

Metropolitan cooperation: forms and policies

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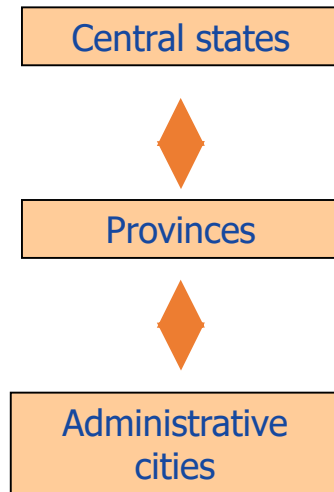
Capacity building workshop for Ukrainian cities

Online

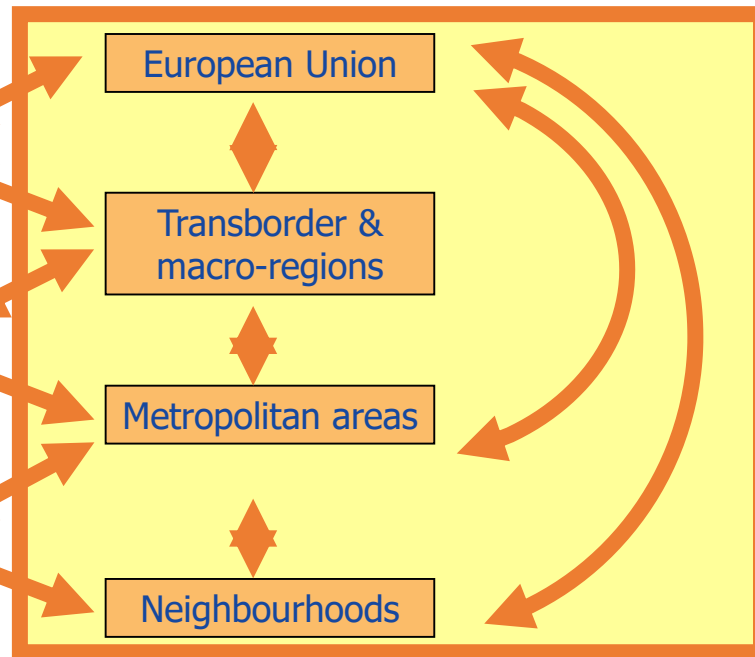
25 March 2024

Planning in flexible space for implementing in fixed space

Old: fixed
action space



New: flexible action space



Adapted from Jacquier, 2010

Growing importance of the metropolitan level

Existing EU regulations: SUD policy, 8% of ERDF in urban areas, metropolitan level allowed, ITI chosen by many regions

Brussels Urban Summit, June 2023:

- **Jan Olbrycht:** a new policy towards large cities is needed, based on integrated approach, including the urban-rural dimension.
- **Normund Popens:** What would empower EU cities? Not more funding is the most important, but metropolitan areas (ITI cooperation) is important, the urban and rural conflict should be eased
- **Frans Timmermans:** present challenges should culminate into a programme which brings positive hopes on the future. Cities can only flourish if dealing with rural areas, otherwise this is a loose-loose situation.

