considerable household investments in tertiary infrastructure.

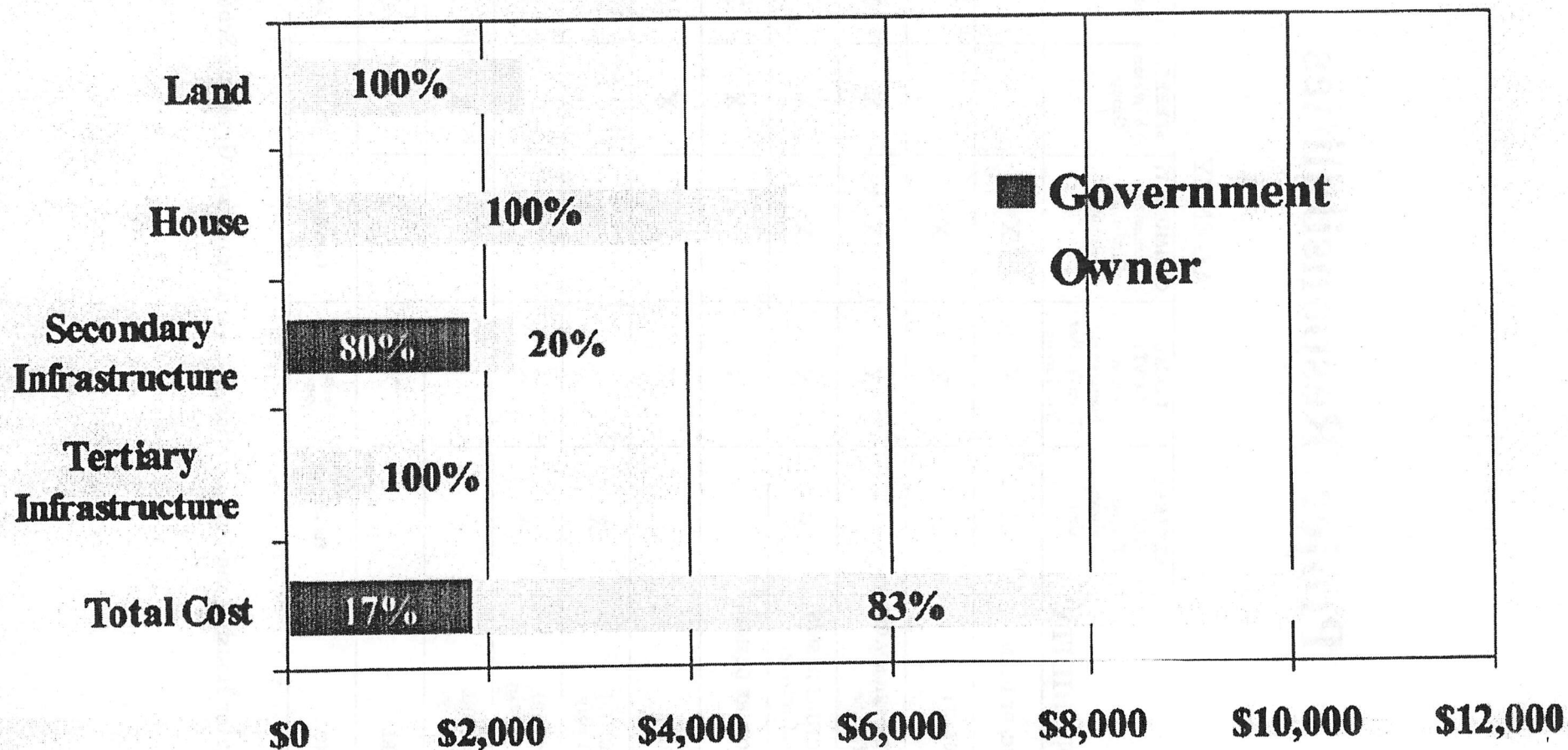


*Top: Lapraka-Road
Improvements (1997)
Middle: Building Material
Production*

*Bottom: Construction of a
new house in Lapraka
(1997)*

The Land Management Program will provide reliable infrastructure services that can leverage income producing activities through local contracting and the encouragement of smaller and medium scale businesses. The Program will provide secondary infrastructure in areas chosen for immediate action. It is estimated that in addition to jobs created through the production of building materials, 15-to-25% of the total housing cost can be attributed to the hiring of skilled subcontractors.

Typical Allocation of Housing and Infrastructure Costs (per parcel) : Tirana



Project Responsibilities

AGENCY

RESPONSIBILITY	CENTRAL GOVT: Program Coordination Unit	LOCAL GOVT: Project Management Team & Other Departments	COMMUNITY: Community Partnership Committee	STREET: Subdivision Groups	PLOT: Occupants	OTHERS
URBAN CONCEPT PLAN	X	X	X			NGOs & Consultants
URBAN PROJECT: Final	X	X	X			
PROTECTING OPEN SPACE: Roads, Public Facilities		X	X	X	X	
INFRASTRUCTURE DESIGN: Primary & Secondary Design	X	X	X	X		Consultants
INFRASTRUCTURE DESIGN: Tertiary		X		X	X	NGOs & Consultants
SUBDIVISION		X		X	X	
INFRASTRUCTURE PAYMENT: Primary	X					
INFRASTRUCTURE PAYMENT: Secondary	X	X			X	
INFRASTRUCTURE PAYMENT: Tertiary				X	X	
LAND TENURE		X			X	
MAINTENANCE	Primary	Secondary Open Space	Open Space	Tertiary	Parcel	

Unit for Housing and Urbanization, Harvard University Graduate School of Design

Massachusetts Strategic Plan Process Timetable

1990 - 1992

**Economic Development
Studies**

Spring 1992

**Governor's Council on
Economic Growth &
Technology meetings**

Summer 1992

7 Focus Sessions

Autumn 1992

**Economic Development
Conferences**

Massachusetts Strategic Planning Process

Sharing Views
Preliminary Findings
Recommendations

Responsible for
Plan Process and
Drafting

Discussion of Issues
& Recommendations
Total Number of
Participants: 1,200

Governor's Council on Economic Growth & Technology

- Mass. Center for Technology Growth
- University of Massachusetts
- Harvard University
- M.I.T.
- etc.

Governor

**State
Legislature**

Executive Office of Economic Affairs

7 Focus Sessions Representatives:

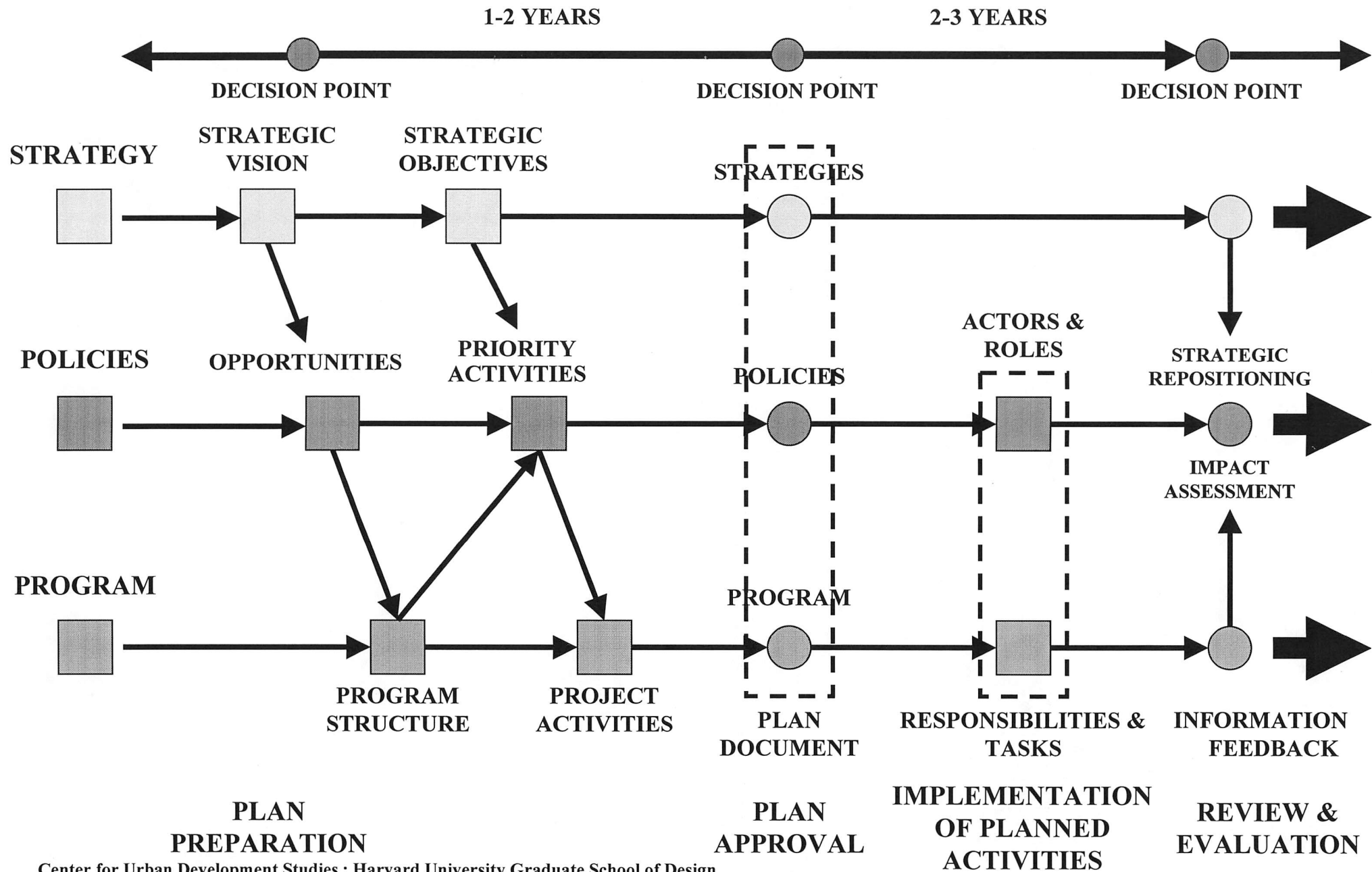
- regions, cities, towns
- business leaders
- NGOs and community groups

1. Economic Base
2. Economic Infrastructure
3. Education & Training
4. Access to Credit & Capital
5. Quality Growth (Economy & Regulatory Environment)
6. Urban Employment Opportunities
7. Rural & Small Town Development

Economic Development Conferences

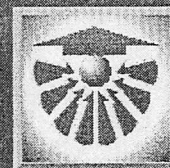
**7 Regional Meetings
Lieutenant Governor,
Chair**

The Strategic Planning Process



THE STRATEGIC PLAN FOR ST. PETERSBURG

- Address by the Governor of St. Petersburg
- Declaration of the General Council
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- The Main Goal and Principal Strategic Objectives
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STRATEGIC PLAN FOR SAINT-PETERSBURG

MAIN GOAL AND PRINCIPAL STRATEGIC OBJECTIVES

The main goal and strategic objectives of the Strategic Plan were identified following numerous discussions and in the light of the conclusions reached in analysis of the city's competitive potential. Changes in its geopolitical, social and economic situation have forced St. Petersburg to confront its need to develop new functions and means of existence. Moreover, this is the first time that the task of finding a path for development has been approached as a task of self-identification. The city has had to find its own place on the map of the global economy and post-industrial society; and it has had to do so without being instructed by central government in Moscow and without being able to count on the support of the latter. This explains why creation of the Strategic Plan has become a truly all-city project, involving and uniting hundreds of specialists.

*The main goal for development of St. Petersburg is **sustained improvement of the quality of life of all categories of St. Petersburg citizens.** Arrived at after extensive discussion, this goal is universal: it applies to the development of all cities. However, it is important that the Strategic Plan identify a more specific main goal, relevant for this particular city in its current period of development. In the light of foregoing analysis of the city's competitive potential, this main goal can be identified as **development of St. Petersburg as a multifunctional city integrated into the Russian and world economy and providing a favorable environment for life and economic activity.** This wording not only clarifies the goal, but also indicates the main ways in which it may be achieved - by integration of the city into the Russian and world economy and by improvement of its urban environment and social climate. Achievement of the main goal implies **consolidation of St. Petersburg's position as Russia's principal center of contact between the Baltic region and the North West of Russia.***

All three formulations given above together form an overarching block of goals, the keystone of which is improvement of quality of life.

The notion of quality of life implies, above all, having a good job and a good salary, guaranteed and good-quality medical care and social welfare, good housing, public safety, political stability, educational opportunities, culture and entertainment, and quality of environment.

Stable improvement of the quality of life should be based on an effective, mobile and diversified economy in which constant increases in labor productivity are accompanied by expansion of markets and creation of new products and services, thus ensuring a high level of employment. Measures aimed at supporting the economy and establishing markets should produce a desire to work, increase levels of employment and consumption, and allow the current decline in production to be reversed, leading to improvement in quality of life. St. Petersburg's citizens place particular importance upon cultural elements in the quality of life; humanization of the environment; renewal and preservation of the specific St. Petersburg mentality; democratic opportunities for realizing the full creative potential of the individual; and increased freedom of choice in all spheres.

In order to improve the material aspects of quality of life it is important to provide economic growth such as will put more money both in citizens' pockets and in the city exchequer. As for developing "non-economic" aspects, where much depends upon the use made of public resources, it is necessary to guarantee effective expenditure of municipal funds. Thus the main goal formulated above divides into two lower-level sub-goals:

- a) increases in income and employment levels as a result of economic growth; and*
- b) improvement of general living conditions as a result of increases in efficiency of expenditure of resources in the city exchequer.*

If St. Petersburg is to enjoy stable economic growth, it is important for it to create and develop industries which exploit to the full the existing local potential and advantages. The core of St. Petersburg's potential consists of its geographic location, port, transport network, highly qualified personnel, and the city's architectural, cultural and historical heritage. It is a sad truth that in spite of St. Petersburg's great potential and the international reputation it has gained thanks to its museums, theaters, architectural monuments, foreign trade and port, leading-edge industries and science and education, the volume of services and manufacturing generated for the city by these sectors is very low. Among the reasons for this situation, apart from causes applicable to Russia in general, are the city's imperfect system of economic regulation, its poorly developed infrastructure, its abundant bureaucratic constraints and its inefficient economic structure.

Analysis has emphasized: the need to develop functions of the city which make it a unique multifunctional center for contact between Russia and the European Union; the need to extend the orientation of St. Petersburg's main industries towards foreign markets, whilst maintaining and strengthening these industries' positions on local markets within Russia; the inevitability of restructuring the city's public utilities and systems of social support. It is important to understand that no one industrial sector is capable of ensuring proper development of the city on its own. Sustained development of St. Petersburg depends upon the city remaining multifunctional.

St. Petersburg's relations with the rest of the world are best characterized by the concept of a "contact center": the city is an international multifunctional center of contacts between the Baltic region and the North West of Russia, realizing and developing contacts of all kinds (trade, financial, industrial, research, cultural, and political). A contact center should combine all the various individual qualities required of smaller centers (centers of, for example, transport, business, information, tourism and culture). To this purpose it needs an appropriate infrastructure and the ability to support a "contact environment"; the latter is characterized by openness, security, convenience, attractiveness, friendliness, beauty and uniqueness.

On a geopolitical level, the break-up of the USSR and the move towards integration in Europe have strengthened St. Petersburg's position as a transport bridge between Russia and the West and as an important center in Europe's new growth area, the Baltic Sea region. On the other hand, transition to an open-market economy has meant that many enterprises and industries have lost competitiveness, and the end of the cold war has left many organizations in the defense industry without contracts.

