

# Follow-up of central government efforts concerning sustainable cities





# Follow-up of central government efforts concerning sustainable cities

– Summary of follow-up report 2010/11:RFR2

## Preface

The Swedish Parliament – the Riksdag – has dealt with issues concerning developments in our towns in a number of different contexts. Among other things it approved the funding of financial support to sustainable cities for a total of 340 MSEK for 2009–2010. In addition, the Government appointed a delegation with the task of encouraging the sustainable development of cities, urban areas and housing districts.

At a meeting on 21 January 2010, the Swedish Parliament's Committee on Environment and Agriculture decided to follow up the central government initiative concerning sustainable cities. On 14 October 2010 the Committee confirmed the decision to carry out the follow-up. Parliament has a number of committees responsible for different issues involving the development of sustainable cities. For example, there is the appropriation under Expenditure area 20 General environmental protection and nature conservation for the Delegation for Sustainable Cities which covers the area of responsibility of the Committee on Environment and Agriculture, while on the other hand the Act on planning and construction concerns the remit of the Committee on Justice. For this reason the Committee on Justice was invited to take part in the follow-up.

The follow-up primarily studied the organisation and design of the initiative for sustainable cities, the measures taken by the Delegation and other initiatives taken to promote sustainable urban development.

The follow-up was conducted by the follow-up and evaluation group of the Committee on Environment and Agriculture, consisting of the following members: Irene Oskarsson (Christian Democrats), Christine

## 4 Summary of follow-up report RFR2

Jönsson (Moderate Party), Per Åsling (Centre Party), Nina Lundström (Liberal Party), Jan-Olof Larsson (Social Democratic Party), Åsa Romson (Green Party), Jens Holm (Left Party) and Josef Fransson (Sweden Democrats). In the spring of 2010 members of the Committee on Justice also participated in the work of the group. At the request of the group, the Riksdag Administration assigned the task of preparing briefing materials for the follow-up to the evaluation and research function of the Riksdag Research Service in cooperation with the secretariat of the Committee on Environment and Agriculture.

The report of the follow-up and evaluation group has been published in the series Reports from the Swedish Parliament (Report 2010/11:RFR2 [Swedish only]). The follow-up report was delivered to the Committee in November 2010 and was considered by the Committee in Report 2010/11:MJU1 [Swedish only]. The Committee proposed that the Riksdag should approve the work cited by the Committee. In December 2010 the Riksdag concurred with the Committee's proposal.

This brochure provides a summary of the results of the follow-up and the Committee's position on the basis of the follow-up.

## Background and starting points

### *Background*

In January 2010 the Committee on Environment and Agriculture decided to conduct a follow-up of central government efforts concerning sustainable cities. The follow-up was conducted by the Committee's follow-up and evaluation group and primarily focused on illuminating the organisation and design of work on sustainable cities, on measures taken by the Delegation for Sustainable Cities and on other central government initiatives undertaken to promote sustainable urban development. The objective was to produce in-depth briefing materials prior to the consideration of the Budget Bill for 2011 and the consideration of possible private member's motions on the matter.

Among other things, the work entailed using document studies and interviews to obtain an overview of how the Delegation for Sustainable Cities and other central government actors work with issues concerning sustainable urban development. A review was conducted of projects that requested and were allocated support funds. In addition, a review was conducted of how various actors view the efforts to encourage sustainable cities, partly at national level and partly at regional and local level in three counties (Skåne, Stockholm and Västerbotten) and four municipalities (Lomma, Malmö, Stockholm and Umeå). The follow-up covers both projects whose grants were approved and those that were rejected.

#### *Sustainability, sustainable development and sustainable cities*

The concept of sustainable development was used by the UN World Commission on Environment and Development in the 1987 Brundtland Report, and has since taken on great significance. The Commission emphasized the importance of sustainable development being understood in a holistic perspective in which financial, social and environmental dimensions are taken into account.