Metropolitan areas

OECD analysis

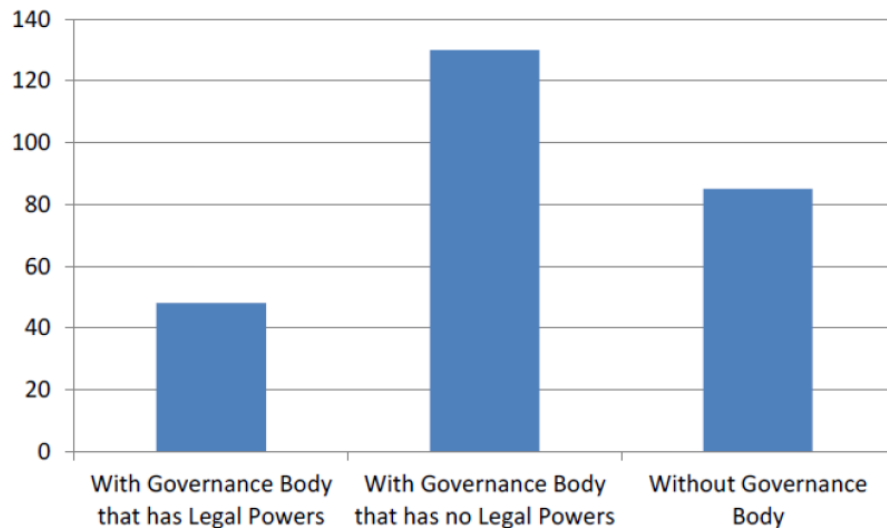


Table 1.1. Four broad categories of metropolitan governance bodies in OECD metropolitan areas

From the lightest to the most stringent in institutional terms

a) Informal/soft co-ordination. Often found in instances of polycentric urban development, lightly institutionalised platforms for information sharing and consultation are relatively easy both to implement and to undo. They typically lack enforcement tools and their relationship with citizens and other levels of government tends to remain minimal.	
b) Inter-municipal authorities. When established for a single purpose, such authorities aim at sharing costs and responsibilities across member municipalities – sometimes with the participation of other levels of government and sectoral organisations. Multi-purpose authorities embrace a defined range of key policies for urban development such as land use, transport and infrastructure.	
c) Supra-municipal authorities. An additional layer above municipalities can be introduced either by creating a directly elected metropolitan government or with the upper governments setting down a non-elected metropolitan structure. The extent of municipal involvement and financial capacity often determine the effectiveness of a supra-municipal authority.	
d) Special status of "metropolitan cities". Cities that exceed a legally defined population threshold can be upgraded into a special status as "metropolitan cities", which puts them on the same footing as the next upper level of government and gives them broader competencies.	

Source: OECD (2014), *OECD Regional Outlook 2014: Regions and Cities: Where Policies and People Meet*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264201415-en>.



National policies

FR	Municipal associations: series of laws since 1999 to initiate collaboration
FR	Regional reform (2015) and thinking about the future of departements
IT	Metropolitan cities initiative: 1990, 2000, 2012, 2014; thinking about the future of provinces
DE	Metropolitan regions initiative: from the 1990s

