



VROMRaad

VROM Council recommendations for sustainable urban development

Advice 076



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Summary and conclusions

This VROM Council advice presents the findings of a search for a perspective on urbanization in the Netherlands that can inspire enthusiasm. The motivation is twofold: the current urbanization challenge and the urgency of sustainable urban development.

A new urbanization challenge

The challenge of urbanization in the Netherlands now finds itself at a historical juncture. With a growing share of the population living in urban regions, rising domestic and international competition between urban regions and a far-reaching urban culture, cities and urban regions are becoming increasingly important. At the same time, new demands are being placed on urbanization. The urbanization challenge has become more differentiated due to the transition from a situation with high growth throughout the country to one of differentiated and even negative growth in and between regions. This new situation has social ramifications as well. Moreover, the emphasis is increasingly placed on restructuring and transforming existing urban areas rather than urban expansion, which was much less complex. One can see this in the rehabilitation of derelict business parks and office complexes, the renewal of deteriorating neighbourhoods and the improvement of central and out-of-town retail and leisure centres. Still, even with the increased focus on the revitalization and upkeep of existing areas, demand for new buildings in the Dutch Randstad remains high. At the same time, the urbanization challenge has transcended the scale of the individual city, and now resides at the inter-municipal or regional level. Due to increased mobility, shifting functions and intensified international competition, spatial cohesion – along with its spatial imagery – should increasingly be conceptualized at a regional level. The idea that the urbanization challenge is primarily a quantitative exercise in enlarging the housing stock must be abandoned. The major shifts now occurring in the Dutch context have created a necessity to revise how we perceive urbanization.

The urgency of sustainable development

A second reason for this advice is the growing awareness that sustainable development is not a luxury but a necessity. Sustainable development has become a central planning theme in a variety of urban regions around the world. At the same time, sustainable initiatives in the Netherlands still generally limit themselves to various subsections of the ecological agenda (i.e. a narrow application of sustainability). This approach fails to adequately address today's



urbanization challenges. Additionally, the attention is primarily directed at individual buildings or neighbourhoods. Green architecture and sustainable or carbon-neutral urban design are already well-known ambitions. The concept of the sustainable city has recently grown into an umbrella term for many municipal councils, containing notions of energy efficiency, separated waste collection, renewable energy resources, water safety, climate change, sustainable public procurement, etc. What is often missing is the application of this philosophy at the scale of the urban region. At this scale, different issues emerge: regional accessibility and transport modes, smarter connections between home, work and leisure, the crossover from city to countryside, sustainable linkages between ecological structures, residential environments, and traffic flows, and the relationship between food production, food consumption, landscape and the economy. A vision is needed on how to combine land-uses more sustainably, and how to make the regional spatial system function more sustainably. The spatial domain, a domain where competing ecological and socio-cultural values and interests converge and can be weighed up against one another, has until now received little attention in the sustainable development debate. Spatial matters are overlooked in the sustainable development agenda; spatial cohesion constitutes the 'Brundland report's blind spot' (Loeckx, 2009: 27).

Main research question and scope

In this advice, the VROM Council takes a closer look at how sustainable development can be used as a vehicle to address urbanization challenges in the Netherlands. While this can already be seen in planning practice – take the 'Almere principles' within the Draft Structure Vision of the city of Almere for example – a more systematic elaboration and operationalization would be desirable. This is a great opportunity at an opportune moment: due to the economic crisis, there has been a slowdown in project realization. This situation is conducive to producing a strategy to tackle the urbanization challenge from a sustainable development perspective. This advice views sustainable development as the ideal link between economic, social and environmental values and interests. Sustainable urban development, then, refers to a form of urbanization whose robustness allows it to pass the test of time, and fulfil present and future economic, social and environmental needs without compromising the ability of future generations to meet their own needs.

Conclusions

On the basis of case studies and an international literature review, the VROM Council has found that sustainable development can indeed function as an inspiring and mobilizing development perspective for cities and urban regions.

This conclusion can be drawn from the fact that cities around the world are choosing sustainable development as a guiding principle. Without exception, all those consulted for this advice felt that the concept of sustainable development provided both stimulation and guidance. The survey of international practices demonstrates that urban regions throughout the world are consciously using sustainable development to improve the quality of their residential and work environments. Initiated partly in response to the global climate agenda and energy crisis, urban regions now see sustainable development as a strategy to become more attractive places for investment and tourism, as well as for workers in the knowledge economy. A sustainable approach to the urban environment has become a selling point for business location.