This follow-up notes that sustainable development, sustainable urban development, and sustainable cities are broad concepts which may comprise many aspects, and that this is both a weakness and a strength. There is no clear definition of sustainable cities. A definition that is too explicit and one-sided may on the one hand prove constricting for the work in question, but on the other hand problems may arise if different actors interpret the term in different ways. There is a consensus among the government agencies, project groups and NGOs consulted in this follow-up regarding the importance of having a holistic approach to sustainable urban development including all three dimensions – namely economic, social and environmental development. There are further synergy effects between these three dimensions.

### *The development of towns*

Since 2008 over half of the earth's population lives in towns; at the same time poverty is growing more rapidly in towns than in rural areas. Towns are a problem from economic, social and environmental principles but they also entail opportunities. For this reason the issue of sustainable urban development has been a central theme in international cooperation and in the domestic politics of a number of countries for some years.

In Sweden over 80% of the population lives in urban areas. The population continues to increase in urban areas, while a process of depopulation is taking place in rural areas. Population development in rural areas in the vicinity of urban areas is stable. In Swedish towns there is a development towards greater density and a blending of different functions. The fact that a larger and larger proportion of Sweden's population lives in towns means that towns have become more and more important for achieving national objectives in relation to sustainable development.

### *Responsibilities*

Urban development is primarily a local government responsibility exercised in accordance with decisions of the Riksdag adopted in legislation concerning local government self-determination and planning monopoly. In addition a number of central government decisions and measures in various matters are very important for urban development.

Matters relating to sustainable urban development are considered by various parliamentary committees, by ministries and by central government and local government agencies. Many actors work with sustainable urban development. This is in itself a powerful factor in urban development. At the same time it is also a weakness, since a diversity of actors also leads to a lack of clarity in the division of responsibility between agencies and authorities. One reason for this lack of clarity in relation to the roles of different authorities in urban development work

is that their tasks are vaguely formulated. Although the National Board of Housing, Building and Planning plays a crucial role in sustainable urban development work, it is not clear where overall responsibility is located. In recent years there has been greater cooperation between agencies and authorities. At the same time a number of the actors interviewed emphasize that cooperation must build on clarity and equal status between agencies and authorities and that effective coordination within the Government Offices is desirable. In this connection it is noted that the National Board of Housing, Building and Planning is an agency that is already under heavy strain. There are examples, in Skåne for instance, of cooperation on a regional level regarding sustainable urban development. Two central government initiatives relating to sustainable urban development, the Swedish Urban Environment Council and the Building and Housing Dialogue, have ceased. The Building and Housing Dialogue in particular is reported to have been a valuable initiative with positive effects.

The system of rules contains conflicts with regard to goals and examples of obstacles to the development of mixed-used cities. Various actors have suggested a review of those rules which conflict with each other to a certain extent. For instance, procurement regulations are felt to constitute both obstacles and opportunities for testing new environmental technology in an urban development context. A number of actors also think that issues relating to sustainable urban development should form part of the work on environmental objectives.

## Central government efforts regarding sustainable cities

*Supporting and setting up a delegation for sustainable cities*

The Swedish Parliament has approved the funding of financial support to sustainable cities for a total of 340 million kronor for 2009–2010. Ac-

According to the ordinance governing the provision of grants, central government support may be given to measures which promote sustainable urban development with the aim of significantly reducing emissions of greenhouse gases. In addition, the Government has appointed a delegation with the task of encouraging the sustainable development of cities, urban areas and housing districts. The Delegation for Sustainable Cities has two tasks: partly to constitute a national arena for the development of sustainable cities, and partly to manage financial support for the development of sustainable cities. The financial support is to be distributed over a period of two years. In 2009 the delegation gave grants to three investment projects and 14 planning projects. Decisions regarding 2010 grants are to be made in November/December 2010. The measures concerned are to be completed not later than 31 December 2014.

### *Orientation and design*

The issue of sustainable urban development is not new. Most actors state that it is gratifying that central government is fostering sustainable urban development; and thus attempting to take a more coherent approach with respect to different measures. The initiative has drawn attention to sustainable urban development both in public debate and in the work of local and central government agencies and authorities. At the same time it may be noted that the initiative has had more limited influence on a number of central government agencies and authorities.