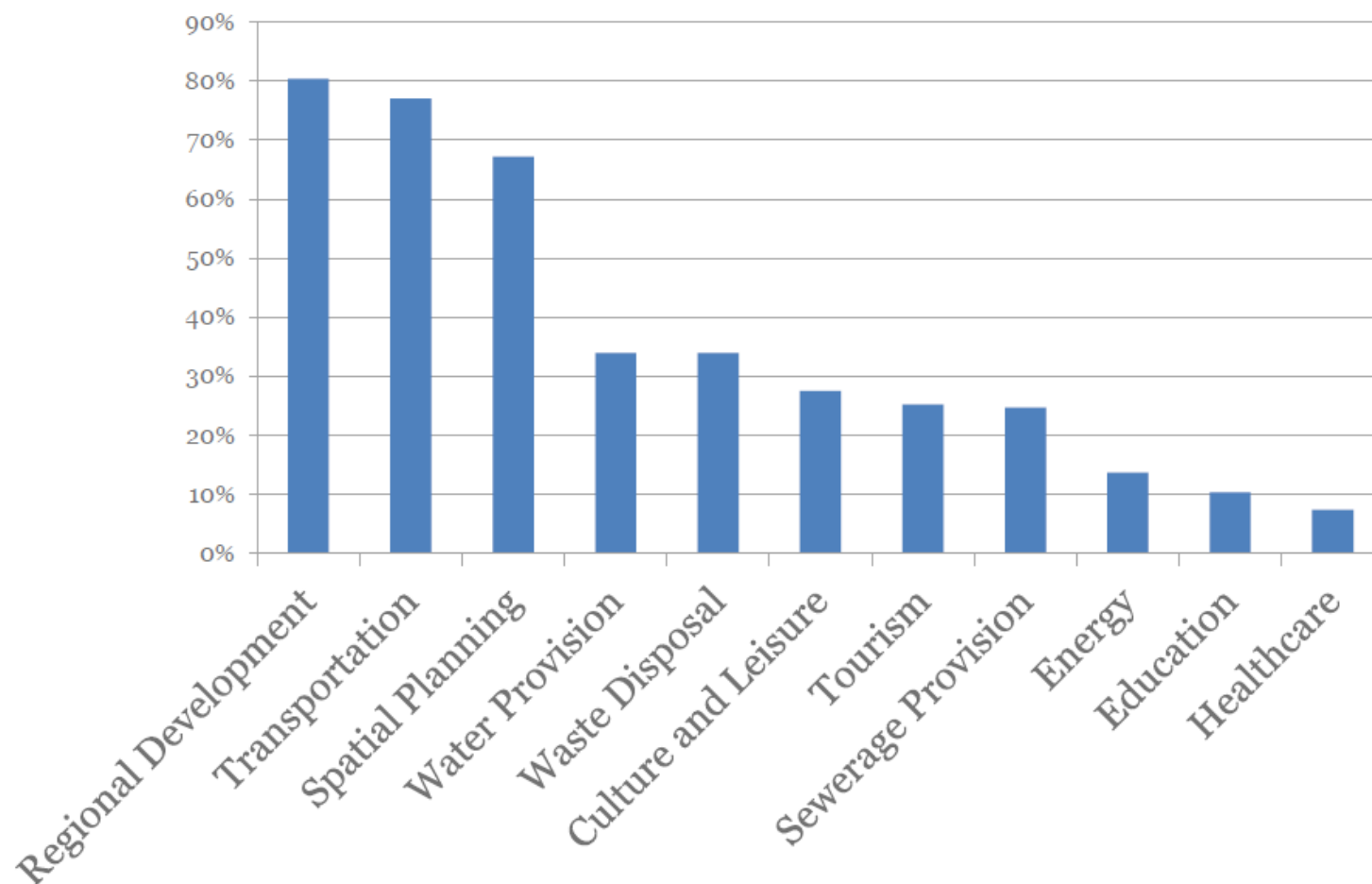
PL	Regional reform in 1990s. Metropolization of regional seats since 2007, based on EU resources (ITI)
RO	Municipal associations since 2004, Growth Poles to allocate EU resources since 2007
CZ	Metropolitan law since 2015





Metropolitan authorities

Three fields of work dominate



Source:
OECD

Case studies on the forms of metropolitan cooperation

- A. French urban communities
- B. Swiss national planning scheme for metropolitan areas
- C. Austrian struggle to create collaboration
- D. Czech example on project based system
- E. Hungarian changes in territorial links
- F. Romanian legal approach

A) Formal, fixed boundary metropolitan governance The French 'urban communities'

- Created by the French Parliament in 1966 as **compulsory settlement associations**. Originally only metropolitan areas of Bordeaux, Lille, Lyon and Strasbourg. 2009: 16 urban communities in France with a combined population of 7,5 million inhabitants. All urban areas in France over half million inhabitants are urban communities, except for Paris.
- Purpose: to achieve **cooperation and joint administration** between large cities and their independent suburbs.
- Urban communities are created in the country with the **most fragmented settlement system in Europe**, thus the created settlement associations are sometimes closer to the morphological area than to any broader meaning of city-regions.



Top-down initiated voluntary cooperation

- On the level of the urban community a Council is formed, with **delegated members** from all municipalities (Lille 85, Lyon: 55). The council makes decisions and some **important functions** (planning, transport, housing) are compulsorily transferred to that level.
- Some years ago the **local business tax** has been **equalized** among settlements by law.
- As a step towards indirect democracy (democratizing the delegated system), **communal councillors** will be identified on the basis of **direct elections**, as people during normal elections have to identify which one candidate they want to see as representing the municipality in the urban community.