Amongst St. Petersburg's principal functions, the leading place is occupied by the trade and transport sector, which includes, apart from the transportation industries themselves, businesses engaging in storage and trans-shipment of cargo, as well as foreign trade and related industries such as the packaging and assemblage sectors. Today St. Petersburg is Russia's biggest transport center; it provides full-service cargo handling, specializing in import/export transit cargo. The planned reconstruction of the port; the construction of a new port terminal and other transit terminals and warehouse capacity; and, in the more distant future, the construction of high-speed railways of federal importance - all this will help the city to make effective use of its geopolitical location. In addition, there are high hopes that development of St. Petersburg's airport will go ahead; this will turn the airport into a major transport hub connecting local and international air routes. Some of the latter projects are to be brought together under the "Russia's gateway into Europe" project, which will give a new impulse to the city's specialization as a trade and transport center.

St. Petersburg remains an important Russian industrial center with many competitive leading industries in various sectors. However, further falls in the employment rate are inevitable due to restructuring of the defense industry, as well as to productivity increases and to drops in production levels of enterprises manufacturing non-competitive products. Job losses should mainly affect low-paid employment. Structural shifts in the industrial sector should focus on creation of jobs for highly qualified and well-paid specialists and on increasing levels of production of market-competitive products. Industries such as food and power have potential for development. Shipbuilding and energy-plant engineering are organic to St. Petersburg; given renewal of contracts from the state and abroad, they should be able to stimulate growth amongst the large clusters of manufacturing industries that depend upon them.

In line with global tendencies, St. Petersburg will undergo further changes in its economic structure resulting in the increased importance of services, tourism, financial services, trade, information technologies and communications. As and when economic stabilization is achieved, there will be a revival of sectors related to science, education, culture and the arts. The latter sectors have great strategic importance if long-term sources of development are to be preserved and if a favorable image of the city is to be maintained. St. Petersburg will continue to be a center of science, education and culture for the neighboring regions of Russia and a center for contacts with the Baltic states; it will reinforce its position as a world cultural center. Projects celebrating the city's 300th anniversary (e.g. "Saint Petersburg 2003" and "Saint

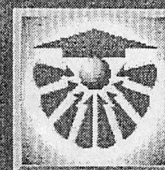
Petersburg: cultural capital") should help develop these functions.

To back up the large-scale changes envisaged by the city's main goal and its two subgoals, four strategic objectives were identified to guide the selection of specific measures (see illustration). Measures directed by these strategic objectives will allow the city to realize its competitive potential.

FIGURE: The Main Goal and Principal Strategic Objectives

THE STRATEGIC PLAN FOR ST. PETERSBURG

- Address by the Governor of St. Petersburg
- Declaration of the General Council
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**STRATEGIC PLAN
FOR SAINT-PETERSBURG****ADDRESS BY THE GOVERNOR OF ST. PETERSBURG**

In the new social, economic and geopolitical conditions prevailing today one of the most pressing needs for St. Petersburg is to define its role in Russia and in the world. Under the new conditions changes of priorities are essential if strategies are to be developed which will make the city truly competitive.

As world practice has shown, it is precisely situations of this kind which make it vital for a city to have a strategic plan. A strategic plan makes it possible to unite a city's administration and the rest of the urban community to work together in transforming employment patterns, technologies and the urban environment. In the light of this understanding and in its desire to create new tools to accelerate the development of St. Petersburg and enhance the city's competitiveness, the city administration of St. Petersburg initiated the development of the Strategic Plan.

The Strategic Plan is not, as was previously the case, a document merely reflecting the preferences of a city administration. Rather, it is something that has been developed and implemented by all participants with an influence on the development of the city; it has been developed with due regard for the interests of the community, with an active role being taken by the city authorities.

The Strategic Plan is not a directive from above, i.e. from the city administration to business enterprises. On the contrary, it constitutes a set of consensual and reasonable requirements presented by business to the city administration - an agreement regarding specific measures which are strategically important for the city and which the city should take in the interests of business and the community. Thus, the planning process involves the creation in the city of a mechanism of strategic partnership, a mechanism for identifying development strategies and for ensuring coordinated implementation of such strategies.

It is clear that partnership is possible only if it is effective for all parties involved. And this is something that we have managed to achieve. Businesses and organizations that have joined in the process have gained an opportunity to argue for the priority of the fields that they represent, and accordingly are able to expect understanding and support from the city administration.

For businesses in the city the Strategic Plan has provided a forum for dialogue not only with the city administration, but also with those businesses' own local business partners and competitors. The standing committees and working groups set up for the Strategic Plan have enabled each participant to collaborate with its partners not only in elaboration, but also in implementation, of joint actions aimed at developing particular spheres.

The city administration, for its part, has gained in the Strategic Plan a mechanism for open liaison with the business community and the general public - a feedback link which makes it possible to focus actions by the city authorities in the interests of publicly accepted goals and objectives.

St. Petersburg's citizens have also been involved in the process. They have been able to influence strategic choice through the system of public debate and participation in the planning process. The Strategic Plan provides every citizen with assurance that the authorities are in control, are aware of the needs of the population, and that St. Petersburg will be a city where it will be possible to live rewarding lives and work productively.

The planning process has taken from November 1996 to December 1997. The Project Office, set up at the Leontief Center

specially for the Strategic Plan, was able to draw in prominent experts, influential politicians and powerful industrialists who, after examining development trends, formulated strategic priorities and proposed specific measures to be recommended by the Strategic Plan. Three public conferences were held, as well as dozens of workshops and meetings. Hundreds of experts and several thousand citizens were polled. Intensive work was carried out by 14 thematic committees and several analytical groups. A system of strategic-planning bodies was established, comprising the General Council and Executive Committee for the Strategic Plan, the Council of Experts, a methodological seminar, thematic committees responsible for specific strategic objectives and individual problem areas, and the Project Office.

One of the documents developed as a result of this work was the text of the Strategic Plan, an exposition of which is contained in this publication. The plan's principal contents are formulations of the city's main goal, strategic objectives, goals, specific objectives and specific measures.

The full version of the plan comprises more than 1,200 pages and includes a further 16 volumes, including a set of information charts listing measures to be implemented and particular strategies for specific areas.

If we have to summarize the job done, perhaps the most important outcome is that we have developed a system of thematic committees and working groups, bringing together civil servants, business people and public figures involved in the implementation of the specific measures identified by the Strategic Plan; moreover, this system continues to expand and consolidate.

It is not every city that is capable of developing a strategic plan. For the latter to happen, a city must have not only development potential and resources, but also a high level of public consensus and a readiness to put the identification of key priorities for the city above private and departmental interests.

St. Petersburg is famous throughout the world for its eminent figures in the fields of art, culture and education, for its scientific schools and industrial workforces, its splendid museums and theaters, and its historical and architectural monuments. It has a unique history which is reflected in every part of its image as well as in the mentality of its citizens. The beauty of St. Petersburg's physical environment, especially in the center, its citizens' high standards of education and culture, their love for their native city, the romantic and mesmerizing image of St. Petersburg, and the important role played by the city in world culture and the modern economy - all of these constitute foundations upon which to build a development strategy and attract to the city funds and resources from outside.

For Russia St. Petersburg is not only an important transport, trade and industrial center. It is the second most important city in the land, having managed to preserve many of the characteristics of a capital city in terms of the quality and variety of its urban life and the high standards of its business, education, science and culture. It is the ex-capital of the Russian Empire - "Resplendent St. Petersburg", the city loved and cherished not only by all Russians throughout all parts of Russia, however remote, but also by all citizens of the former Soviet Union.

The Strategic Plan for St. Petersburg has been signed by the vast majority of those who have taken part in its preparation, who have thereby assumed an obligation to work toward the implementation of the measures contained in the Strategic Plan and to abide by the priorities specified therein.

Those measures in the plan which are to be undertaken by the St. Petersburg administration and/or depend upon resources to be provided by the city are to be found in a separate section entitled "Plan of Action to be Undertaken by the City Administration in order to Implement the Strategic Plan", which I shall be monitoring personally on a continuous basis. A similar plan of action is vital, I believe, for the Legislative Assembly, upon which depends the development of a legal framework for the implementation of the plan's strategic goals, as well as allocation of funds from the city budget to finance specific measures. It is through such plans of action that we shall be able to coordinate our day-to-day administrative activities with the strategic goals given in the plan.

In signing the Strategic Plan on behalf of the city administration, I hereby commit myself to do everything in my power and in the power of the city administration to assist the attainment of the goals contained herein. I am confident that the same can be expected of all other participants in our strategic partnership - participants who are drawn from the city's most influential and best qualified forces, people who are sincere in their determination to ensure prosperity for St. Petersburg. This constitutes a pledge of the implementation of the Strategic Plan.

THE STRATEGIC PLAN FOR ST. PETERSBURG

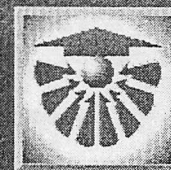
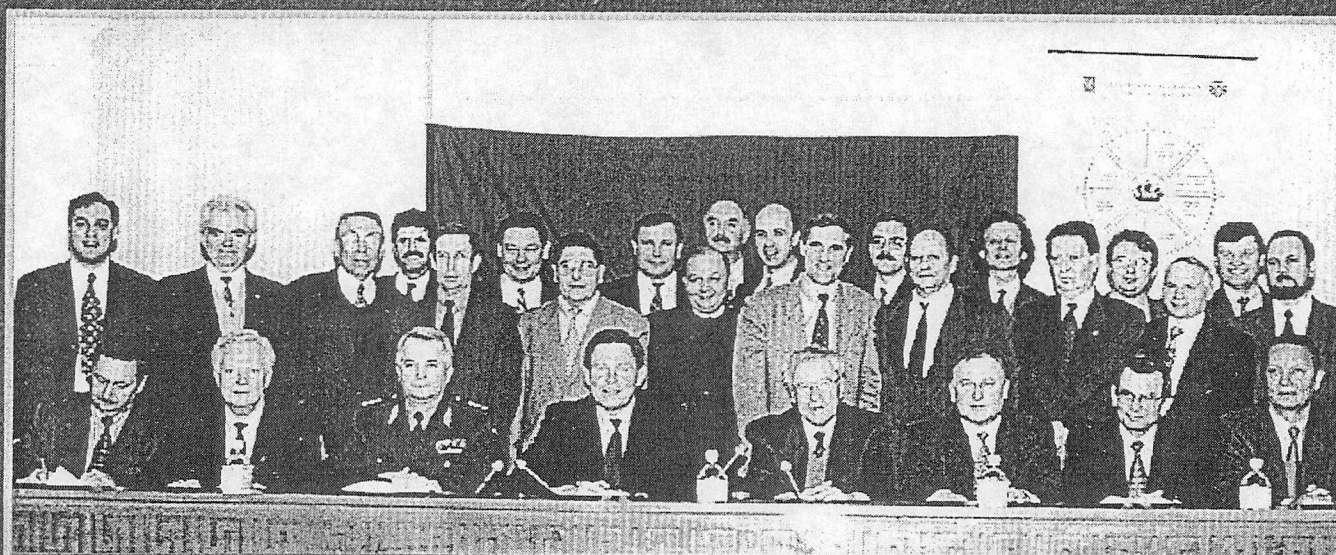
Address by the Governor of St. Petersburg

Declaration of the General Council

The Strategic Plan for St. Petersburg (CONTENTS)

The Main Goal and Principal Strategic Objectives

The Strategic Plan for St. Petersburg: Main Bearings

**STRATEGIC PLAN
FOR SAINT-PETERSBURG****DECLARATION OF THE GENERAL COUNCIL FOR THE STRATEGIC PLAN FOR ST.
PETERSBURG**

DECLARATION OF THE GENERAL COUNCIL FOR THE STRATEGIC PLAN FOR ST. PETERSBURG

In the new social, economic and geopolitical conditions prevailing today St. Petersburg must redefine its role both in Russia and in the world. That is why it needs a strategic plan that will allow it to unite the efforts of the city authorities and of the entire city community so as to decide the issues that will determine the future of the city and the well-being of its citizens.

At the first city conference, held on December 12th 1996, it was decided to prepare a

Strategic Plan for the development of St. Petersburg, based on the new idea of involving to the greatest possible extent all stakeholders. The past months of intensive work on the plan have proved the eagerness of St. Petersburg's leading organizations for constructive cooperation in the interests of the prosperity and well-being of our great city. The Strategic Plan defines the city's main goal and strategic objectives as well as specific objectives and specific measures for the realization of the main goal and strategic objectives. We are convinced that implementation of the plan will make it possible to concentrate on achieving high standards of quality of life for all citizens through improvement of St. Petersburg's economic climate and urban environment, and by successful integration of the city into the world economy.

By signing this declaration, we, the members of the General Council for the Strategic Plan for Saint Petersburg, jointly undertake to do the following:

a) do everything possible in order to achieve the main goal of the Strategic Plan, which is sustained improvement of the quality of life of all categories of St. Petersburg citizens. The latter depends upon: 1) St. Petersburg becoming a multifunctional city integrated into the Russian and world economy and providing a favorable environment for life and economic activity; 2) consolidation of St. Petersburg's role as the main Russian transport hub in the Baltic region and the North West of Russia;

b) cooperate in the implementation of measures in support of the four strategic goals identified by the Strategic Plan, i.e.:

establishment of a favorable business climate;

integration of St. Petersburg into the world economy;

improvement of the urban environment;

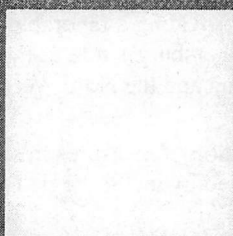
establishment of a favorable social environment;

c) use the authority and influence of the General Council and each of its members in order to implement the measures identified herein; concentrate the efforts of the General Council for the Strategic Plan on supervising the attainment of the plan's goals and on updating and improving the Strategic Plan.

The process of strategic planning will be continued. It has already united the city's most influential and best qualified forces, and it is open for all new participants who are sincere in their determination to ensure prosperity for St. Petersburg. We are sure that participants in this strategic partnership will, both together and each independently, do all in their power to contribute to the attainment of the Strategic Plan's main goal and to implement the tasks and objectives that it identifies.

This constitutes a pledge of the implementation of the Strategic Plan.

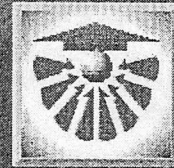
The above declaration was ratified at the Session of the General Council for the Strategic Plan of St. Petersburg on December 1st 1997 and was signed by 143 members of the General Council.