Nevertheless, the desk research and three on-location expert meetings show that no clear understanding exists on this topic, at least not in terms of its operationalization. Due to its wide scope, sustainable development resembles other Dutch planning concepts such as spatial quality (physical) and liveability (social). Sustainable development increases the complexity further by adding the environmental component. On the other hand, this wide scope provides the right parameters by which to link divergent ecological, economic and socio cultural interests to the relevant stakeholders in a regionally sensitive way. Sustainable development attempts to balance a wide array of competing interests. Since the outcome of this balancing act cannot be defined objectively, sustainable development will always demand public debate and political decision-making.

Urban regions often use the banner of sustainable development to pursue ecological objectives such as lowering carbon emissions, combating fine particulates, promoting the use of more sustainable energy resources and supporting biodiversity. Sometimes attention is paid to economic and/or social sustainable development in this context as well. It has proven difficult to take a holistic approach, which pays attention to the spatial cohesion of all three aspects. This is not surprisingly, as many Dutch professionals currently involved in spatial planning were confronted with different challenges than sustainable development during their training and work experience. At the same time, the experts advocated a broader approach according to the 'Triple-P' model (people, planet, profit). One must prevent the philosophy behind sustainable development from becoming too narrowly tied to the ecological agenda. The challenge is to conceive economic, ecological and socio-cultural developments in terms of their mutual spatial cohesion. How can land-uses in the areas of transport, nature, amenities, energy, social mobility and economic growth be positioned so that they strengthen, rather than obstruct, one another?



The challenge is to systematically link the worlds of ‘sustainable development’ and ‘spatial planning’. Some first steps to this end have been taken at a project level. Examples include the development of IJburg-1 and the plans for IJburg-2 neighbourhoods in Metropoolregio Amsterdam, or the integrated approach to the A2-Brainportboulevard and the Groene Corridor in the Eindhoven region. Similarly, the urban region Parkstad Limburg is attempting to bring together governmental and non-governmental parties in matters such as the design for the outer ring road and the reform of the housing construction programme. What is often lacking is a systematic analysis of opportunities at the level of regional spatial programming. An urgent agenda is emerging in this regard which, according to the VROM Council, will need to take shape in the coming decades.

The exact elaboration of sustainable urban development has sparked debate in the urban regions. This debate is an expression of the need to strike a balance between competing economic, ecological and socio-cultural interests in a regional context (without denying the role of the nation-state; we will return to this point later). As stated, sustainable development constitutes a continuous balancing act between competing interests, contains both objective and inter-subjective elements and, for this reason, necessitates political debate. For this reason, there is little point engaging in a search for an optimal standard model for sustainable urban development. The debate on new generic urban designs such as the compact city versus the network city, is really a non-discussion. A single developmental model for urbanization is too abstract, too general, and ignores the prevailing regional differentiation and the importance of levels of scale. Instead, the VROM Council argues for first understanding the mechanics of the regional spatial system in all its variety, and later considering how certain strategic parts of it can be made more sustainable. In some cases polycentric urbanization may be more appropriate – for example as regards viable regional public transport, a good distribution of urban functions, liveable neighbourhoods or opportunities for urban regeneration – than clinging to the notion of the central city as the epicentre of urban life (and the traffic flows that come with it). In other cases, one could opt for revitalizing an existing centre at the expense of adjacent areas and making connections between the two less car-friendly. In a nutshell, the VROM Council advocates more variation in urbanization patterns, on the condition that due consideration is given to region-specific sustainability interests.

1 Expert meetings in Parkstad Limburg, Brainport Eindhoven, Metropoolregio Amsterdam.

Recommendations

In order to stimulate the elaboration of sustainable urban development further, the VROM Council proposes the following:

Recommendation 1: directed at provincial, regional and local governments.
Systematically formulate urbanization policy from a sustainable development perspective.

Sustainable urban development means guiding urbanization to create a more sustainable balance between economic, ecological and socio-cultural interests, without shifting the negative effects to future generations or development opportunities elsewhere. When considering solutions to the urbanization challenge more attention needs to be paid to the way in which competing interests in these three areas (economic, ecological, socio-cultural) interact at a regional level. Progress can be made in this area, for example through smarter links between collective transport flows and integrated multifunctional (home/work) environments. Biodiversity objectives can be connected to the ambition of improving the liveability of residential areas or the rehabilitation of business parks.