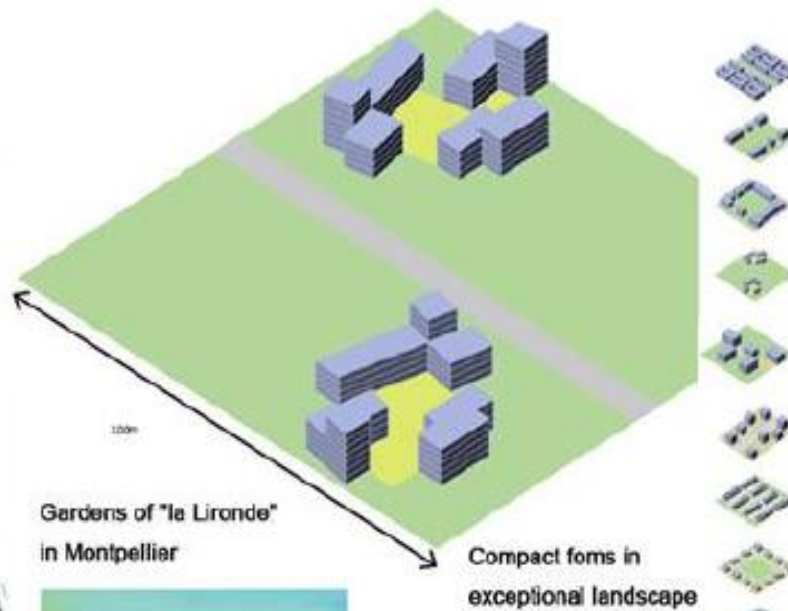
Problem: urban communities do not cover whole metropolitan areas, cooperation between them is complex...

PLUREL

Montpellier agglomeration, good example of regional cooperation, financial means and land resource management

Specific urban forms in an environment mainly free from construction

Areas with exceptional landscape



**Gardens of "le Lironde"
in Montpellier**

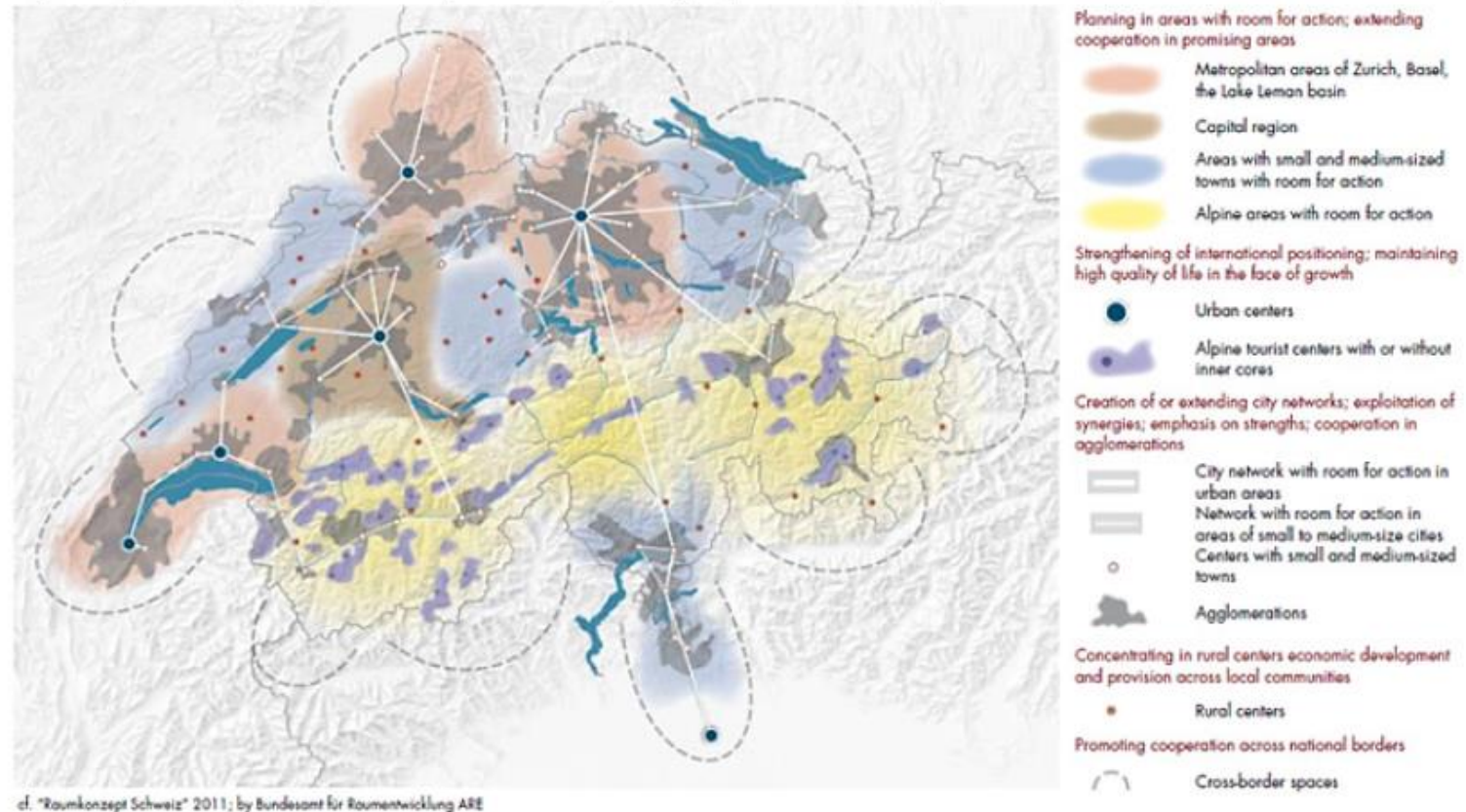
**Compact forms in
exceptional landscape**