*Vladimir Yakovlev
Governor of St. Petersburg,
Chairman of the General Council for the Strategic Plan*

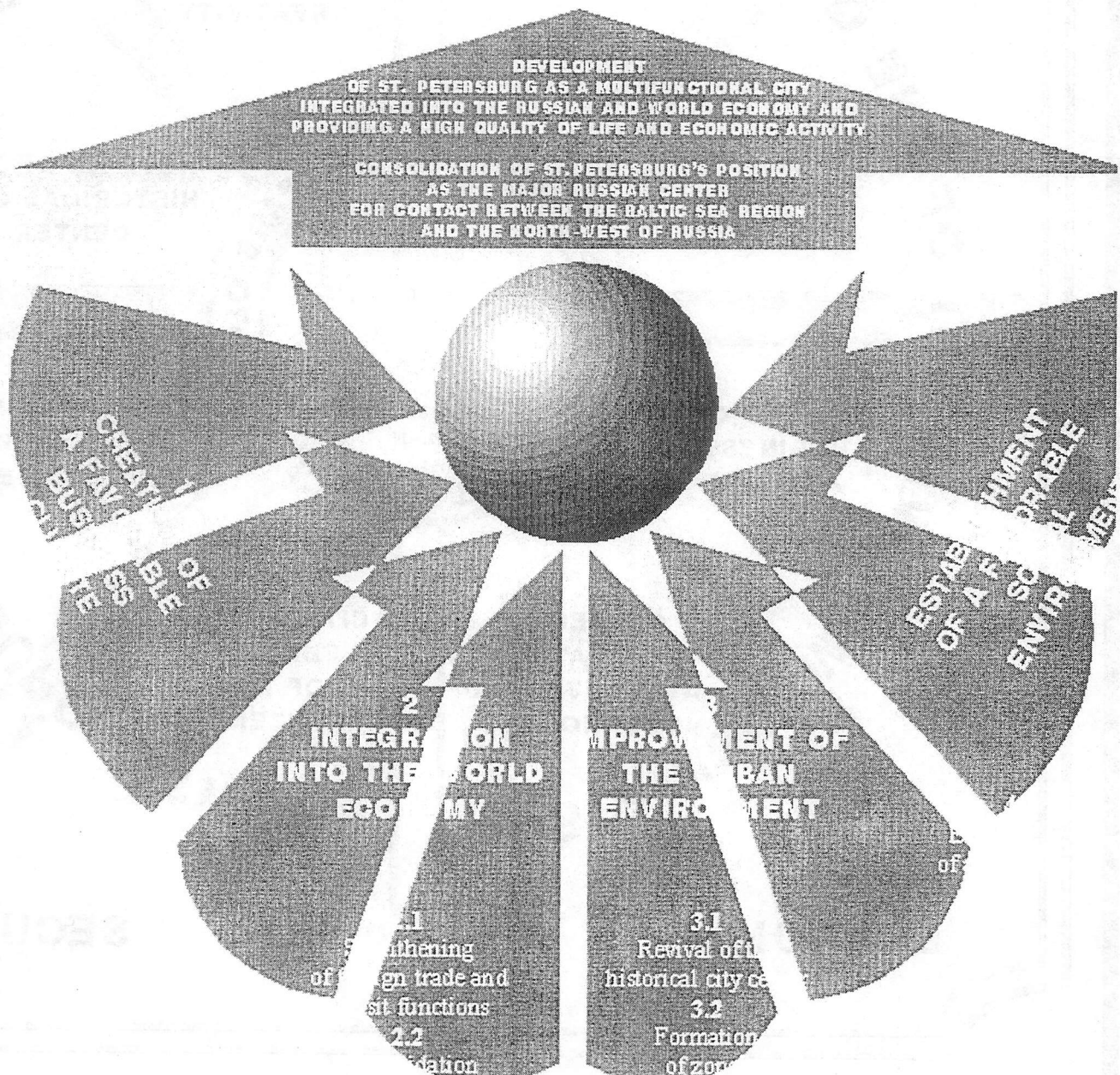
THE STRATEGIC PLAN FOR ST. PETERSBURG

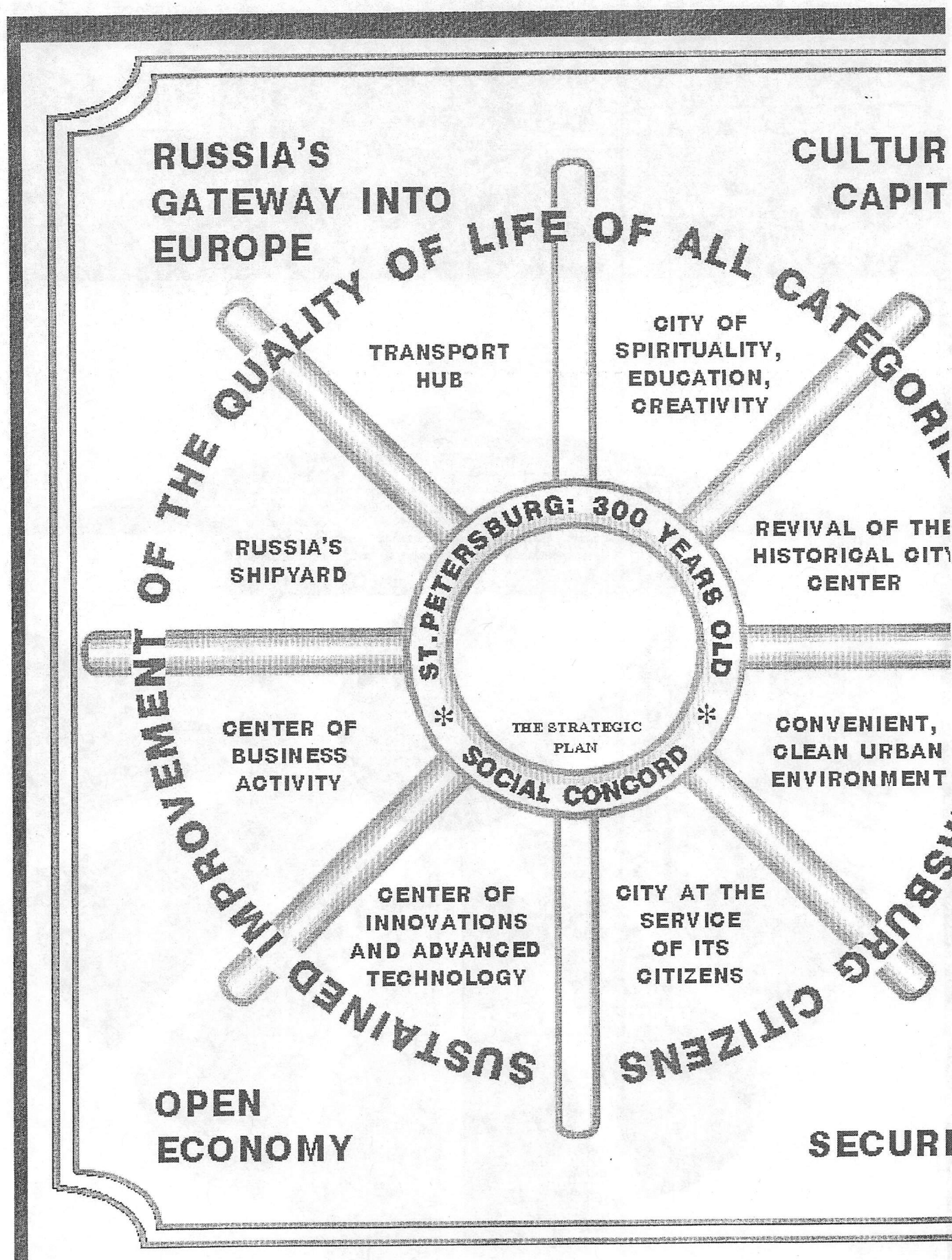
- Address by the Governor of St. Petersburg
- Declaration of the General Council
- The Strategic Plan for St. Petersburg (CONTENTS)
- The Main Goal and Principal Strategic Objectives
- The Strategic Plan for St. Petersburg: Main Bearings

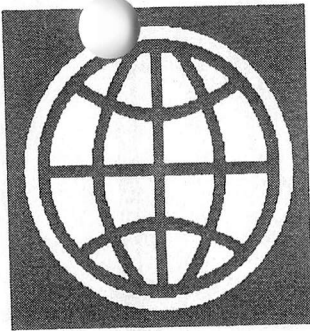


STRATEGIC PLAN FOR SAINT-PETERSBURG

THE MAIN GOAL AND PRINCIPAL STRATEGIC OBJECTIVES







The Role of Cities in a Globalizing World

Margret Thalwitz
Manager, Urban Sector
Infrastructure Sector Unit
Europe and Central Asia Region
The World Bank Group
September 6, 2000

The World Bank's Mission

- To fight poverty with passion and professionalism for lasting results
- To help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors

On Urban: The Bank's Strategy

- The analytical foundation
 - Urbanization
 - Globalization/localization
 - Poverty
 - Economic growth and prosperity
 - Decentralization and macro stability
 - The role of mayors/city councils/local elections
- In short: a comprehensive view/not a myopic approach to



WHY DOES URBAN MATTER?

CITIES ARE GROWING

CITIES ACCOUNT FOR THE LION'S SHARE
OF GNP AND WEALTH CREATION

POVERTY IS BECOMING INCREASINGLY
URBAN

Key Instruments for the Bank's Role in Development

- Country Development Frameworks
- Poverty Reduction Strategies (Jointly with the IMF).
- Country Assistance Strategies
- Financial Sector Assessments (Jointly with the IMF)
- HIPC - Debt Relief for the Poorest Countries
- Project Finance

The Role of Sectors

■ “Traditional”

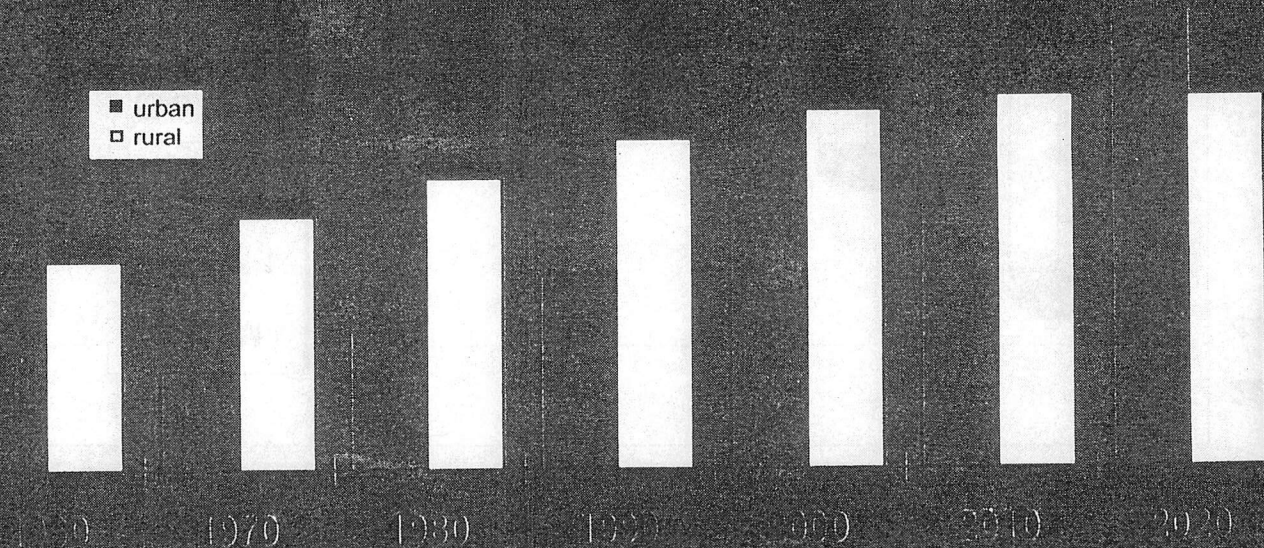
Infrastructure/Agriculture/Education and health

■ And “newer” sectors

- Public Administration and Governance
- Environment/Urban Development
- Social Safety Nets/Finance/Private Sector Development

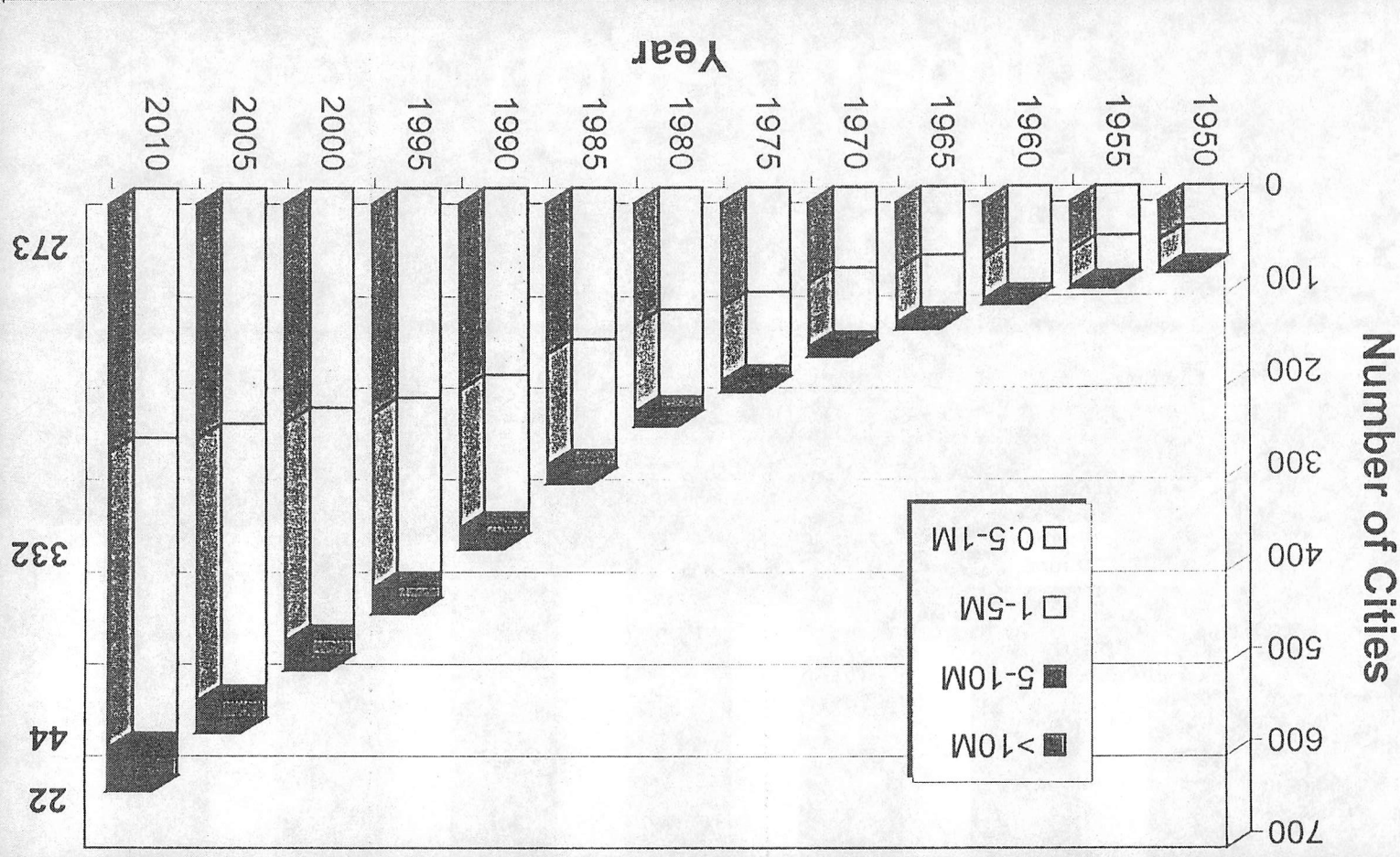
Urbanization Trends

Developing Countries' Population
(million)



URBAN

Number of Large Cities in Developing Countries by City Size: 1950-2010



Regional Issues

ECA

- Cities not underdeveloped - misdeveloped
- Highly urbanized
- Urban poverty rising
- Weak real estate and land markets
- Poorly functioning services

LAC

- Highly urbanized
- Poverty is urbanized
- Slums, crime and social degradation
- Pollution

Africa

- Fastest urbanization in the world
- Low/negative economic growth
- Weak municipalities
- Crime

S. Asia

- Increasing poverty
- Large slums
- Small countries e.g. Bhutan

E. Asia

- Largest urban population (1.3bn by 2020)
- Severe pollution
- Growing urban poverty and unemployment
- Basic infrastructure needs
- Rising crime and violence