There is a certain lack of clarity regarding the aim and direction of the initiative. The objective of the initiative and the financial support has been described in different ways in different contexts and has also been perceived in different ways by different actors. One reason for this is that the delegation's more general remit is very wide-ranging, while the main orientation of central government support is rather narrower. The environmental dimension has been emphasized in most of the projects that have requested grants, as well as the fact that the environmental dimension is not just about the climate. The social dimension

is felt to be difficult to define, but in the view of the actors it should be highlighted further. The economic dimension has received the least attention. A number of actors stress that culture forms part of sustainable urban development.

The initiative is not perceived to be long-term. Some have pointed out that work in project form may lead to a lack of continuity in urban development work and that it is at least as important to stimulate gradual long-term development work. A number of actors emphasise that the effects of the initiative will not be seen for a number of years. Of the projects included in the follow-up a majority have stated that the projects would have been implemented without central government grants, but most also report that the projects would then have had a somewhat different design. For the projects the grants have meant a higher level of ambition. The Delegation considers that the support has helped to strengthen the project's objectives with regard to sustainability.

### *The Delegation for Sustainable Cities*

A delegation as a form of organisation has both advantages and disadvantages. The Delegation has become a neutral arena outside the regular agency structure where new working methods can be tried out. Its work had a distinct beginning and a distinct end. At the same time this kind of effort restricted the work to a brief period. When the work is assigned to a temporary delegation outside an existing agency it also means that it becomes more difficult to build further on earlier experience and to pass on knowledge and the results achieved. It can also be more difficult to build support for the work in regular administrative structures. One alternative to setting up a delegation would have been to place the initiative with an existing agency such as the National Board of Housing, Building and Planning. Opinions regarding the Delegation's work so far have been predominantly favourable. The actors support cooperation with the Delegation, but there have been various perceptions of the

work at regional or local level. Among other things, a number of county administrative boards noted that they played no part in the effort.

A number of actors emphasized the importance of continuing the work that has been set in motion with this initiative and that one of the actors takes over when the Delegation is discontinued. In the Budget Bill for 2011 the Government proposes that the sustainable city initiative should be continued for two more years, principally to ensure dissemination of knowledge, follow-up of projects, and making full use of the experience gained and developing it in the fields of research and the development of environmental technology. The Government's proposal entails allocating 30 million kronor per year in 2011–2012 to appropriation 1:15 Sustainable Cities in order to phase out the effort.

#### *The grant for sustainable cities*

Granting subsidies is a method of steering resources which can lead to valuable initiatives in the area of sustainable urban development. The grants focus attention on sustainable urban development and raise the status of the projects concerned, although they may simultaneously give rise to some negative consequences. For instance, there may be a risk of supporting established technology, thereby making the grants mere subsidies without generating any added value. It is noted that it is important to support projects related to the latest research findings. The Government has determined that support for sustainable cities is compliant with the common market according to a block exception regulated in EC law.

The grants were given to a limited number of recipients, mainly public sector actors. Two of three investment projects which received the support in 2009 were primarily oriented towards renovation. Despite this most actors suggested that much of what is done in relation to sustainable cities is oriented towards new construction projects and the renovation does not have the same status. Most agree that the great challenge is to administer and improve existing urban districts, particularly

Million Homes Programme areas. The links between town and country have not received very much attention in the initiatives. A number of actors do however make the point that towns are dependent on their surrounding areas. It is also noted that compact development and mixed activities are a trend in present-day urban development. Increasing the density of towns and making them more compact improves resource efficiency, although some actors warn that compact development may also mean that green qualities are lost and cultural environments are changed.

A number of actors feel that “city” is an unclear concept. A number also emphasize that Sweden is a sparsely populated country and some actors think that the initiatives have principally addressed growth regions and large or medium-sized towns. Some actors suggest that support should also go to municipalities in a state of stagnation. Traffic and trade are important elements in sustainable urban development, as is cooperation between the business sector and municipal authorities along with citizen participation and influence. Achieving sustainable urban development requires people to change their behaviour. When development projects have been completed, the residents must be able to handle the new system and change their behaviour.