Thinking in terms of cohesion between places and flows can provide a starting point for formulating sustainable urban development policy. The main concepts in current Dutch planning, including the compact city, buffer zone, part and counterpart, all overemphasize 'places' at the expense of 'flows'. Sustainable urban development must strive to link the two, not by fighting against the flows (in spatial, ecological, social, cultural and/or economic terms), but by accommodating these in a more sustainable way and discovering optimal connections. Sustainable urban development should set out from the quality of places in relation to the design of flows. This offers a variety of practical applications such as linking regional public transport systems to polycentric urban concentrations, more decentralized organization of energy provision, the consideration of other, more sustainable, modes of transport, more attention for the connective quality of places (e.g. in terms of 'comfort' and 'value') and a smarter weaving together of ecological corridors, traffic flows and residential environments.

The IBA Hamburg Wilhelmsburg project, which explicitly linked energy and recreation functions (the Energy Bunker), is an inspirational example of thinking in terms of places and flows. Similarly, the A2-zone in the Brainport Eindhoven



project links the development of an attractive business area to less economically appealing projects such as business relocation and nature development. Finally, the Parkstad Limburg project is envisioning ways to increase the visibility of river and stream valleys so that these can be used as landmarks for high-end residential environments. The next challenge is to link this to the wider social agenda.

In practice, this thinking in terms of places and flows often arises in conjunction with water and nature projects. These are usually rather successful in the regions. So successful, one could say that an ecological revolution is now underway in spatial planning. At the same time, sustainable urban development on the basis of traffic flows, energy flows or knowledge flows is much less successful. Regarding the first, although some progress has been made, traffic flows and their consequences for the development of places still receives less attention in spatial planning than it deserves. Although solutions for bottlenecks are worked on, a strategic vision on the nodes of traffic flows is largely absent. A previous VROM Council advice argued that the national government should provide more vision and action regarding multi-modal nodes (VROM Council, 2009). Especially in this area there are opportunities to link thinking in terms of locations to that of flows and nodes. It is crucial that experiences and practices are actively exchanged in this area (we will return to this point later). Various examples of the place/flow approach were provided in Chapters 3 and 4 of the Dutch report.

The place/flow approach can bring Dutch planning practice a step further than the layer approach, which envisions the spatial structure in terms of three layers (underground, infrastructure and occupation). Over the past few years, the layer approach has been used as a vehicle to link the spatial planning and sustainable development agendas (e.g. the structure plan for the Eindhoven region). The power of the layer approach is that it identifies and maps out irreplaceable elements. At the same time, this approach carries the risk of becoming too hierarchical and insular if the underground is considered dominant relative to the other layers, and one merely searches the leftover spaces for development possibilities (passive planning). This method takes insufficient advantage of opportunities for strategic linkages between places and flows.

Attention for the landscape of flows can be mobilized by giving more latitude to stakeholders in design and development processes which manage various 'flows' such as water boards, energy providers, nature organizations, transport operators, health care providers and educational institutions. Initiatives to weave together water management or the construction of the ecological main structure with the direct environment in a more sustainable way have been relatively

successful when coalitions for implementation are set up and parties in related areas are mobilized. This should not be done solely for the purposes of co-financing (where the private sector is seen as a cash cow) but primarily for the environmental gains that can be reaped.

Accommodating flows and places in a smartest way possible requires links to be made at various levels (local, regional, national and international). This can only be achieved when stakeholders at these levels are clear in their ambitions and programmes. The three case studies provided a wide array of examples. There is an increasing conviction that the future of Parkstad Limburg depends, in part, on better cooperation with the Aken region. Limburg already attracts considerable German purchasing power, and for the University of Aken, Limburg's hinterland is an interesting hunting ground for new housing construction. Moreover, the ecological challenge in this area requires coordination with the ecological agendas in both Germany and Belgium (Drielandenpark, Groene Metropool projects).

Recommendation 2: directed at regional governments, private companies and civil society.

Translate the regional sustainable development agenda into a number of strategic themes specific for that region. Make a link to the dynamics and identity of the region and the initiatives and organizing potential of social actors.

Regions should make the abstract thought behind sustainable development manageable by translating it, by way of argumentation, into one or more region-specific strategic themes. This will allow a regional agenda for sustainable urban development to emerge. It is important to articulate the themes in such a manner as to apply to various pillars (economic, ecological or socio-cultural) where these pillars touch. It is precisely at this point that added value is created, such as when regulations to reduce CO₂ also generate jobs and improve the social structure. This has added value beyond regional themes directed at a single pillar. The area-based agendas set up in the context of the multi-year programme for infrastructure, spatial planning and transport (MIRT) offer opportunities to design linkages between these relatively discrete policy fields from a sustainable development perspective. To date, regional experiences in this regard are encouraging.