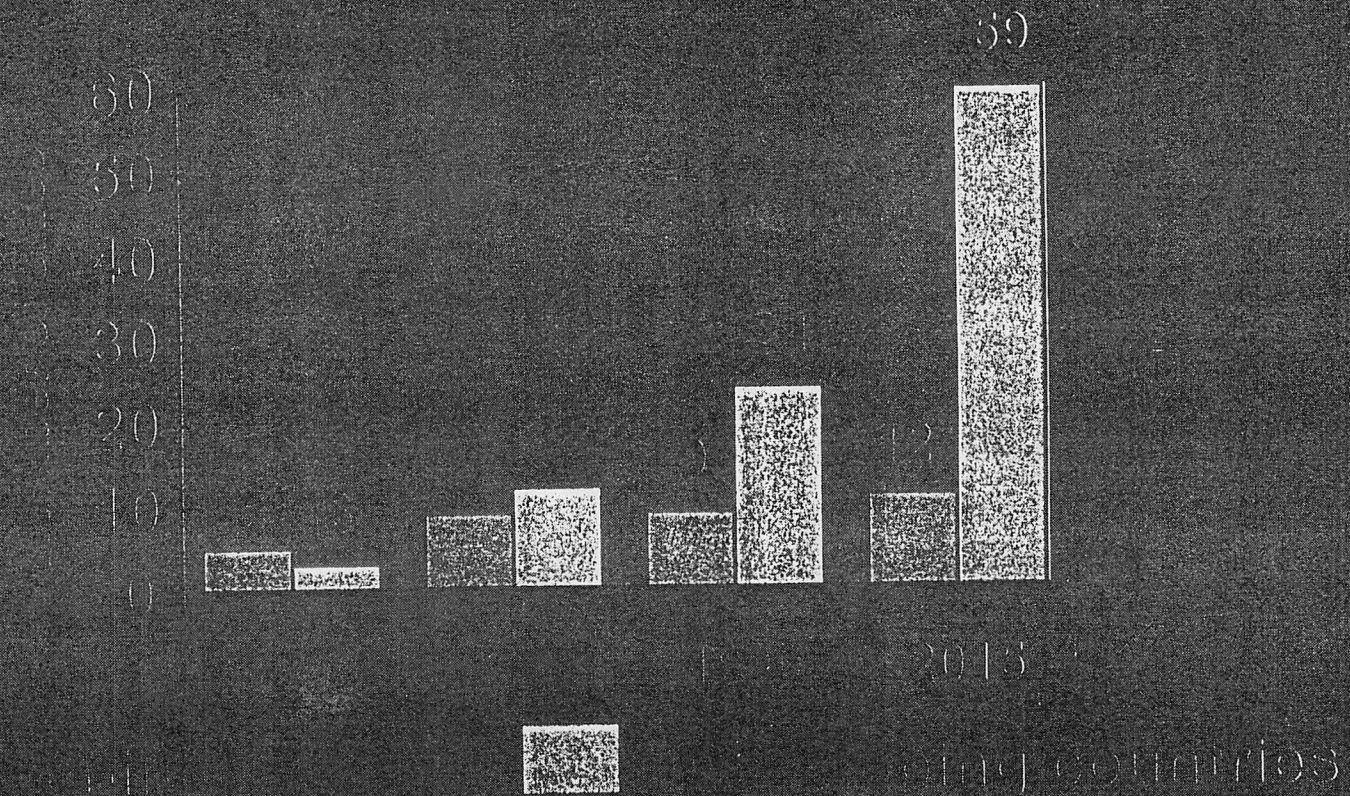
MENA

- Rapidly urbanizing
- Centralized
- Increasing poverty and high unemployment
- Basic infrastructure needs



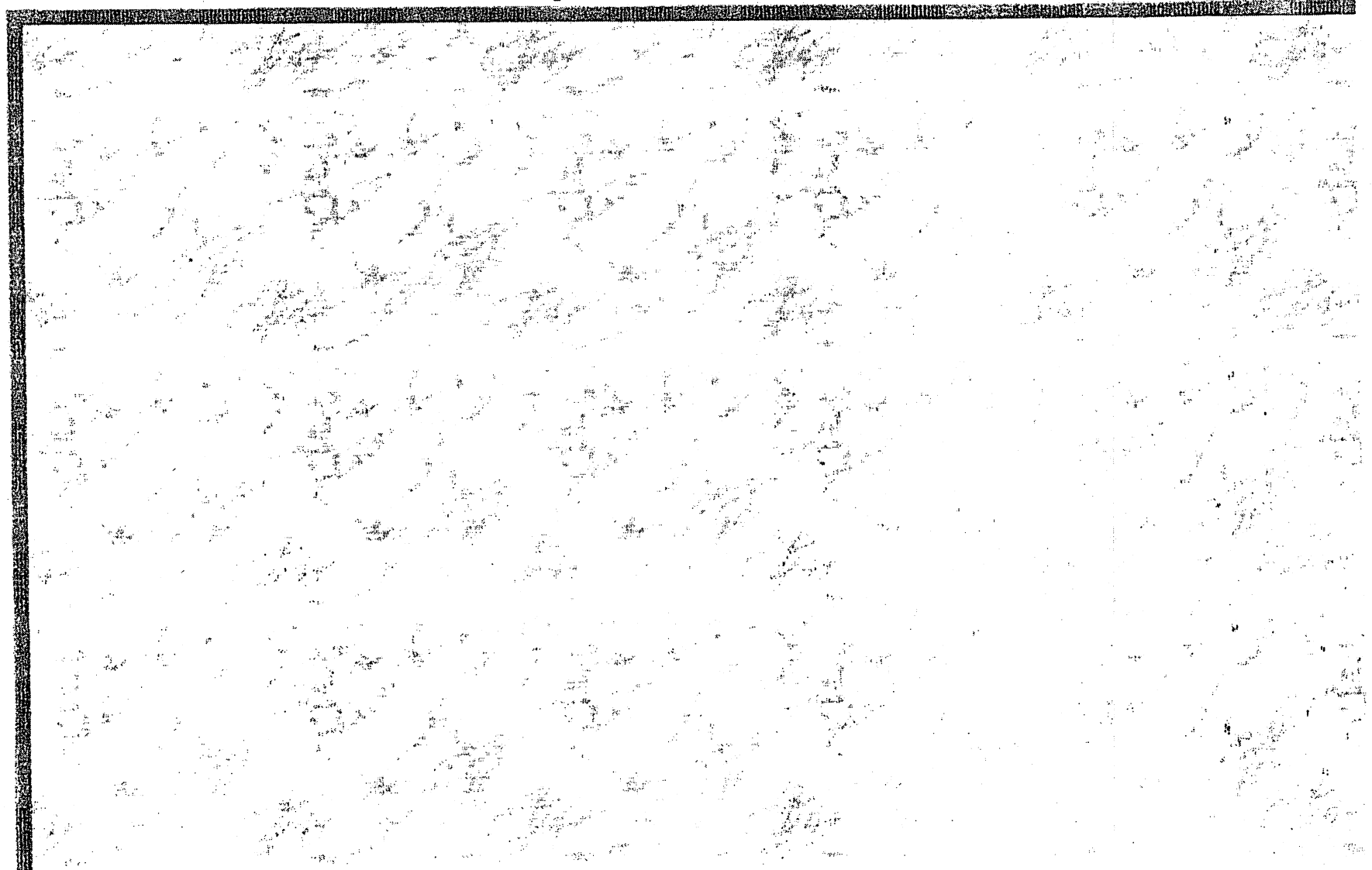
URBAN

Growth in megacities (> 5m)



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Globalization/Localization - A New Development Paradigm



Regional Strategies

ECA

- Developing land and real estate markets
- Increasing city creditworthiness

LAC

- Improving access of cities to capital markets
- Scaling-up slum-upgrading programs

Africa

- Focusing on Municipal Capacity Building (e.g. Uganda)
- Urban Productivity (Research)
- Targeting programs of basic services to help the poor



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S. Asia

- Long-term presence with concentrated effort on a few select cities for maximum effect
- Selectivity--working with reform minded mayors

E. Asia

- Undertaking city development strategies
- Supporting programs to alleviate poverty and urban safety nets - Indonesia and Thailand
- Building local government capacity
- Providing basic services - responding to health indicators

MENA

- Supporting Institutional sustainability
- Facilitating access to capital markets and municipal finance
- Mainstreaming cultural heritage, e.g. Fes



AN EXAMPLE OF GLOBAL/ LOCAL INTERACTIONS

FINANCIAL CRISIS - LOCAL IMPACT

Overnight increase in urban poverty in East Asia
35 percent urban populations destitute floating migrants

Loss of local government revenues undermining social
programs

Collapse of credit markets undermining private sector
infrastructure investment



LOCALIZATION

The Political Economy Dimension

IMPORTANCE OF SUBNATIONAL UNITS

PEOPLE DEMANDING MORE SELF
GOVERNMENT

FRAGMENTATION OF OLD STATES

FROM 96 IN 1960 TO 192 IN 1998



***DECENTRALIZATION* -CONT.**

FISCAL DECENTRALIZATION

EXPENDITURE SHEDDING,

**E.G.: MEXICO SUBNATIONAL SHARE OF PUBLIC EXPENDITURES
UP FROM 11 % IN 1987 TO 30 % IN 1996**

LOCAL PARTICIPATION

**NGOs AND CIVIL SOCIETY AT LARGE
PARTICIPATING IN ECONOMIC AND SOCIAL
POLICY DECISIONS**



DECENTRALIZATION

THE POLICY RESPONSE TO LOCALIZATION

POLITICAL DECENTRALIZATION:

LOCAL ELECTIONS

**(OUT OF THE 48 LARGEST COUNTRIES 34 HAVE LOCAL ELECTIONS
TODAY, ONLY 10 HAD LOCAL ELECTIONS 20 YEARS AGO)**



***DECENTRALIZATION* - CONT.**

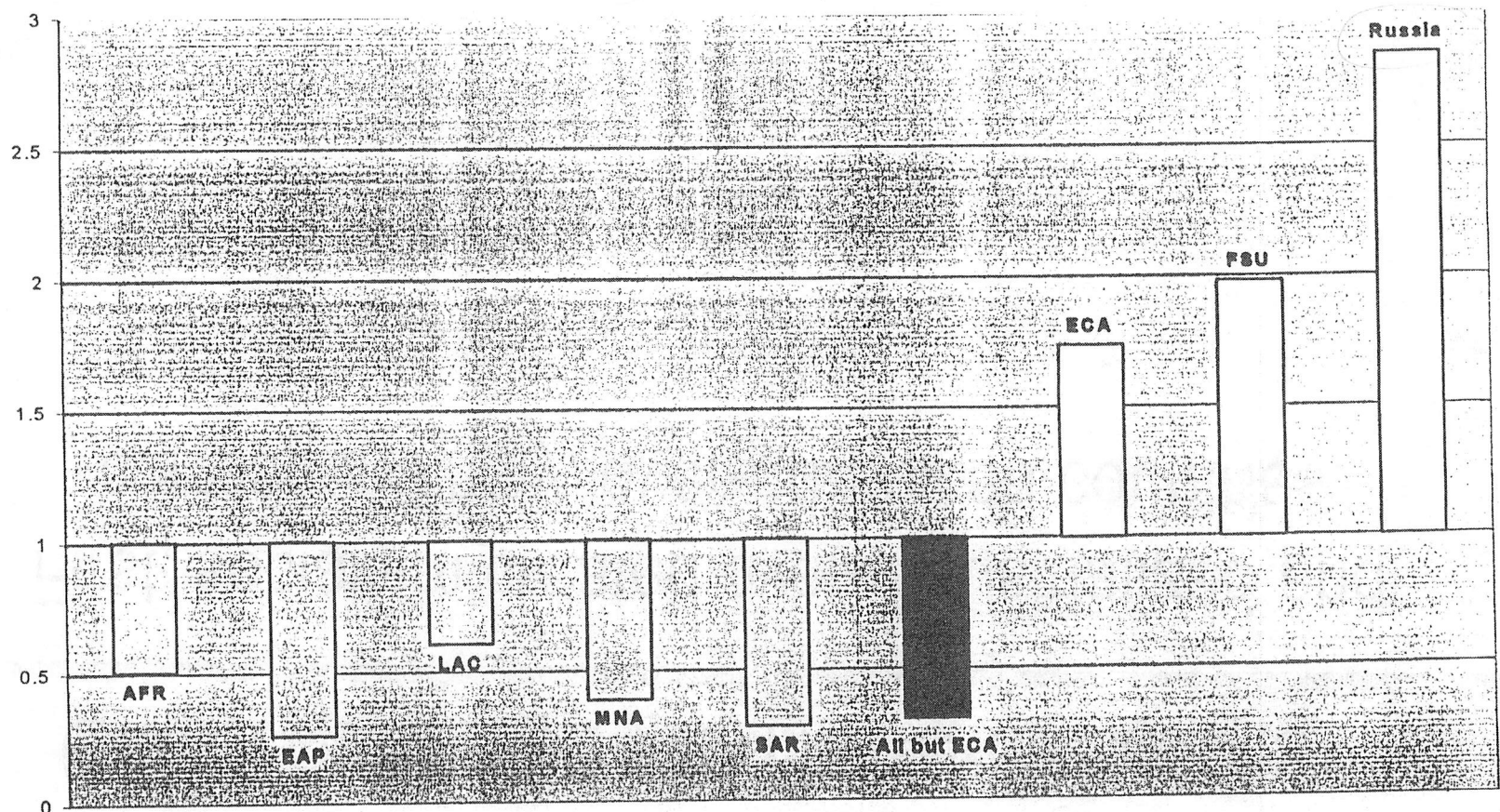
PRIVATE SECTOR

STRONGER ENGAGEMENT IN DELIVERY OF
SERVICES

Urban Poverty

- The traditional Bank view on poverty is that its location “tends to be at its worse in rural areas... and outside of ECA that is right.

In Fact, Two to Three Times as Many Poor People

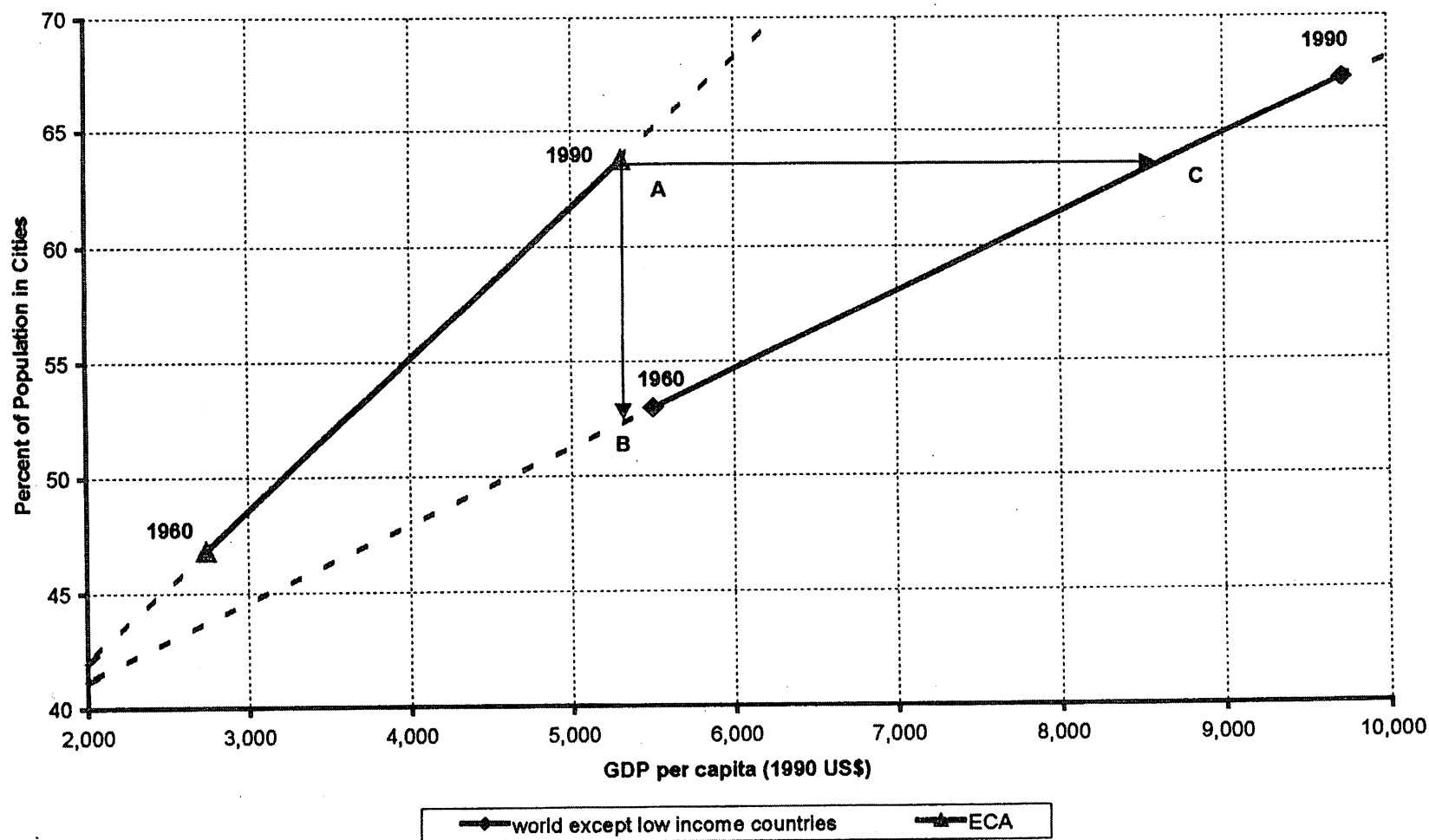


Note: AFR (Africa), EAP (East Asia and Pacific), LAC (Latin America and the Caribbean), MNA (Middle East and North Africa), SAR (South Asia)