B) The Metropolitan Area of Zurich

Switzerland's spatial concept (urban and rural planning)

Polycentric spatial development helps retain competitiveness while promoting cooperation and partnership.



Source: <http://www.real-estate-in-switzerland.ch/wp-content/uploads/2011/02/urban-und-rural-planning-in-switzerland.pdf> (From *Raumkonzept Schweiz*, Bundesamt für Raumentwicklung ARE from 2011, downloaded 20/4/2017)

Source: ESPON SPIMA research, Gro Sandkjær Hanssen, Hege Hofstad, Norwegian Institute for Urban Research

Zurich and the metropolitan area

- Zurich metropolitan area: **1.9 million inhabitants in 238 municipalities, spread across eight cantons**. Around 1.3 million people and 60% of the jobs are situated in the core agglomeration of Zurich.
- Idea of metropolitan areas in Switzerland only emerged during the last years. Swiss Spatial concept, 2011 identified **four main metropolitan areas on statistical basis**, based on commuting patterns and economic coherence, having only strategic status.
- Zurich metropolitan area: long tradition of cooperation across cantonal borders, around the establishment and expansion of the S-bahn. Introduction of “Metropolitan Conferences”, 2007.
- **“Zurich Metropolitan Area Association” founded in 2009**. The founding members: eight cantons and 65 municipalities in these cantons. Today, around 120 municipalities are part of the Association.