Issues now dominating the sustainable development agenda at a national level include carbon emissions, climate change, reduction of resource consumption, the water challenge and biodiversity. Issues in a wider perspective include sustainable accessibility and international competitiveness. The regional expert meetings



made it clear that development agendas are divergent at a regional level. Parkstad Limburg is working on sharply defined development opportunities within the framework of a strategic agenda oriented to demographic decline and liveability. Brainport Eindhoven is more oriented to the cohesion between economic and spatial development (e.g. nature preservation). Although international competitiveness is the leitmotif in Metropoolregio Amsterdam, this requires more than just fulfilling quantitative home construction targets, but also providing an inspiring residential environment in terms of culture and creativity, landscape and ecology, as well as making mobility and accessibility more sustainable. The VROM Council advocates taking advantage of the unique qualities and specific situation of regions when operationalizing these initiatives. This establishes a good link with the knowledge and organizing potential of regional stakeholders.

There are various methods to map out how the unique attributes of a region produce opportunities for sustainability. Examples include the capital model as it was used in drawing up the strategic agenda for Parkstad Limburg and the Brainport Eindhoven region, or the mutual gains approach used for area-based development. All these methods allow a systematic analysis to be performed of regional strengths and weaknesses from a 'Triple-P' perspective, which can be used later to work with the stakeholders involved on a spatial elaboration of the strategic agenda.

Recommendation 3: directed at the national government.

Articulate a sustainable spatial development vision at a national level. Sustainable regional development demands national government leadership.

In the advice entitled *Ruimte geven, ruimte nemen* [giving space, taking space] (2006), the VROM Council challenged the national government to elaborate what it felt ought to be managed at a national level. As a follow up, the VROM Council's advice *Acupunctuur in de hoofdstructuur* [main spatial structure acupuncture] (2009) argued for national involvement to improve multi-modal transport nodes. Since this time, the Minister of VROM has taken various steps towards clarifying what must be done at a national level. One example is the *Structuurvisie Randstad 2040* [Structure Vision Randstad 2040] and the general administrative order for spatial planning (*AMvB Ruimte*). When it comes to sustainable development, the VROM Council believes that the national government must be much more explicit about its position. The first steps have been taken with the government's sustainable development action plan (Minister of VROM and Minister of Development Cooperation, 2009). In order to arrive at a national sustainable urban development agenda, decisions need to be taken on at least the following three issues:

Energy

The national government needs to be clear about its priorities in the area of energy. The balance between centralization and decentralization has both economic and spatial consequences. Should every city have its own energy provider again in the near future, and how can this be linked up to the national energy infrastructure? There is a pressing need for a national vision based on clear policy options, which indicate how the vision is connected to sustainable development. The trend towards more decentralized energy production has already begun with small wind turbines, solar panels on buildings and small-scale biomass generators and fermentation systems. A vision is urgently needed at a national level on the role of decentralized energy production and its implications for spatial planning, partly because of the decisions that need to be made on a system to finance renewable energy. Should the Netherlands work with a feed-in tariff system for supplying energy to the electricity network? Ten years after Germany introduced this method, the growth in renewable energy has been spectacular. As of late 2009, the Dutch national government is working on legislation to externalize the financing of sustainable energy.

Sustainable mobility

The national government also needs to take clear decisions on sustainable mobility. When designing regional public transport systems, one should be able to link to an adequate super-regional network. If Metropoolregio Amsterdam wants to expand its network, not only to Almere but also to Zaanstad, this cannot be seen independently from the choices that the national government makes on a greater scale beyond a regional level. Government should clearly state its policy priorities, such as restricting, bundling and transformation of mobility flows.

Spatial quality beyond a regional level

The management of natural areas, preservation of the main ecological zones, water management and optimization of agricultural production are all essential components of the sustainability agenda which ought to be guided by the national government. When urban development is viewed from a wider perspective of sustainable development, this opens up opportunities for realizing unique, green qualities in areas that could otherwise have become residential areas or business parks. By making an assessment from the point of view of sustainability beforehand, the quality of places will improve. The national government should take clear decisions on valuable landscapes, nature development, water safety, business parks and regional/urban public space.