Grants have frequently gone to larger cities, partly due to their design. In 2009 all investment grants went to municipalities with over 100,000 inhabitants (Malmö, Stockholm and Umeå), while planning grants were more evenly spread between large and small municipalities. Grant applications were received from municipalities already active in this area, and many project ideas had been formulated previously. A balance needs to be struck between giving grants to actors with previous experience of urban development and supporting those who are new to the area. As the grants are only for two years and their purpose is to showcase successful models, there is little room for undesirable outcomes.

The division into investment and planning support is felt to be appropriate, even if some actors think that from a time point of view the state

should first have given support to planning and then to investment. It can be seen that the total financial volume of the allocation is limited compared to previous initiatives and that the actors feel that the grant proportion is relatively low. At the same time, however, the grants have made it possible to get various activities under way. The Delegation has not given grants to whole projects, and in certain cases this has led to the project's overall concept being jettisoned.

In the follow-up it is noted that it may be difficult to establish the costs in a project that justify support. The competition aspects of the grants were not discussed and the projects' implementation period was relatively limited. It can be a challenge for investment projects to be completed within the given time frame.

It is difficult to estimate the cost-effectiveness of the grant applications. The descriptions given in the grant applications have differed in kind, and the applicants' calculations rest on a number of uncertainties. In an evaluation the National Institute of Economic Research (KI) has stated that grant support is not a cost-effective lever in climate policy. According to the Institute it is not possible to evaluate the cost efficiency of the measures with regard to social sustainability.

There are no clear examples of innovative environmental technology in the applications of 2009 or of any project which might lead to Swedish exports of sustainable technology. There has been limited innovative thinking in the projects, at the same time as new models for Swedish urban development are needed. This is likely to prove a problem if towns focus too much on exports and new construction of demonstration projects instead of focusing on renovation and administration. There is a difference between building sustainable urban areas and promoting the export of sustainable technology.

### *Application process*

The application procedure for support for sustainable cities is carried out in two stages. An open application procedure like this has both ad-

vantages and disadvantages. Filling in the application form has been a simple matter, but it has been difficult to estimate the effect of greenhouse gas emissions. The application period has been short, and the time it has taken to produce grant applications varies. Small municipalities often have fewer resources to enable them to draw up grant applications. Many of them have felt that the criteria have been suited to investment projects, not to planning projects. There were certain technical problems connected the application forms in 2009. No points of view have been submitted on the administration costs associated with the support. The cost of the secretariat of the Delegation corresponded to less than 6% of grants approved in 2009.

#### *Follow-up, evaluation and the dissemination of experience*

Follow-up and evaluation of efforts are carried out in various ways. The evaluation carried out by the National Institute of Economic Research (KI) of the cost-effectiveness of the grant is part of this. Furthermore, every grant recipient has to submit a final report to the Delegation or the National Board of Housing, Building and Planning and the Delegation has to give a final account of its experiences of working with sustainable urban development in a report to the Government. Most actors believe in the importance of follow-up in the projects, and they believe that learning and communication are important considerations. However, there are no special methods for following the implementation of projects and no demands are placed on external evaluators. It is also unclear who is intended to be the recipient of the results of the projects. Knowledge transfer takes place for example by means of study visits, but it can be difficult to transfer experiences between municipalities, as it is to use experiences from pilot projects. It is important to ensure that the projects have been evaluated before they are disseminated as good examples.

### *The Government's statement of operations to the Riksdag*

In its statement of operations in the autumn of 2009, the Government only included brief information stating that the initiative concerning sustainable cities had commenced during 2008 and that there had been a great interest in the economic support and the work of the Delegation. In autumn 2010, the Government reported on the distribution of grants and referred to the assessments of the projects that the Delegation had made as well as those of the support that KI had made in its evaluation.

## **Other initiatives for sustainable urban development**

Apart from the special measures within the framework of the initiative, the state is carrying out a number of initiatives aimed at promoting sustainable urban development. Some of these include climate investment programmes, the national timber strategy, work on sustainable municipalities and the “good town” project. In addition to this, the state is taking measures for example to support the export of environmental technology and research on sustainable urban development.