Planning in the Zurich metropolitan area

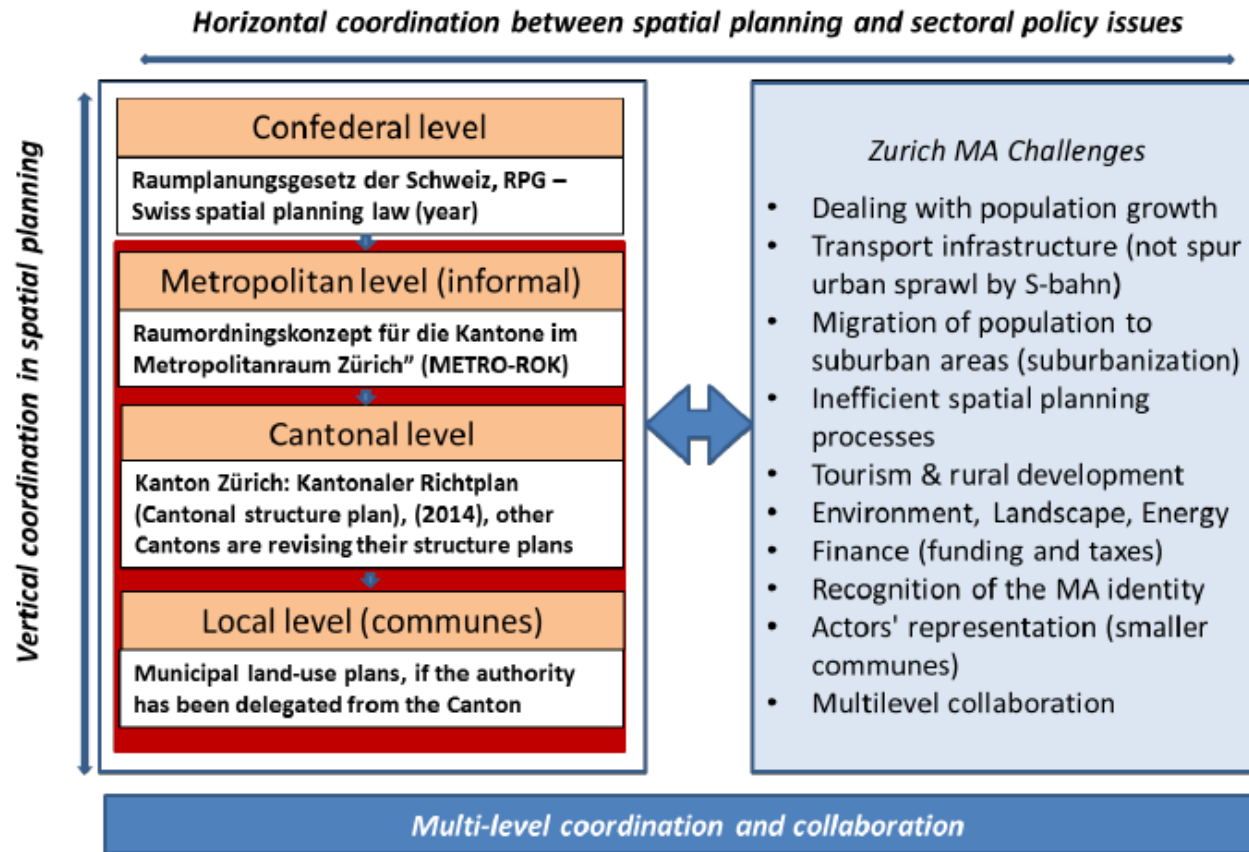
- In the Metropolitan Area of Zurich the planning authorities of the member-cantons developed a **joint strategic plan**: METRO-ROK-ZH. The plan now serves as the key document that guides the MA development, as a strategic plan for all eight Cantons and all communes within it.
- The strategic plan states that **80% of the population growth should take place within urban action spaces** – a total increase of 420,000 new inhabitants in the “urban landscape” and “transitional landscape” (in their centres) action spaces by 2040. An increase of around 60,000 inhabitants is expected outside these areas.
- **Canton of Zurich was the first to implement** the main principles in its own cantonal structure plan in 2014. The plan is to promote compact built-up areas.
- Challenge: how to ‘integrate’ the principles of the strategic plan into the cantonal structure plans in **all the eight cantons**.

How to coordinate the drivers of development?

- The development of **public transport systems**: what is necessary development? The further extension of the S-bahn to new areas would be a driver of suburbanization.
- Highly **decentralized tax system**: the communes set their own taxes to stimulate the settlement of business and inward investments, usually not in accordance with the principles in land-use and transport-related plans and strategies.
- At the **federal level**, the revision of the Spatial Planning Law is ongoing. There have been discussions about spatial planning for functional areas – which can challenge the planning authority of the cantons.