The ball is clearly in the national government's court in these three areas (energy, sustainable mobility and spatial quality). The area-based agendas being prepared within the framework of MIRT are a good first step, but not sufficient in themselves. A need still exists for a national vision on sustainable spatial development. The ongoing lack of clarity on the part of the national government has caused sustainable urban development processes to stagnate at a regional level. Due to hesitation at higher administrative levels, the vision on sustainable urban development in Parkstad Limburg is being watered down. Investment decisions are being deferred in Metropoolregio Amsterdam because it remains unclear how the region should develop in the long term. The regions cannot solve these problems alone. The increasing spatial differentiation of urbanization challenges against the backdrop of the regions' search for their own sustainable development potentials requires a spatial narrative at a national level on sustainable urban development in the northwest European delta. This narrative needs to be supplemented by policy options in the area of energy supply, transport networks and spatial quality. Urbanization decisions (i.e. where and where not to build) need to be made with respect to these three areas. The national government should provide clarity about how it will deal with an internally differentiated country within the wider northwest European delta. The national spatial narrative, or vision, on sustainable development should take into account the changing spatial-economic geography, with the rise of mega-city regions as new economic units (see Florida *et al.*, 2007; Glaeser, 2007; Castells 2009 and also America2050.org). The increasing differentiation between shrinking and growing regions should be recognized from a northwest European perspective. In addition, the methodology for making spatial investments will need to be re-evaluated in accordance with this vision. We will return to this point later.

Recommendation 4: directed at the national government, provinces, regional and local authorities.

Add a sustainability statement to spatial plans.

When drafting spatial plans at a national, regional or local level, it is important to carefully consider how to optimize sustainable urban development. To this end, the VROM Council recommends building in a guarantee in the spatial planning procedure: a sustainability statement. This part of the plan should ensure that sustainable urban development is explicitly included in the planning procedure and that objectives to this end are duly incorporated into the plan. The SER ladder (a strategy for sustainable land-use that prioritizes regeneration and infill development) is a step in the right direction towards ensuring sustainable urban development. Still, this strategy only looks at intensifying land-use, whereas a

sustainability statement should attempt to optimize the spatial links between competing economic, ecological and socio-cultural interests.

The sustainability statement should ensure that the remainder of the plan demonstrates that it has opted for more sustainable urban development, bearing in mind the related political and normative principles. The VROM Council recommends that an assessment be made of the care taken in the decision-making process on sustainable urban development: were the alternatives assessed carefully enough in terms of their ecological, economic and socio-cultural aspects? The sustainability statement in spatial plans can be considered a supplement to already existing sustainability certificates for building projects.²

Stimulating instead of limiting

The VROM Council recommends introducing a sustainability statement at the beginning of the process, not at the end. This could stimulate the creativity of the parties involved and help put sustainable urban development more prominently on the political and administrative agenda. A simple technical check at the end of the process can be counterproductive in practice because it pushes the necessary political and administrative reflection into the background.

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Four main ingredients

The question remains how a sustainability statement or justification can be formulated in methodological and procedural terms. The next step is to determine which ingredients or criteria to include in the sustainability statement. The VROM Council suggests introducing four basic criteria at a system level: input, output, adaptability and stability. The first two criteria concern an integral assessment of the ecological, economic and socio-cultural inputs and outputs. To what extent does the plan contribute towards the reduction of natural resources per capita, and is the amount of refuse and other unwanted output reduced? Does the plan also contribute towards social mobility in urban neighbourhoods, combat crime and strengthen the economic structure? The adaptability criterion concerns whether new physical developments can be adapted to changing social needs. What condition will they be in fifty years – or more – down the line? How flexible are they? Can functions be easily rearranged? Finally, the stability criterion refers to whether the plan stabilizes ecological, economic and socio-cultural processes. We must find a way to break out of the process of continual intervention. This will require intensive and especially strategic maintenance of the existing spatial

² For example, the BREEAM (BRE Environmental Assessment Method) or LEED (Leadership in Energy and Environmental Design) certificates.



structure. Taken together, these four main criteria define a new balance between the ecological, economic and socio-cultural realms.

Two routes: SEA and Bro

The next step is to determine the best route for designing the sustainability statement. It is not necessarily advantageous to include sustainability in the general administrative order for spatial planning (AMvB Ruimte). Although this route does allow direct demands to be placed on local land-use plans, in practice it can induce retroactive explanations at the end of the planning procedure. As stated, the VROM Council prefers an approach that provides stimulation at the beginning of the planning procedure to enhance the quality of the vision-making and plan-making process. For this reason, the VROM Council argues that a sustainability statement should become part of an expanded strategic environmental assessment (SEA): a sustainability report. This will ensure that sustainable urban development is explicitly, and at an early stage, given its due place in the planning procedure, for example with regard to structure visions. The sustainability report can be used to check plans, policy proposals or projects against the principles, ambitions and objectives of sustainable development. This is already occurring in practice: the SEA for the Randstad 2040 structure vision includes sustainability criteria in addition to the usual environmental aspects.³ A more extensive SEA committee could act as a centre for expertise and sounding board. One must not allow this organization to become too technocratic: the goal is to have the sustainability statement stimulate creativity amongst the various parties, not limit it.