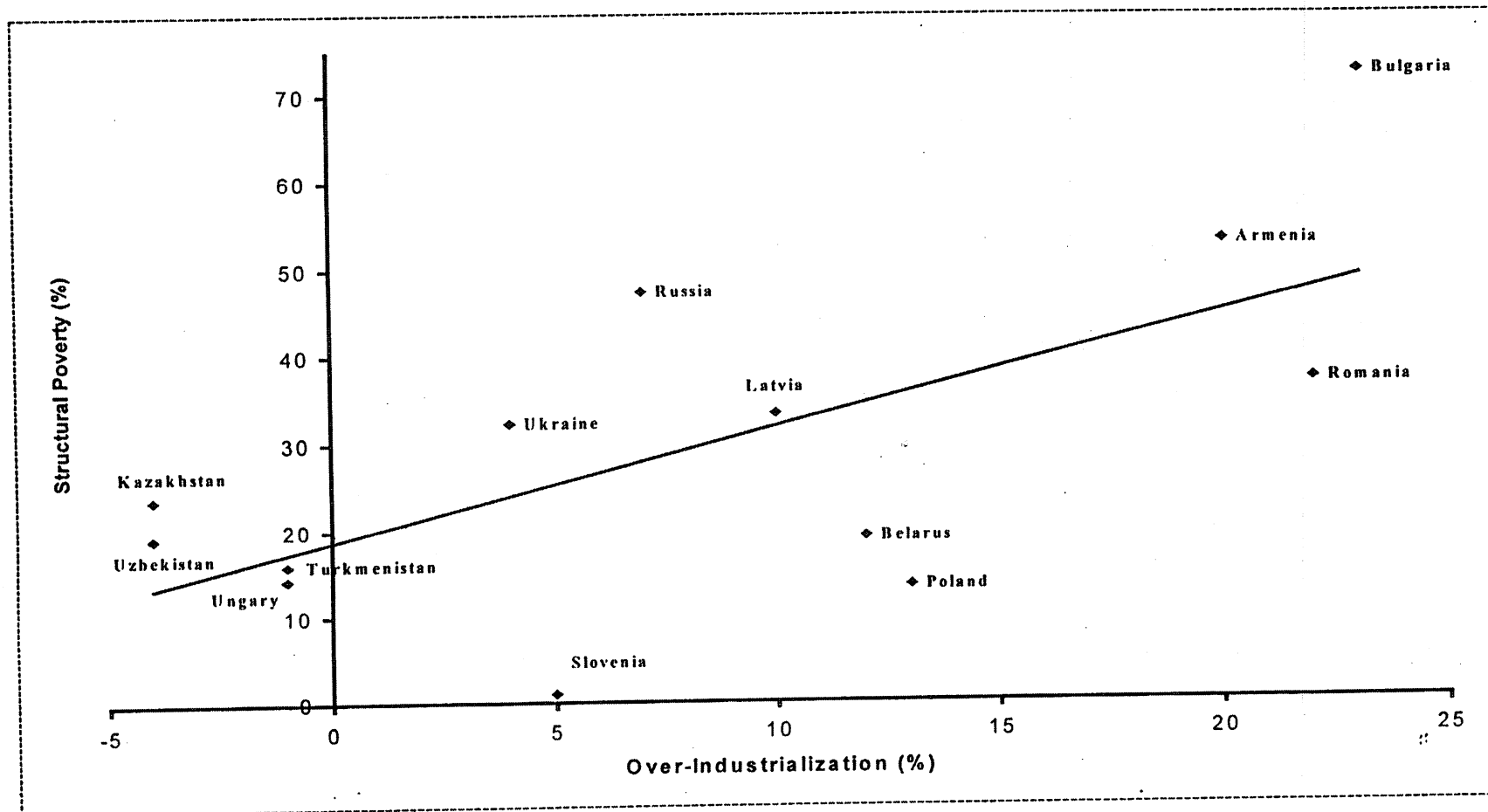
The Concentration of the Poor in ECA's Cities occurred for Three Reasons

First, socialism created over-industrialized and correspondingly, over-urbanized countries.

Patterns of Urbanization and Growth in Transition Economies and Middle Income Countries, 1960-1990



These Over-Industrialized Cities will be the Initial Home of Many of the Poor



		Urbanization	
		High	Low
Over industrialization	High	Armenia, Azerbaijan, Bulgaria, Belarus, Czech Republic, Estonia, Georgia, Lithuania, Latvia, Macedonia FYR, Poland, Romania, Russian Federation, Slovak Republic, Slovenia (89%, 84%)	Kyrgyz Republic (1%, 2%)
	Low	Croatia, Hungary, Kazakhstan, Moldova, Turkmenistan, Ukraine (7%, 8%)	Albania, Tajikistan, Uzbekistan (3%, 6%)

The Concentration of the Poor in ECA's Cities occurred for Three Reasons

Second, the Transition has bankrupted the public enterprise which provided much of the social safety net.

The Concentration of the Poor in ECA's Cities occurred for Three Reasons

- Third, Socialist societies were asset rich but poor on accountability

Asset Rich Cities...

		Modal Split - % Work Trips Made By:			Mean Travel Time to Work	Automobile Ownership
		Private Car	Total Public Transportation	Bicycle and Foot	Minutes	Cars/1000 Pop.
FSU						
AVERAGE	1,413	10.40%	68.6%	19.3%	37.51	100.06
East & Central Europe						
AVERAGE	953	27.1%	52.6%	17.9%	34.62	350.00
West Europe						
AVERAGE	1,193	53.2%	20.4%	24.3%	26.30	393.70
Industrialized		54.86%	24.09%	23.32%	25.03	423.52

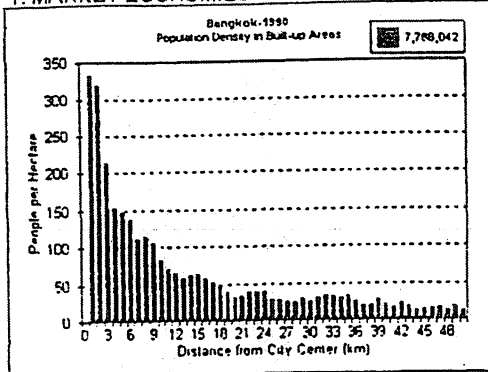
Household Expenditures on Urban Services in Market and Transition Economies

	Country		
	OECD Countries	Pre-Reform Transition Economies	Most Recent Transition Economies
Housing	20 – 25	3	3 – 9
Utilities	3 – 6	3	5 – 9
Transportation	10 – 12	2	7
Taxes Financing Local Exp.	15 – 20	3	8
Total	48 – 63	11	23 - 30

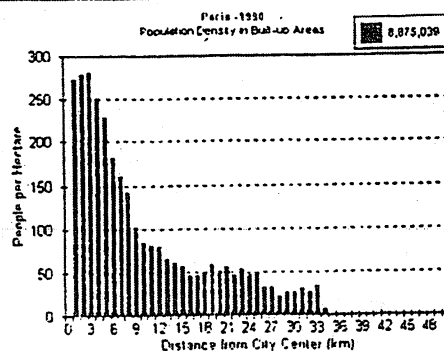
The under-pricing of urban services distributes subsidies regressively and non-transparently. These under-priced services often account for a significant portion of overall government transfers.

COMPARATIVE POPULATION DENSITIES IN BUILT-UP AREAS

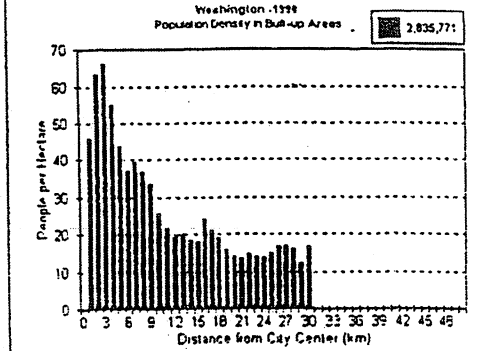
1. MARKET ECONOMIES



Bangkok

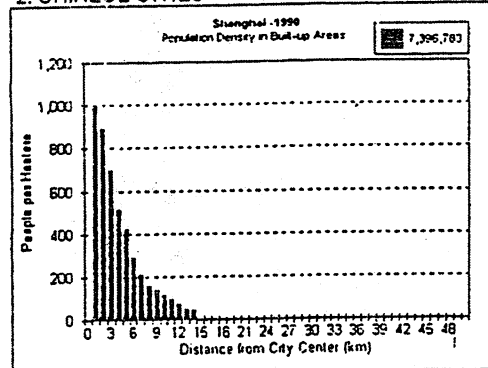


Paris

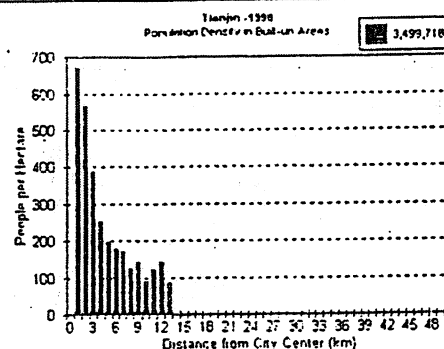


Washington

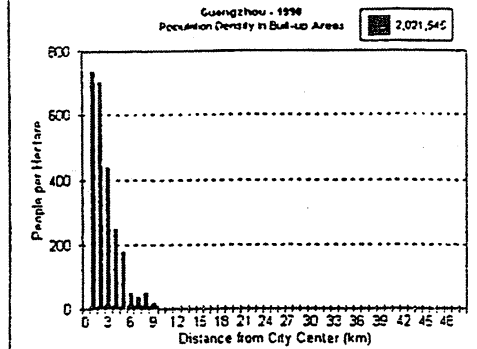
2. CHINESE CITIES



Shanghai

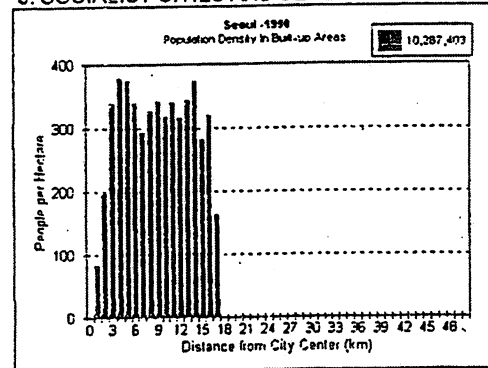


Tianjin

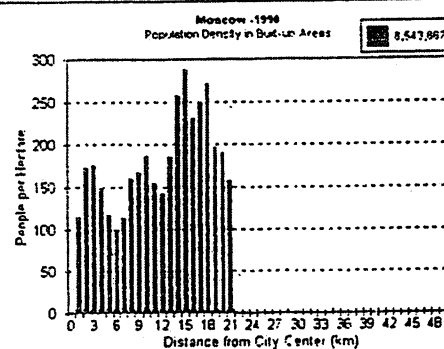


Guangzhou

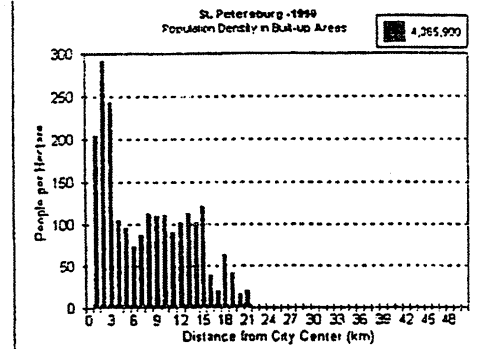
3. SOCIALIST CITIES AND SEVERELY CONSTRAINED MARKETS



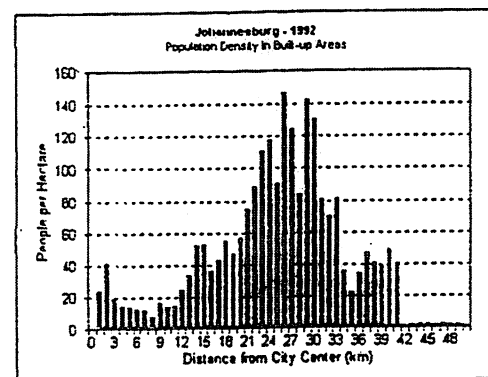
Seoul



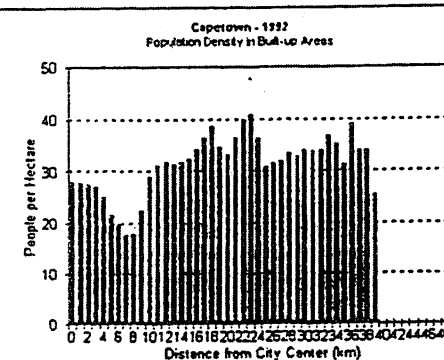
Moscow



St. Petersburg



Johannesburg-Witwatersrand Area



Capetown

ST. PETERSBURG - LAND USE 1994

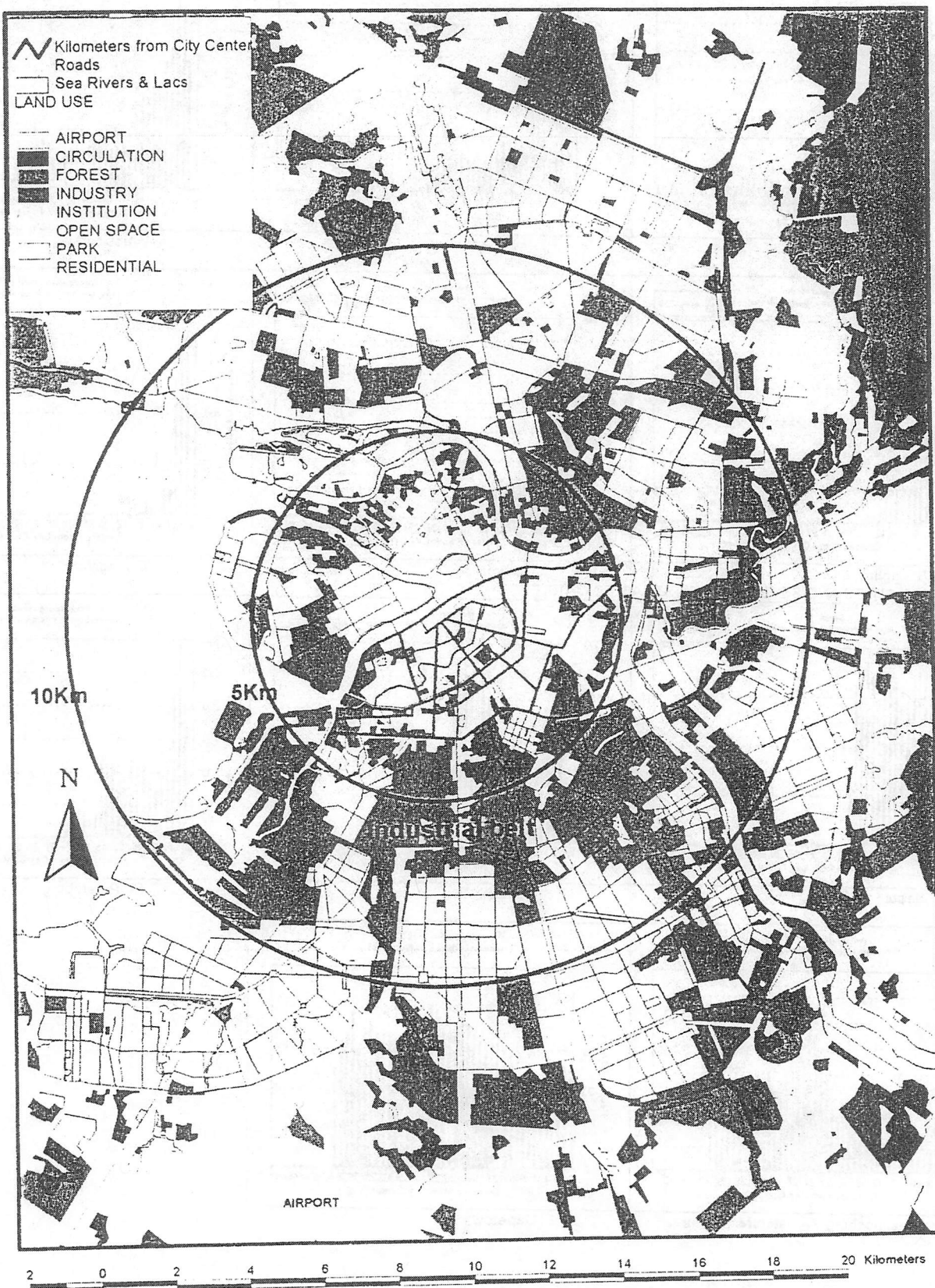


Table 1 – Industrial Land as % of Total Urbanized Land in Socialist and Market Cities