The research on sustainable urban development is limited, while at the same time it can be difficult to specify the limitations of what should be included in this area. This research area is rather fragmented and several actors in the field believe that there is a need for more practically based research and better coordination between research financiers. There is no specific party that assumes primary responsibility for research and sustainable development.

The export of environmental technology from Sweden is increasing. Many authorities and other actors are working to promote the export of environmental technology. A number of governmental actors have made direct contact with the approx. 500 Swedish companies that are operating in this area. The division of tasks and responsibilities between central government agencies and other actors is unclear and there is a need for coordination in order to obtain satisfactory results from these

export-promoting initiatives. The investment in the SymbioCity concept is considered to function well.

## The position of the Committee

The Committee on Environment and Agriculture has initially noted that the ongoing central government efforts concerning sustainable cities have highlighted issues concerning urban development. At the same time, the Committee can affirm that criticism has also been levelled at the construction of the initiative and its scope, both in terms of time and economic resources. Furthermore, there is a certain lack of clarity about the direction of the initiative, which has to do with the fact that there is no clear-cut definition of a sustainable city and that the general part of the initiative has been extremely broad, while the economic support has been given a somewhat narrower main focus on climate issues. If good results are to be achieved from the central government efforts, it is important that the focus and objective of the initiative are clear.

Many central government agencies work with sustainable urban development. It is therefore important that there is a clear division of responsibility and account is taken of how different central government agencies can learn from each other's experiences in matters connected with urban development. It is also essential that attention is paid to the presence of any conflicts of goals and obstacles in government regulations if efforts to achieve sustainable urban development are to be continued. In continued efforts to develop environmental goals, tests can be carried out to see how issues connected with sustainable urban development can more clearly be introduced into efforts towards achieving the environmental goals.

The Committee notes that two years is a short period when it comes to working towards long-term urban developments. While temporary initiatives have their advantages, for example when it comes to highlighting an issue of political priority, the Committee would like to

emphasize the importance of a long-term perspective, continuity and sustainability. The Committee notes that in this year's budget bill, the Government has proposed that the initiative concerning sustainable cities is to continue for another two years. It is important that the experiences gained in the initiative can be taken into account in continued work on sustainable urban development.

The Government has appointed a delegation to carry out the initiative. This form of organisation has both advantages and disadvantages. One advantage is that a delegation is an independent temporary unit that can bridge the gap between old standpoints of various actors as well as make the most of the best of them and strengthen the efforts that the government agencies are making. One alternative might be to commission one agency to work on the initiative in connection with sustainable cities. In a more long-term perspective, these issues must be linked to the regular activities of public administration.

The Committee notes that the grant for sustainable cities leads to various initiatives being taken, but it is far too early to give any opinion on what real effects on urban development the initiative has had. The majority of the projects that have been studied in this follow-up would also have been carried out without government support, even though most of them would then have had a partially different design. The fact that the grants have been used in projects that can also be carried out without government grants is a sign that the projects are feasible and that the projects have not been constructed merely to enable grants to be obtained. At the same time, the Committee emphasizes that it is important that the grants should provide added value and not only be an extra source of finance for initiatives that would have been carried out anyway.

The Committee notes that the grant has been constructed in such a way to be used by larger municipalities and existing project ideas. Large municipalities have of course greater resources at their disposal to make project applications and greater opportunities to find funding for the relatively large proportion of the financing of projects which is to be

made up of self-financing. However, the Committee emphasizes that urban development is just as important in large as it is in small towns and that the support should benefit the whole of the country, both growth regions and regions in a state of stagnation. It is therefore important also to encourage development efforts in municipalities that have so far not been active in this area. The Committee further emphasizes how important it is that the conversion of existing urban areas are considered within the context of urban development.

It is essential that government grants have the greatest intended effect possible at as low a cost as possible. As regards support for sustainable cities, the Committee is able to note that it is difficult to assess cost-effectiveness and relevance in relation to objectives. The National Institute of Economic Research has made the assessment that the support is not a cost-effective instrument for climate policy. In autumn 2008, the Committee based its assessments on the fact that the significance of green areas and the opportunities for local cultivation in towns should be taken into consideration in the initiative connected with sustainable cities. This has been done. The Committee notes that the increase in built-up areas and the increased mix of different urban functions make up a current trend in the urban development work of today. Increasing the built-up areas in towns increases resource-effectiveness in various ways. The Committee would like to emphasize the significance of protecting green areas and cultural environments in urban development work. In the opinion of the Committee, it is important to continue to follow issues concerning the importance of green areas and opportunities for local cultivation in towns.