A second route is to use the spatial planning decision (Bro). Following the logic of the water assessment, the Bro can ensure that various stakeholders (concerning flows of water, traffic, education, etc.) are included in the planning process at an early stage. Consultation with these kinds of parties can be made mandatory when preparing a local land-use plan. In addition, the explanatory notes of the plan should include a description of the way in which the plan takes sustainable urban development into account.

Quality teams

The VROM Council argues that the introduction of a sustainability statement can ensure that sustainable urban development objectives are explicitly included in spatial plans at an early stage. At the same time, the VROM Council realizes that

³ A 3x3 sustainability matrix was used in this regard with 'people', 'planet' and 'profit' comprising the vertical axis and 'now', 'later' and 'elsewhere' as the horizontal axis (Ministry of VROM, 2008: 115).

this does not guarantee the quality of these plans. Although plan elaboration falls beyond the scope of this advice, there have been positive experiences in Flanders with a regulation for drawing up urban renewal plans. These experiences show that working with quality teams can provide a big stimulus to improve the local vision-making and planning process. Thanks to the guidance of the quality teams as well as that of subsidies, even smaller local authorities, which often have less planning capacity and project management experience, can develop major urban renewal projects. The quality teams, which consist of a coordination team and a local team, offer guidance to local authorities during the drafting phase. This might be a valuable addition to Dutch planning practice, and the VROM Council recommends looking into this in more depth.

Recommendation 5: directed at governments, the private sector and civil society.
Tackle the challenges of sustainable urban development using coalitions between government, the private sector and civil society, and involve stakeholders in the development and implementation process.

In order to achieve all the different aspects of sustainable urban development, it is crucial that the various actors work together. As argued earlier in an advice on regional cooperation (VROM Council, 2008), substantive challenges must drive cooperation between parties. Sustainable urban development is no different: the spatial challenges themselves should determine which parties should work together, and why. Only afterwards should parties determine which form of collaboration is most adequate and most fitting to the substantive challenge at hand. The specific composition of coalitions will be flexible, change over time and depend on the issue at hand. For this reason, the role of civil society is important. In particular, parties such as housing associations, water boards, regional transport providers and organizations in the areas of health care, nature and education are being compelled to take measures with an eye to the future on matters such as desired economies of scale of facilities and location. For this reason, many of these parties may already be thinking in terms of sustainability, at least as far as understanding and strengthening regional cohesion is concerned. What is often missing is thinking and acting across sectors. The government can bring parties together to stimulate mutual coordination (e.g. regarding the intertwined health care, housing and education sectors, more intelligent organization of public transport flows in relation to the various urban environments, the link between infrastructure and nature development). One should be selective when putting together coalitions: actors who do not have an interest in solving the problem at hand will not be especially motivated to think constructively.



Various parties can take the initiative to collaborate in this way. Once a vision or area-based programme is in place, a single party should assume responsibility for coordinating implementation. This does not always need to be a public body. As the case of Parkstad Limburg demonstrated, it is important that a plan, which was originally an initiative of civil society, is not automatically handed back to the government. In this case, the government was less capable of mobilizing action than other stakeholders.

When engaging in a sustainable urban development strategy, it is important to find actors, issues and events that can act as a catalyst for the desired development. This includes stakeholders across administrative borders, such as in the Aken region, or the abovementioned managers of flows such as energy and transport providers, water boards and health care providers. The interests and ambitions of all stakeholders need to be brought to the surface in an interactive process to see where these can converge into shared goals. Early involvement of these actors is crucial. In other cases, special circumstances can have a catalyzing effect, such as the current economic crisis, but also the race for the title of European cultural capital, world fair or the Olympic Games. These all provide an opportunity to critically reflect on one's own regional infrastructure and the mobilization of public-private development potential. National competitions, pilot programmes and best practices have also proven valuable in the past.

Citizen involvement is essential. Sustainable development enjoys broad-based social support (see VROM Council, 2005). It is important to involve citizens in the implementation of policy in this area. One should leave sufficient leeway for private initiatives, and support innovative ideas and practices and incorporate these into visions and projects. If government efforts towards sustainable urban development do not touch the daily lives of citizens, they are doomed to fail. Government must not focus exclusively on a pioneering elite group; the 'laggards' and undecided mid-segments of society need to be involved as well. Sustainable development needs a social agenda.

A small-scale approach stimulates participation and involvement. The experiences in Germany show that the feed-in tariff policy for renewable electricity was vital for stimulating innovation, and led to an enormous outpouring of citizens and companies who wished to participate and invest in renewable energy. A similar approach, directed at stimulating small-scale innovation, should be considered in the area of multiple land-use, urban regeneration, urban management and the development of new modes of transport.