<u>City</u>	<u>Industrial Area % of Total Area</u>
St. Petersburg (Russia)	44.0
Moscow (Russia)	33.8
Cracow	28.8
New York (USA)	9.0
Paris (France)	7.7
Seoul (Korea)	5.0
Curitiba (Brazil)	5.0
Hong Kong (S.T. China)	5.0
Seattle (USA)	4.8

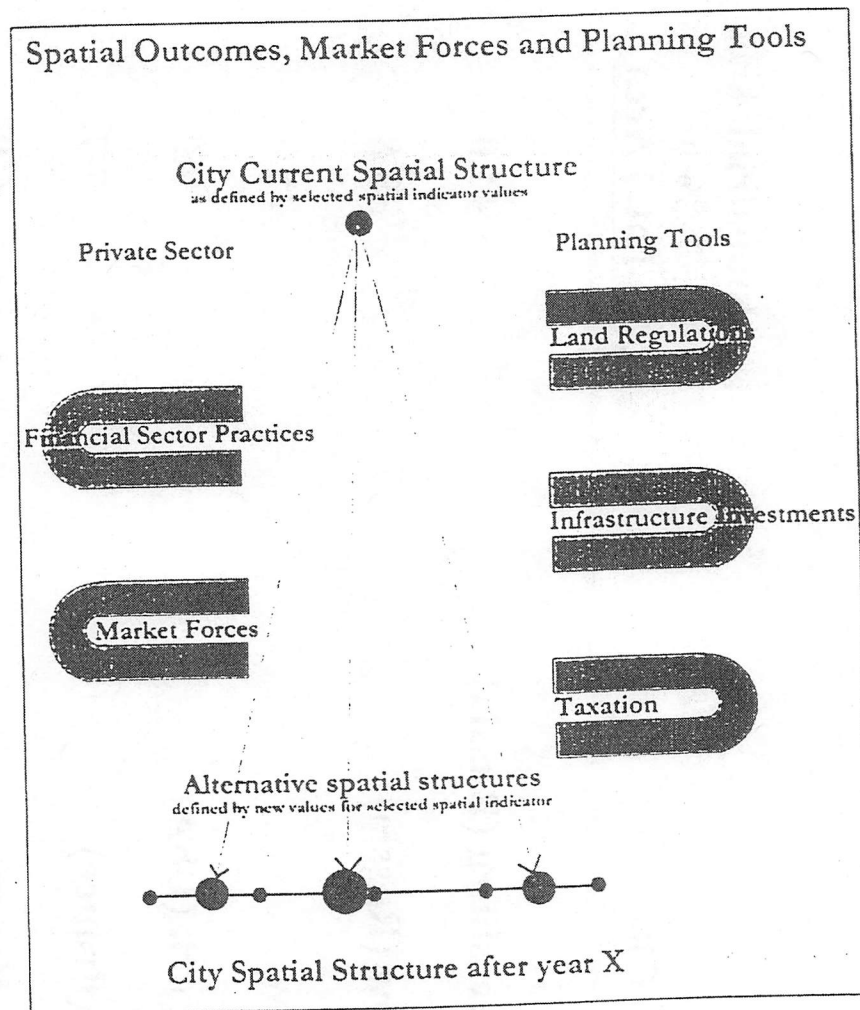
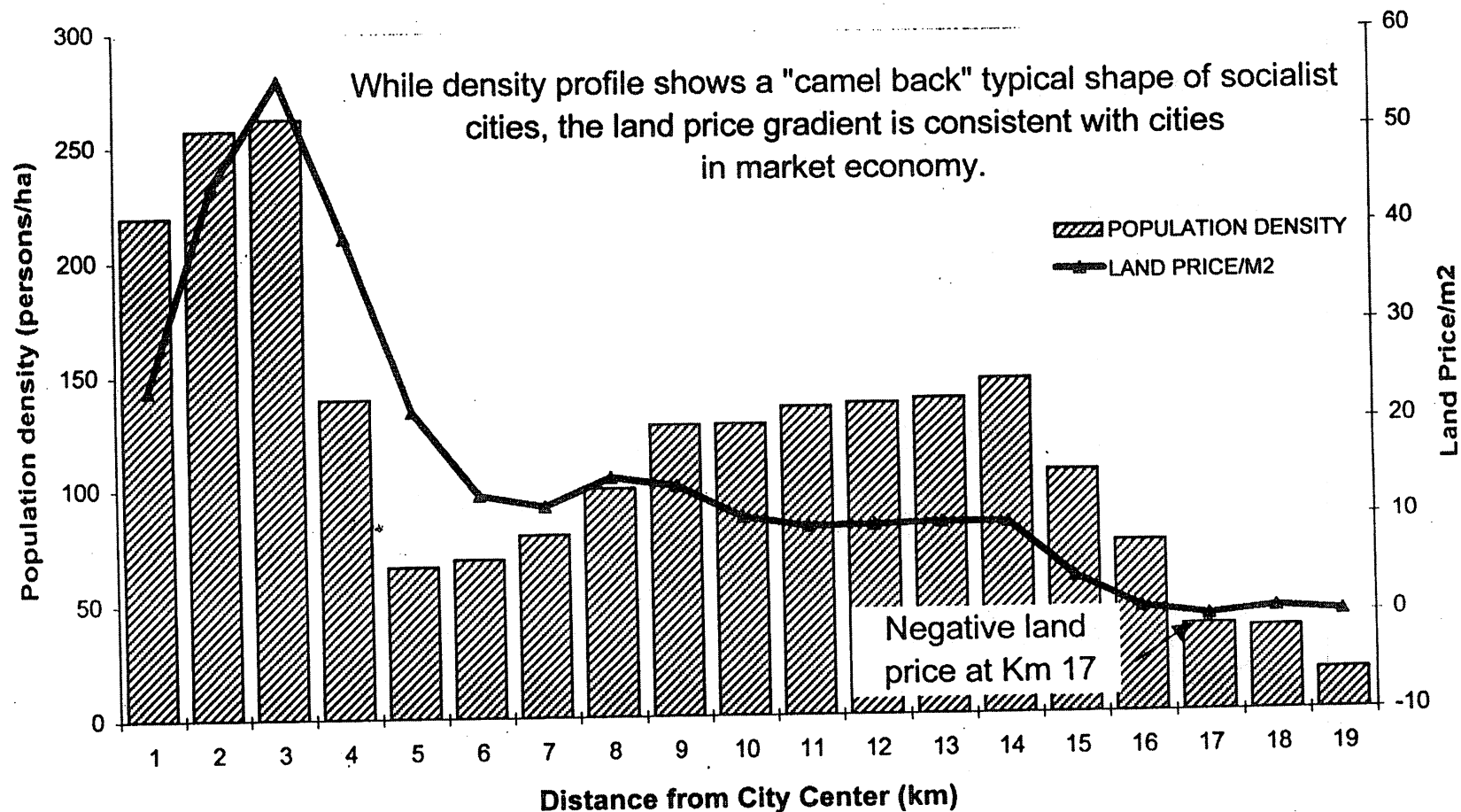


Figure 1: Alternative city structures

ST. PETERSBURG - LAND PRICES IN RELATION TO POPULATION DENSITY (1993-1994)



Aim of Strategy (Urban “Mission”):

To help national and local governments build their capacity to:

- improve the lives of the urban poor
- manage urban growth
- improve city efficiency and productivity

thereby contributing to national goals of poverty reduction and sustainable development.



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Four actions for strategic emphasis:

1. National urban strategies
2. City development strategies
3. Scaled up (national and city-wide) programs to help the poor, e.g. slum upgrading
4. Enhanced capacity-building

... while continuing and strengthening core urban development products and **services** -- in municipal management, municipal development funds, housing and real estate, urban environment, reconstruction)



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(1) National Urban Strategies address:

- ✓ Urban dimensions of national poverty assessments
- ✓ Synergies between urban and rural development (e.g. migration, small towns, nonfarm employment, food security)
- ✓ Equitable policy frameworks for service delivery and financing (ensuring cities pay for resources they use, and ensuring access for poor)
- ✓ Intergovernmental finance frameworks that support system of cities (and identify key differences in needs of “mega” vs. other cities)



URBAN

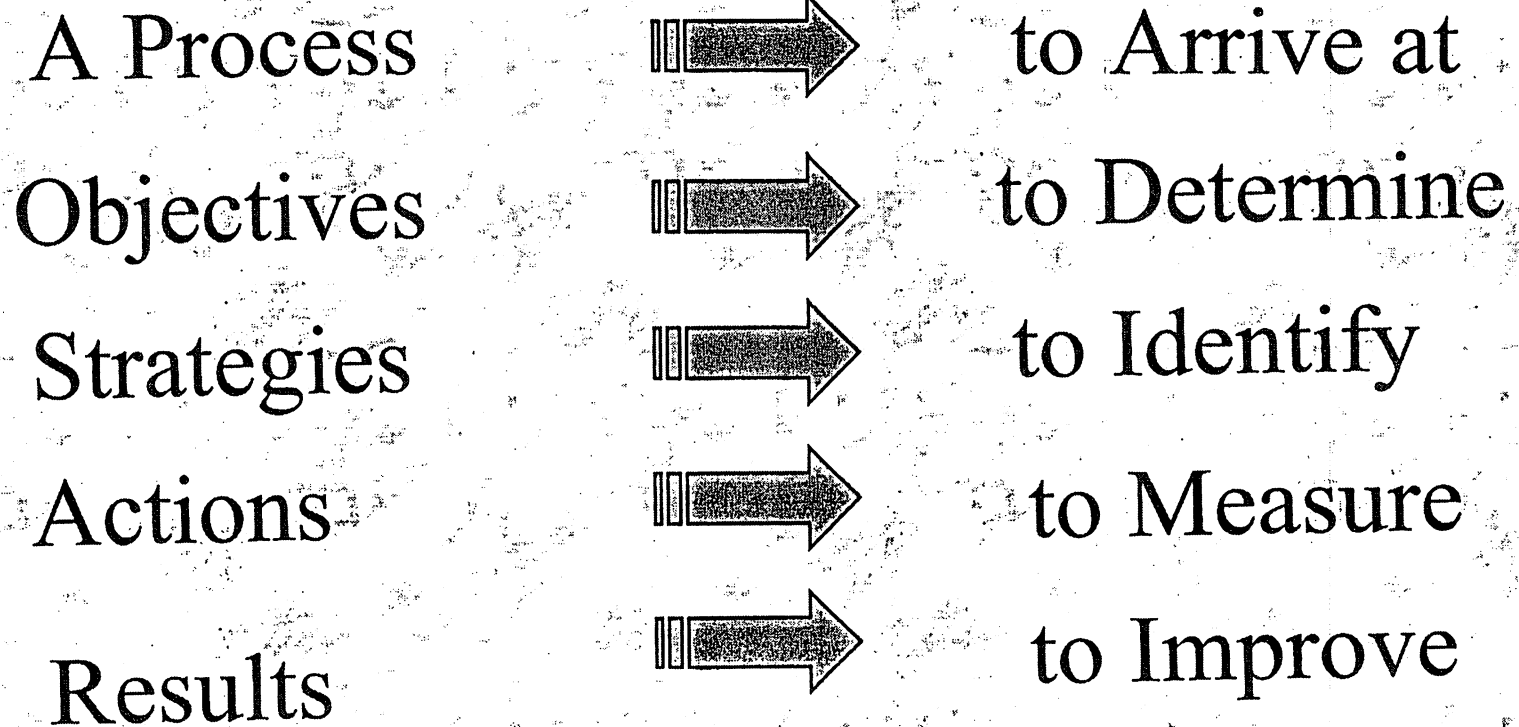
(2) City Development Strategy:

- ✓ Facilitate process of building consensus among local stakeholders and potential assistance providers -- to identify the shared “vision” for a city, existing bottlenecks and requirements for action (including investment)
- ✓ Diagnose and relate poverty trends to city functioning, linking the four themes
- ✓ Support long-term, cross-sectoral assistance program for some cities that want such help



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City Development Strategies



The Process

(3) “Scaling-up” projects into programs to provide basic services to all the urban poor (e.g., slum upgrading)

→ Building on existing initiatives by the communities themselves through:

✓ Sustainable financial policies (keeping costs and subsidies manageable)

✓ Arrangements for partnership of communities, NGOs/CBOs, municipalities, private sector, central government, and donors



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(4) Expand and accelerate capacity-building of local governments:

- ✓ ***Support professional networks and associations of local governments*** for sharing of experience, technical assistance and training
- ✓ Develop ***non-project based Advisory Services*** for timely provision of direct advice and technical assistance.
- ✓ Continue Municipal Management projects and support to market-oriented Municipal Development Funds, especially for secondary cities
- ✓ Economic Development Institute (EDI) expanding municipal training



Criteria for Future CDS

- Demonstrated institutional commitment
- Civil Society and Stakeholder buy in
- Resource commitment
- Central government backing
- Prospects for impact and scale up
- Prospects to build civic capacity

Targeting Our Objectives

- Keep sharp focus on actions at city level
- Select cities with inspired leadership, committed to poverty reduction
- Scale up (replication) through associations of cities and federations of NGOs/CBOs
- Engage private sector financial institutions and community development banks

The Cities Alliance

- An alliance of cities and their development partners
- Aims to improve the efficiency and impact of urban development cooperation through:
 - City development strategies; and
 - Citywide and nationwide upgrading programs

Looking Ahead--CDS: Proposed and Action Plan

Region	Places	Status	Sponsors
East Asia	2	Initiated	GOJ, CA
East Europe	1	Initiated	CA
L. America	1	Pending	CA
Africa	3	Pending	CA
S. Asia	3	Pending	CA
MENA	2	Initiated	GOJ, CA