New thinking in the projects that have applied for grants has been limited and there are no clear examples of innovative environmental technology or possibilities for increased export of Swedish environmental technology. The Committee emphasizes that it is not realistic to have too great hopes that these activities will lead to technological developments.

The application process for financial support has been relatively simple, even though parts of the process have been difficult to manage particularly for smaller actors. The Committee notes that the appointment of a special delegation to manage a limited sum of funds implies that a relatively large proportion of available resources are directed towards administration. Once the initiative has been completed, it should be evaluated whether the administration of the grant has been effective.

The Committee's view is that an evaluation of the more long-term effects of the initiative should be carried out in a few years and should include such issues as whether small municipalities have been able to benefit from the experiences gained from the initiative. The Committee would like to draw attention to the importance of measurability and comparability in relation to other central government initiatives in the climate area such as LIP (Local Investment Programme) and Klimp (Climate Investment Programme). Further, it is important to clarify which central government agency is the recipient of the follow-ups and evaluations that are carried out. It is important that the results of the initiative and the knowledge that has been accumulated in the Delegation and the projects are taken in consideration when the initiative is over and the Delegation has been phased out. The Committee would particularly like to draw attention to how important it is that the lessons the Delegation has learnt are passed on.

In conclusion, the Committee notes that the Government has reported on a number of initiatives connected with sustainable urban development in its statement of operations to the Riksdag. The Committee would like to underline how important it is that the Government in its annual statements of operations to the Riksdag should report and assess the results that have been achieved through the various government initiatives for sustainable urban development and how important it is to continue to follow this issue.

## Follow-ups (in Swedish) by the Committee on Environment and Agriculture (MJU)

### *Thematic follow-ups*

- *Förutsättningar för småskalig livsmedelsproduktion – En uppföljning* (Report 2005/06:RFR3, Committee report 2005/06:MJU8)
- *Uppföljning av de fiskepolitiska insatsernas resultat och konsekvenser för företag inom fiskeområdet* (Report 2007/08:RFR3, Committee report 2007/08:MJU2)
- *Uppföljning av statens insatser inom havsmiljöområdet* (Report 2008/09:RFR3, Committee report 2008/09:MJU1)
- *Uppföljning av statens insatser för småskalig livsmedelsproduktion* (Report 2009/10:RFR1, Committee report 2009/08:MJU2)
- *Uppföljning av ekologisk produktion och offentlig konsumtion* (Report 2010/11:RFR1, Committee report 2010/11:MJU2)
- *Uppföljning av statens satsning på hållbara städer* (Report 2010/11:RFR2, Committee report 2010/11:MJU1)

### *Ongoing follow-ups*

- *Uppföljning och analys av regeringens resultatredovisning för utgiftsområde 20* (carried out annually, the latest follow-up included in Committee report 2010/11:MJU1)
- *Uppföljning och analys av regeringens resultatredovisning för utgiftsområde 23* (carried out annually, the latest follow-up included in Committee report 2010/11:MJU2)

The follow-up reports are available in Swedish on the Riksdag website ([www.riksdag.se](http://www.riksdag.se)) and can also be ordered from the Riksdag Printing Office (Postal address: SE 100 12 Stockholm, Sweden, tel.: +46 8 786 58 10, fax +46 8 786 61 76 or by e-mail at: [ordermottagningen@riksdagen.se](mailto:ordermottagningen@riksdagen.se)). Summaries in English of a number of the reports are available on the Riksdag website.



SVERIGES   
RIKSDAG 

---

THE SWEDISH PARLIAMENT

---

The Swedish Parliament SE-100 12 Stockholm • Tfn 08-786 40 00 • [www.riksdagen.se](http://www.riksdagen.se)