Recommendation 6: directed at the national government, regions and research institutes.

Facilitate the creation of relevant knowledge in the area of sustainable urban development at a regional and national level in relation to policy monitoring.

The body of thought behind sustainable urban development is still underdeveloped. In order to improve this, it is essential to build up knowledge and experience at a regional and national level. This concerns both general knowledge on sustainable urban development and region-specific knowledge (RMNO, 2004). More in-depth knowledge is needed about how the regional spatial system functions and the effects of sustainability measures (scenario development). Comprehensive knowledge is also needed on the interaction of social, economic and ecological developments at a regional level and the interaction of flows (transport, energy, water, waste, etc.).

Providing the necessary knowledge is more than simply generating more and more specialized knowledge; it entails connecting existing knowledge in better ways. The national government and provinces should – together with national research institutes, the NICIS Institute and regional research centres – reflect on the national-regional knowledge infrastructure so that systematic and multidisciplinary knowledge can be mobilized and coordinated. Regional parties should employ this knowledge more emphatically to support their own learning capacity. Cities can also learn from one another: as in a peer-review process, cities can judge one others' performance, whilst providing support and inspiration. Another option is to set up a Community of Practice (COP), such as the sustainable area-based development COP at Senternovem.⁴ The international dimension should also not be neglected, as there are many valuable experiences abroad with sustainable urban development. Links are possible through initiatives such as the 'Urban Age' project in which cities exchange knowledge and experiences.

The VROM Council recommends directing additional funds from the FES (economic structure enhancement fund) towards the development of knowledge in the area of sustainable urban development and for setting up a knowledge infrastructure. As is customary in the FES procedure, the national government needs to take the lead in cooperation with knowledge centres.

⁴ This COP is a continuation of the earlier COP 'Cradle to Cradle in area-based development' (www.senternovem.nl).



Objectives should be made measurable as much as possible to enable continual monitoring. It is also vital to have an active quality committee in the area of sustainable development. The example of London is illustrative in this regard. London worked with a sustainability monitor using sustainability indicators, but also set up a committee for ensuring quality, the Legacy Board, specifically to assess the long-term effects of the Olympic Games.

Making information on sustainable urban development at different levels of scale more accessible and processing it can lead to new knowledge and insights on, for example, urban management, transformation, new financing techniques and better methods of analysis. By paying more attention to sustainability in educational curricula, urban designers, landscape architects, spatial planners and economic geographers will be better equipped to effectuate sustainable development. This necessitates an intensive interdisciplinary coupling of knowledge and skill of various educational backgrounds. A more active link is needed between research/academia and tangible policy case studies (national government, provinces, regions and local authorities). All this helps create a collective knowledge infrastructure.

Recommendation 7: directed at governments, private sector and civil society.

Organize funding for sustainable urban development in a different way. Make a more direct link between investments in the initial phase and the benefits of sustainable urban development in the long term.

Sustainable development demands that investments be made that may only become profitable in the long term. The traditional building and planning process, with its short-cycle investment discipline, is not well equipped to deal with this. In the traditional process, a division is made between the development and management phases. Investors in the development phase often try to minimize the planning and building costs without regard for costs incurred in the management phase. This is unsustainable: possibly higher investments at the beginning can surely mean lower costs in the management phase. Because of this discrepancy in the development process, it is difficult to strike a balance between investments in the quality of the built environment and sources of income, such as the rental or sale of land.

The expert meetings made it clear that there is a need for other methods of financing sustainable urban development. The current method will need to be adapted – certainly in view of cutbacks in the public sector – to facilitate the transition to a sustainable urban development strategy. At present, investments

are mainly made at the beginning of the planning procedure. The lion's share of these investments are recovered from the sale of land whose value had increased sharply after rezoning. It is advisable to look into how direct links can be made between investments in sustainable urban development made at the beginning of the process and yields that are only perceptible in the long term. In textbox 1 the some alternative financing methods are presented. In addition, the VROM Council argues for a strategy to entice and convince other beneficiaries to invest in sustainable urban development. The Mutual Gains Approach can be helpful in this regard or the sustainable earnings method that carries elements of this in it (De Bruijn *et al.*, 2008).

Textbox 1. Proposals for new ways of financing sustainable urban development

A sustainability fund to break through the 'split incentive' problem

The problem of 'split incentives' can arise when investing in sustainable development; this happens when instead of investors, users reap the benefits of investment. This occurs with new construction projects (commissioner versus occupant of the building) and commercial and industrial buildings and rental units where ownership and use of property are separated. This can obstruct improvements as neither party, owner or renter, has enough incentive to invest. A sustainability fund in which users contribute their gains to the fund (via a tax or interest compensation) can break the impasse. Later, this fund can be used to finance part of the investment. This fund does not require government financing.