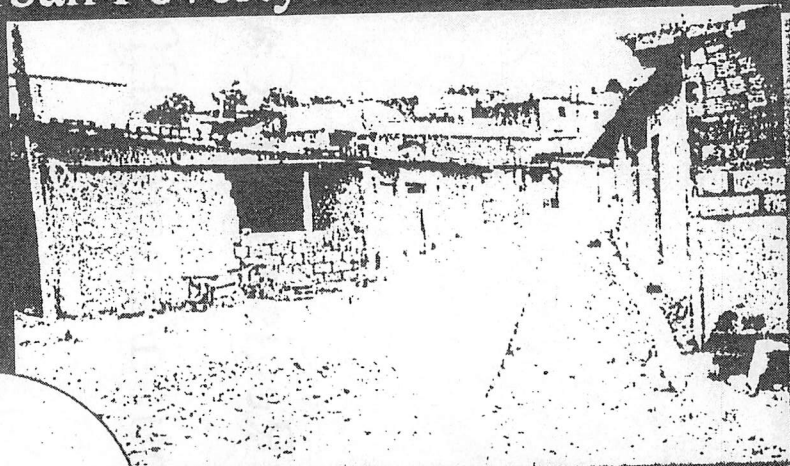
TYPES OF URBAN/MUNICIPAL SERVICES PROJECTS INCLUDE

- Water & Sanitation
- District Heating
- Urban Transport
- Land Development/Registration/Cadaastre
- Housing Reconstruction/Energy Efficiency
- City Rehabilitation
- Cultural Heritage
- Community Infrastructure
- Credit Lines to Municipalities
- Municipal Infrastructure
- Municipal Development Funds

Global Coalition of Cities and their Development Partners Committed to Urban Poverty Reduction

LOCAL:

- Community Based Decision Making
- Community Groups
- NGOs
- Business Leaders
- Mayors



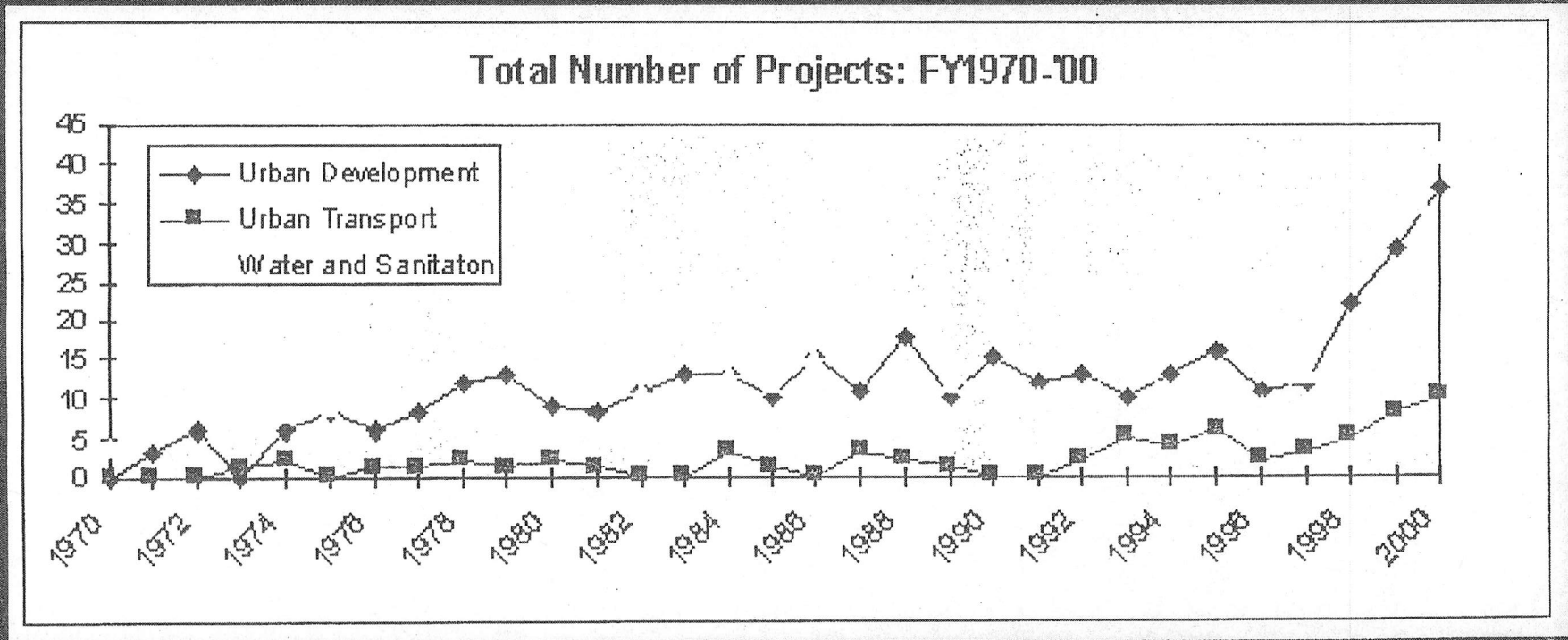
GLOBAL:

Strengthening Coherence
of External Support

- Investment banks
- U.N. agencies
- Bilateral agencies
- International NGOs
- Local Authority Associations

Cities Without Slums

World Bank Urban lending on the rise: From 3% in the 1970s and 1980s, to 5-6% in the 1990s.



If include water and sanitation, urban transport and urban development, totals 13% of bank lending in 1999.



URBAN

LA DEFENSE
BILAN
PREVISIONNEL 1988

DIVERS 473,3

FRAIS FINANCIERS 493

FRAIS GENERAUX 847

ENTRETIEN 157

TRAVAUX 3284,5

ACQUISITIONS
FONCIERES 1073,2

DEPENSES (M.F.) 6328

460,5 DIVERS

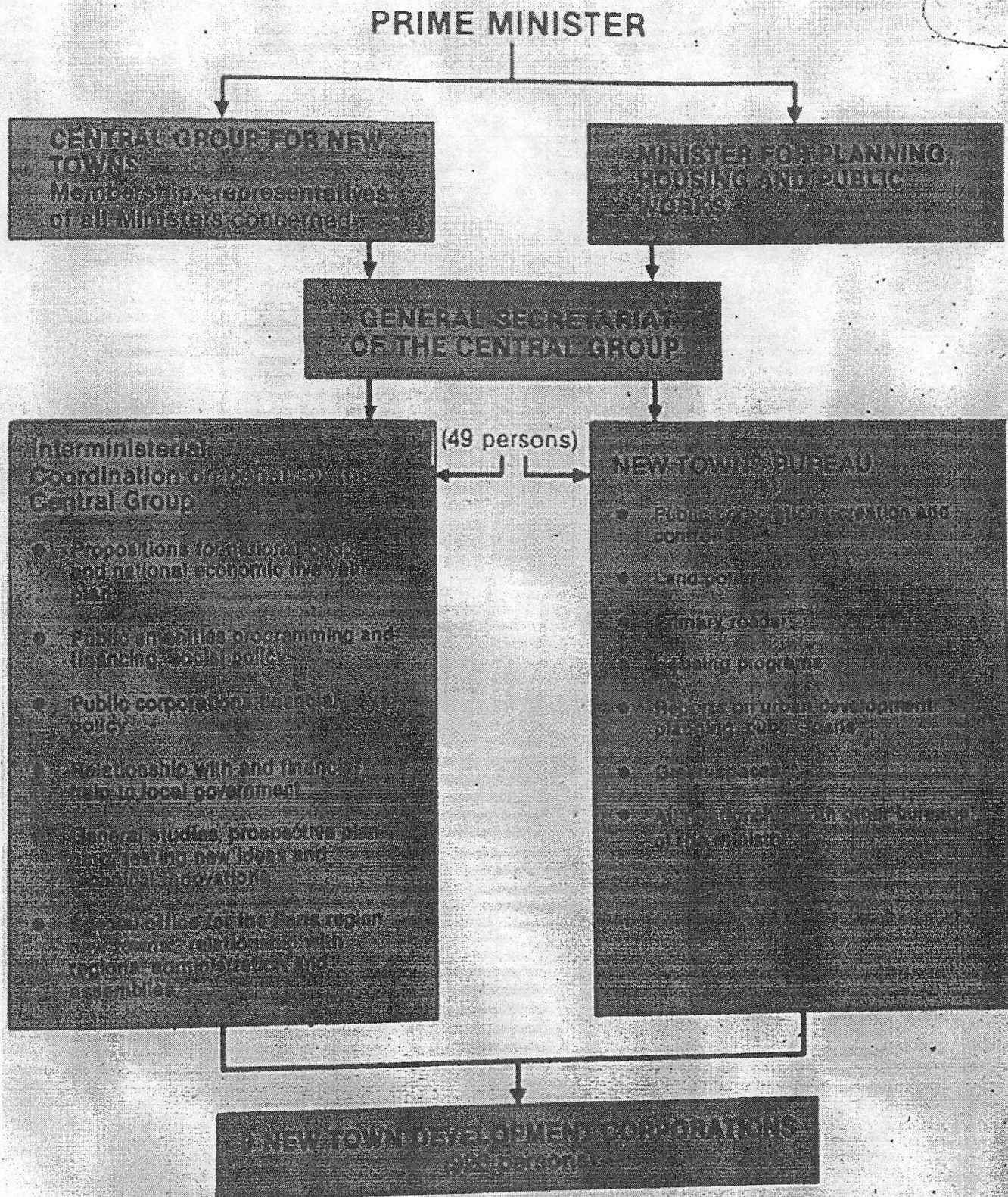
110 DOTATION EN CAPITAL
194 SUBVENTIONS
ET PARTICIPATIONS

862,5 RECETTES COMMERCIALES
COMMERCES, HOTELS,
TERRAINS INDUSTRIELS

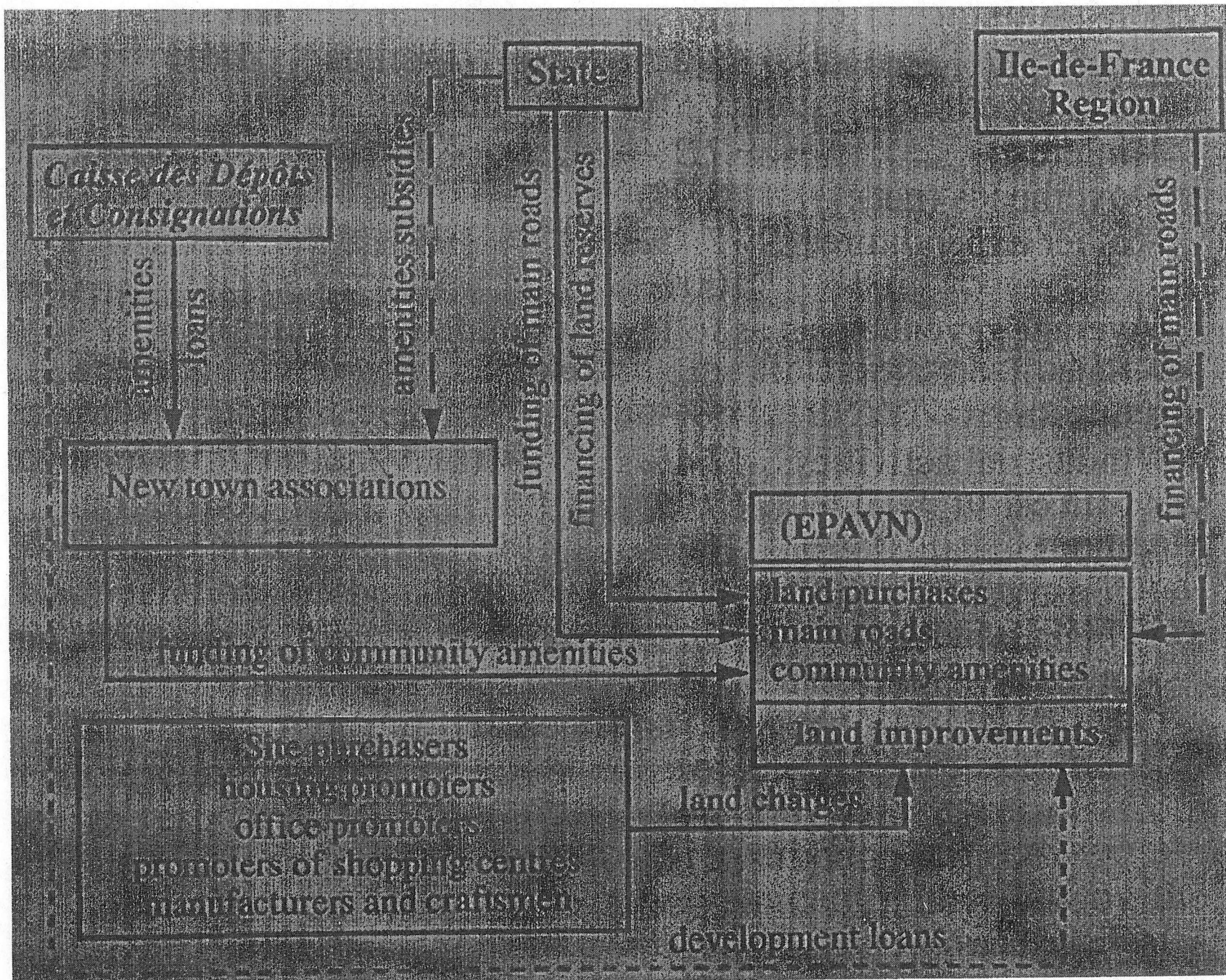
786,5 RECETTES COMMERCIALES
LOGEMENTS

4088,5 RECETTES COMMERCIALES
BUREAUX

6502 (M.F.) RECETTES



Source: Secretariat des Missions
d'Urbanisme et d'Habitat Nov 1977





BARCELONA 2000:
ECONOMIC AND SOCIAL
STRATEGIC PLAN

Overall Aim

To consolidate Barcelona as a go-ahead European metropolis exerting an influence over the macro-region in which it is geographically located; with a modern quality of life; socially balanced and deeply rooted in Mediterranean culture.

Strategic Line I

To shape Barcelona as one of the leading centres of the macro-region.

Strategic Line II

Improving people's quality of life and progress.

Strategic Line III

Promoting industry and advanced business services.