Sustainability fund through deposit or removal fee

With the completion of a new property, a removal fee of sorts could be included in the construction costs to be placed in a fund. This fund could be used to restructure problematic areas, like dilapidated business parks, which do not conform to sustainability standards. This principle bears similarities to surcharges for the disposal of appliances and also does not require government financing.

Leasehold

By using leaseholds, the rising value of the land (in both urban and rural areas) is enjoyed by the landowner, which can use part of the yield from the leasehold to invest in major renovations of a neighbourhood. This was used in London to upgrade green areas. The conditions of the leasehold can also contain provisions on the use and investment in the property that support sustainable development.



Tax districts

A special arrangement can be made for a neighbourhood or business park that links the profits generated by taxes, such as property tax, and maintenance. The effect is that good maintenance will cause values to rise, which can then be used in part for more improvements in maintenance and the quality of the residential environment.

Green surcharges

The management of ecological main structure, national landscapes and natural areas is paid for by government funds, either in the form of earmarked subsidies (national lottery) or tax income, while the benefits are partly local due to the value immobility of property such as houses. Part of the costs for nature development could be recovered by placing special surcharges on adjacent property. This is essentially an ecological surcharge, and is already partly collected through the land values when new lots are released.

Tax measures

Corporate taxes can be rearranged to provide tax relief for sustainable spatial developments. At present, profits earned in the long term are often lower than profits generated completely upon sale. Long-term investments in sustainable urban development can be stimulated by providing tax relief for such projects through rental, leasehold or special surcharges.

Use-based taxation

Taxes directed at reducing consumption of natural resources such as road pricing (for cars), waste taxes and emission charges can be important tools, within the context of sustainable spatial planning, to influence behaviour. Tax benefits, such as for the reduction of commuting distances, are also part of this.

Recommendation 8: directed at the national government.

Devise a programme to stimulate sustainable urban development in the Netherlands. This programme should meet the urgent need for decisive action at a national level.

Sustainable urban development is a challenge that deserves a higher place on the political agenda. It demands a stimulus programme on the basis of key decisions at a national level from a northwest European perspective, including decisions by the national government on energy, sustainable transport, and environmental quality above a regional level. The VROM Council suggests setting up a committee along the lines of the Deltacommittee on water and climate change to

elaborate this theme into a programme entitled *Duurzame Verstedelijking* (sustainable urban development).

This committee should be charged with drawing up a stimulus programme for sustainable urban development. This nationwide programme would be coordinated with existing programmes such as Randstad Urgent. The programme will contain a multitude of projects, which will need to be carried out in close coordination at different levels, with different leaders, spread out over decades. The national programme needs to provide a framework for the regional level. The area-based agendas currently being set up in the context of MIRT can, taking heed of the recommendation for a broad-based approach, serve as a referent for formulating the *Duurzame Verstedelijking* agenda.

The programme will need to closely examine existing policy portfolios, which are now treated separately, to see how they interrelate. In addition to dealing with energy, transport and environmental quality at a super-regional level, the programme will also address challenges of regional differentiation and the relationship between new residential construction and nature development. The urbanization challenge also requires a fitting funding structure. The Municipal Funds and Provincial Funds need to be re-evaluated in relation to the rise and fall of populations and the substantive challenges facing provinces and local authorities. An issue such as expanding the municipal tax base should be examined in relation to sustainable urban development financing. The methodology for spatial investments (MIRT) needs to be reconsidered to conform to the integral national vision on sustainable urban development. In order to be able to balance interrelated investments in red (buildings), grey (infrastructure), green (nature) and blue (water) through the lens of an overall vision for a region (the area-based agenda), the grey functions will have to pass through more than simply the (social) cost-benefit analysis procedure. In this way, no statements can be made regarding the total cohesive package of measures. Finally, the committee needs to investigate how the existing knowledge infrastructure can be used to best serve the new programme.



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ANNEX: About the VROM Council

The VROM Council is the Netherlands Advisory Council of Housing, Spatial Planning and the Environment. It is charged with advising government and parliament on the main aspects of policy with regard to the sustainability of the environment and on other main elements of policy relating to housing, spatial planning and environmental management.

Composition of the VROM Council

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prof. mr. N.S.J. Koeman

prof.dr.ir. J.T. Mommaas

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General Secretary

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dr. R. Hillebrand (since 01-01-2010)



Colophon

Sustainable urban development

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