SALIDAS INTERNACIONALES INTERNATIONAL DEPARTURES					
HORA TIME	DESTINO DESTINATION	VUELO FLIGHT	MOSTRADOR COUNTER	EMBARQUE BOARDING	PUERTA GATE
13:45	AMSTERDAM	KLM 600		13:45	
14:30	NANTES	AVD 313		14:10	
14:30	ATENAS	AEA 978	/	14:10	
14:50	BRUSELAS	SAB 694		14:30	
14:55	NUOVA YORK	IBE 399		14:35	
14:55	ZURICH	SWR 661		14:35	
15:10	NIZA	AFR 157	/	14:50	
15:20	VIENA	IBE 3804	/	15:00	

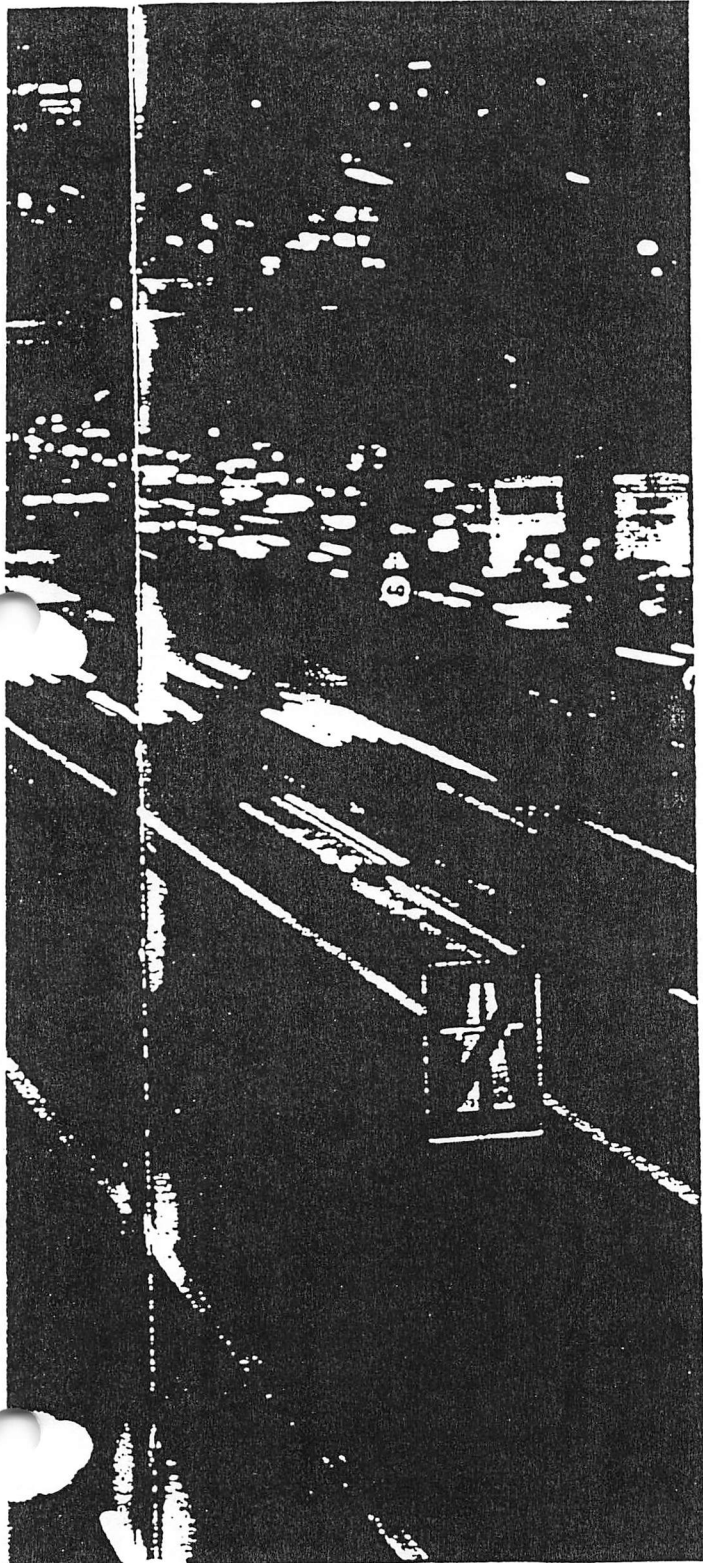
The cities of a region must cooperate in order to make progress together, bringing out the potential of each one of them, as well as of the other regions with which they also have dealings.

99 This partial aim has a series of requirements: a) the strengthening of our advanced services base in order to consolidate the competitiveness of the industrial base which we possess; b) the strengthening of our educational and training systems at all levels in order to bring us up nearer to the average level of productivity in Europe; c) the strengthening of our systems of technology in terms of creation and transfer; d) the strengthening of the channels and means of communication and information; e) the strengthening of a series of service activities with a certain initial level of development (design, software, audio-visual, material, health, tourism and trade); f) the attraction to the city of international headquarters of firms, organisations and institutions of a national or international character; g) greatly improving Barcelona's accessibility and its articulation with the its surrounding area as one of the major elements in economic competitiveness. This accessibility should be understood in a double sense covering both internal and external accessibility.

100 To consolidate Barcelona as a go-ahead European metropolis exerting an influence over the macro-region in which it is geographically located. Some time ago now private companies overcame their traditional

isolationism and adopted cooperation strategies in many differing fields as one of the most valuable tools in its ability to be competitive and, therefore, in its capacity for progress. Now, from the moment they consider the possibility of competing amongst themselves as business firms do, the cities have to take the same road in order to attract investments and also to ensure their progress and, in consequence, that of their citizens. It is not a question of acting as the capital of an area. Cooperation means something else. To be exact, it means being one of the leading axes, stimulating the flow of exchanges, defining strategies — certain particular strategies — in regard to operations both inside and outside the area, and making progress together by bringing out the potential in each and every one of its components as well as that relating to the other regions with which they also have dealings.

101 A European metropolis with a modern quality of life. Action taken in relation to the environment is one of the keys to the future of the different societies. And, in this sense, action taken to deal with pollution, noise and water are fundamental. But so too are good public transport and traffic conditions, good public services, the availability of housing at affordable prices, cultural, sporting

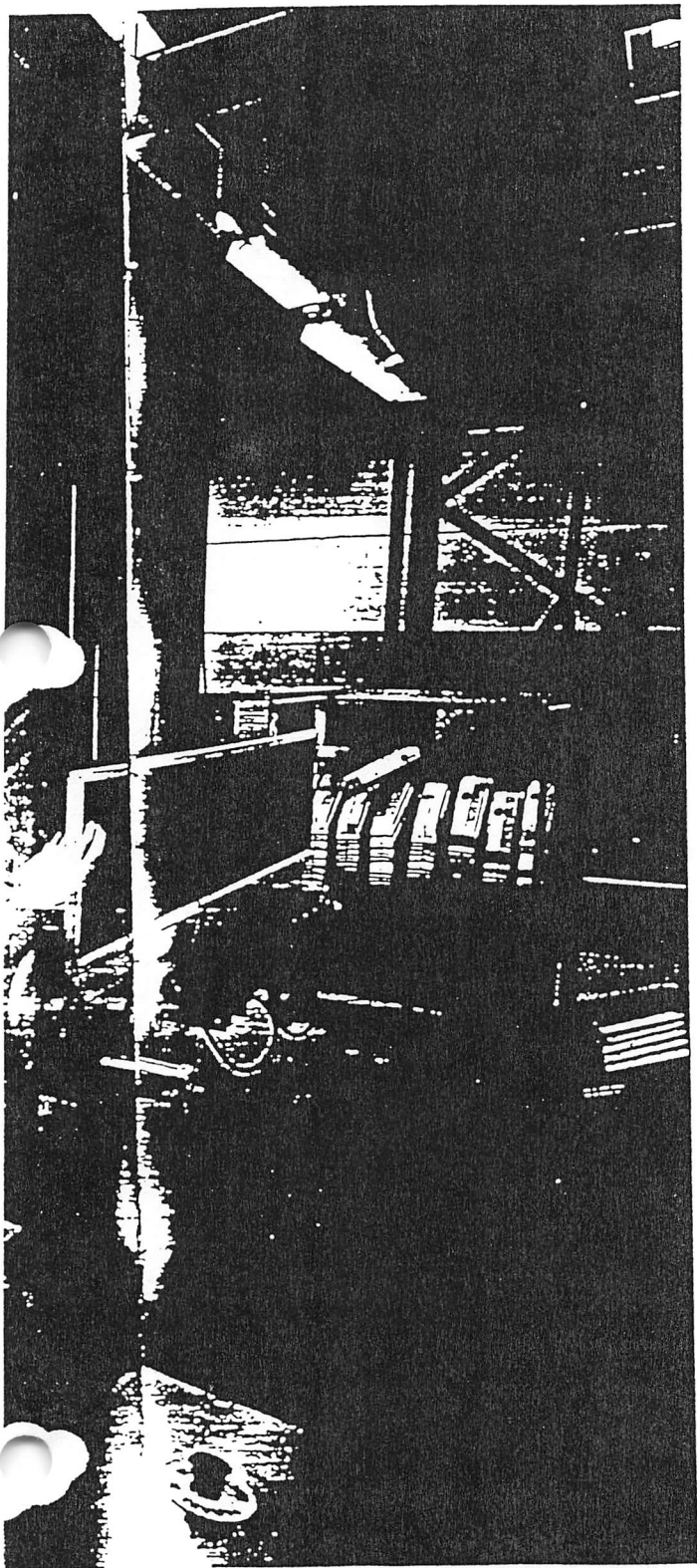


lines of action that are part of this overall aim have been prioritised in accordance with the proposals made by the working parties and the subsequent debates to which they gave rise. We believe there number must of necessity be limited in order to ensure they are adequately followed up.

The first strategic line of action: to shape Barcelona as one of the leading centres of the macro-region

105. The aim of the establishment of this first strategic line is to guide the main actions that are needed to shape the metropolis of Barcelona and for it to be considered as one of the fundamental axes of this European macro-region which would include Toulouse, Montpellier, Saragossa, Valencia and Palma de Mallorca together with Barcelona.
106. Paying special attention to the equilibrium of the metropolis, this line of action focuses particularly on the need to finish off the infrastructure that will make Barcelona accessible both internally and externally and on developing the infrastructure for tele-communications as basic channels for the circulation of people, goods and services of all kinds. It is undoubtedly one of the fundamental pillars for achieving that part of the Plan's overall aim which sets out to provide the territory where the social and economic life of the city is carried on, with the necessary administrative and physical means.
107. This line of action is fundamental, moreover, in the process of elaborating the territorial plan for Region I and in the whole process of re-defining the policy of cooperation amongst the municipal districts that border on Barcelona.
108. The strategic nature of this line of action is enhanced by its influence on all the economic activity carried out in the area and on the quality of life of its inhabitants. Likewise, it is considered to be a key line of action for modernising the productive sectors and for introducing the necessary flexibility required by the new systems of working.

The line of action focuses particularly on the need to finish off the infrastructure that will make Barcelona accessible both internally and externally and on developing the infrastructure for tele-communications as basic channels for the circulation of people, goods and services of all kinds.



The third strategic line of action: promoting industry and advanced business services

112. With this line of action the goal is to ensure that part of the overall aim that has to do with Barcelona as a go-ahead metropolis. It is obviously related to the second of the strategic lines of action —economic viability/ social viability— and with the first one, in regard to the particular competitiveness of the infrastructural factors of the base.
113. The thinking behind this line of action is to be sought in the need to build up a series of advanced services to business in the belief that without them, it will be difficult for us to maintain the dynamism of our industrial fabric and the dynamic trend of the economy in general.
114. With this idea in mind, three types of actions are planned. In the first place, it is necessary to have available a certain degree of infrastructure that will facilitate business activity. Nowadays firms need functional: trade fairs, facilities for holding conferences and conventions, to be able to have up-to-date information about foreign markets at their disposal, to find business centres that make it easy to identify certain advanced services, etc. In the case of the second specific aim, the Plan places great emphasis on the fostering of technological innovation as one of the key elements in the social and economic development of the city. The types of action that come under this heading include the creation of centres for the dissemination of technology and, above all, the development of sectoral technological consultancy linked to the universities or other educational institutions such as, possibly, certain technical colleges specialising in particular sectors. Finally, the Plan makes a series of proposals concerning certain kinds of services would be worth while encouraging given the favourable disposition which the city has towards them.

It is necessary to have available a certain degree of infrastructure that will facilitate business activity. The fostering of technological innovation has become a key factor in the social and economic development of the city.

1.2.1. Summary table of strategies, aims, sub-aims and measures of the Barcelona 2000 Economic and Social Strategic Plan

Strategy 1: To shape Barcelona as one of the leading centres of the macro-region		Strategy 2: To shape the metropolitan area as a leading centre of the macro-region		
Aims	1. To insert Barcelona in the network of Euro-cities and metropolitan areas from all over the world	2. The articulation of the surrounding metropolitan area		
Sub-aims and actions	<p>Sub-aim: To improve the access to Barcelona from outside</p> <p>The airport system</p> <p>1.1 The expansion of the infrastructure and a new management system for Barcelona Airport with the participation of other institutional and economic agents in order to consolidate it as the centre of communications for the South of Europe</p> <p>The railway system</p> <p>1.2 To hasten the projects for railways with Europe track gauge and High Speed Trains in the sections Binzer-Barcelona and Madrid-Valencia</p> <p>The port system</p> <p>1.3 Expansion and specialisation of Barcelona's port facilities</p> <p>1.4 An integrated port management system covering dispatch, customs clearance and inter-modal</p> <p>The road system</p> <p>1.5 To complete the network of major roadways in Catalonia (including Pyrenees and Puumont)</p>	<p>Sub-aim: to improve the territory's internal accessibility</p> <p>2.1 To reach a minimum of 120 kilometres of metro underground lines or similar fixed structures for passenger transport</p> <p>2.2 To plan the metropolitan bus routes in a complementary relationship with the underground network, strengthening its principal character and taking advantage of the new ring road infrastructure to set up bus routes</p> <p>2.3 To get the Regional Express running</p> <p>2.4 To achieve a single transport authority</p> <p>2.5 To improve the motorways and dual-carriageways leading into the city paying special attention to the way they are able to link up with each other so that they act as real urban roadways within the metropolitan area and increase the capacity of the approaches into the city</p> <p>Sub-aim: to create an information and tele-communications infrastructure appropriate to the demands of the year 2000.</p> <p>2.6 To ensure that the city's basic telephone network is fully functional in the period from 1989 to 1992, bringing the network's structures and exchanges into line with the demand for the services on offer today and in the future</p> <p>2.7 To ensure that by the year 2000 there are sufficient lines of the Digital Network of Integrated Services (XDSI) and mobile, automatic and personal telephones available, as well as the experimental introduction of broad band networks into Region I</p> <p>2.8 To press for the introduction of statutory requirements for the provision of services in the construction of all infrastructure and housing in Catalonia</p> <p>2.9 To introduce the distribution of cable TV</p>	<p>Sub-aim: to re-balance the metropolitan area</p> <p>2.10 To establish the 10 Areas of New Centrality in Barcelona and complete the structure of areas of new centrality in the Metropolitan Area of Barcelona</p> <p>2.11 To carry out the planning that has been approved, both in regard to new urban developments and the PERIS (Special Plans for Internal Reforms)</p> <p>2.12 To create an instrument for co-ordinated management covering the whole metropolitan area for the promotion of land</p> <p>2.13 To consolidate the 10 560 hectares of woodland parks as a natural heritage of special interest to the inhabitants of the city</p>	<p>Sub-aim: recommendations for the Region I Territorial Plan</p> <p>2.14 To achieve institutional recognition of the social, economic and urban reality of the metropolitan area within the framework of planning for Region I</p> <p>2.15 To determine the leading centres of Region I</p> <p>2.16 The application of the Plan for Coasts and making good the damage done</p> <p>2.17 The setting aside of land for industrial estates and areas for other similar activities</p> <p>2.18 Car parks at place of origin for residents and business, out of the city</p> <p>2.19 The removal of the railway line away from the cluster area</p> <p>2.20 To introduce into the Territorial Plan those elements of the Strategic Plan which affect the territory</p> <p>2.21 To ensure that the EEC regulations are complied with regard to their environmental, urban and ecological criteria in the case of all public works on infrastructure</p>

Strategy 1.1 C. The promotion of industry and advanced business services		
Aims	7 The creation of basic infrastructure for advanced services other than roads and telecommunications.	8. Encouraging technological innovation for industrial progress. 9. The development of sectors with potential within the metropolitan area
Sub-aims and actions	<p>Sub-aim: Basic back-up infrastructure for businesses</p> <ul style="list-style-type: none"> 1 The creation of business centres 2 The creation of a second site for trade fairs in order to facilitate the well established large scale shows 3 The construction of a Conference Hall 4 A distribution centre for southern Europe via the ZAL logistic support zone linked to the port, the air cargo terminal and the Integrated Goods Centres (IGCs) in the Valls and the Baix Llobregat 5 The creation of one or more industrial camps in the Barcelona metropolitan area 6 The promotion of centres providing information services to firms abroad 	<p>Sub-aim: To provide easier access for firms to new technologies and information</p> <ul style="list-style-type: none"> 81 The creation of centres for the diffusion of and information about technology that gather information and documentation regarding new technologies, to serve business, especially small firms, cooperatives and labour joint stock companies To promote applied research and consultancy regarding technology as applied to particular industries <p>Sub-aim: The promotion of sectors with potential that are not yet sufficiently developed</p> <ul style="list-style-type: none"> 91 To attract headquarters of institutions, companies and associations that operate on an all state (Spanish) or international scale 92 To encourage development, most especially <ul style="list-style-type: none"> - Barcelona as an urban tourist centre - Barcelona as a commercial centre - Barcelona as a centre for health care - Barcelona as a financial centre - Barcelona as a design centre Likewise, to stimulate other potentially important activities in the field of advanced business services