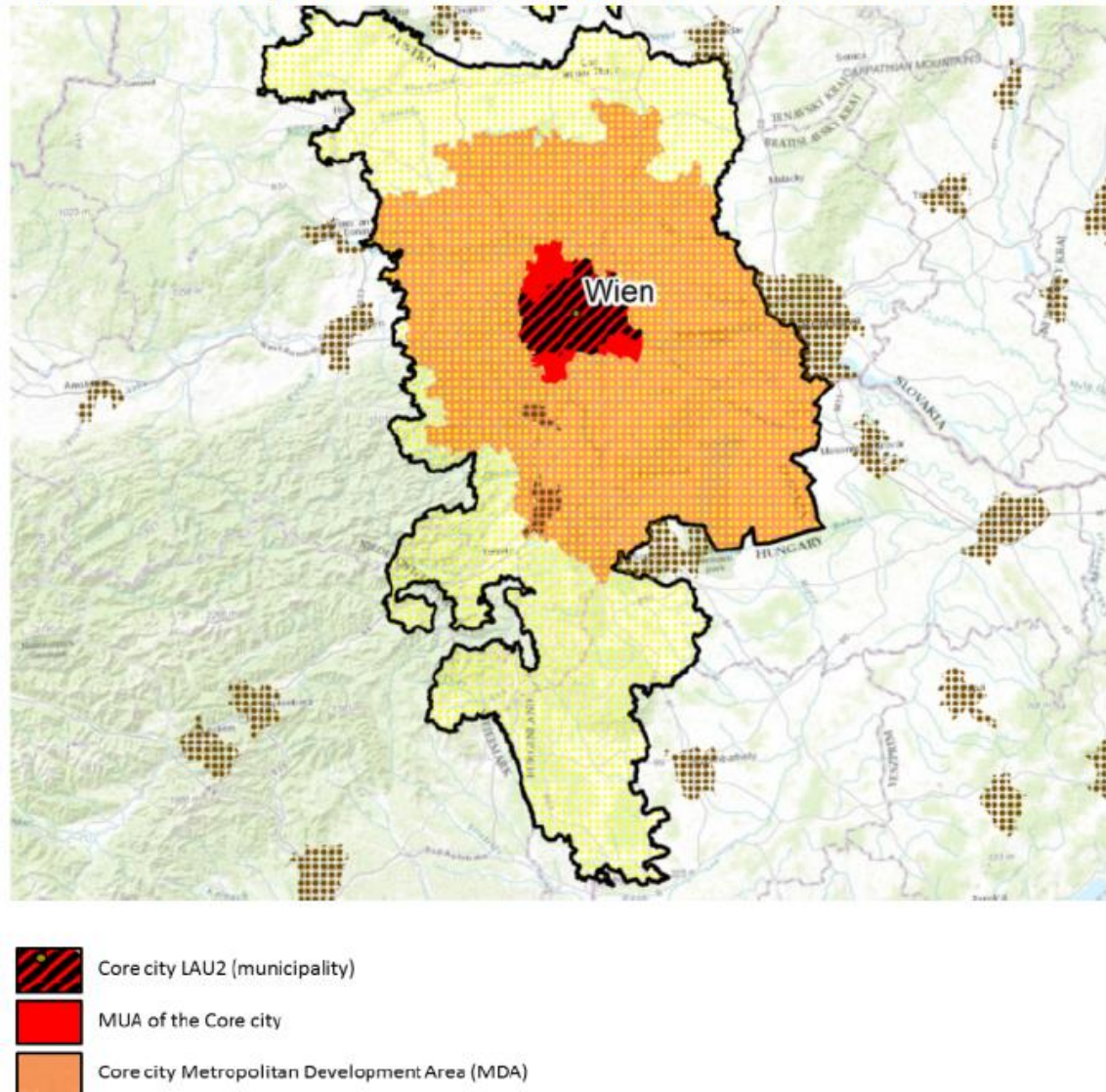
Will the national government **be able achieve better coordinated planning processes in metropolitan areas**, at the expense of the power of the cantons...?

Interaction between governmental levels and challenges of Metropolitan Area development around Zurich

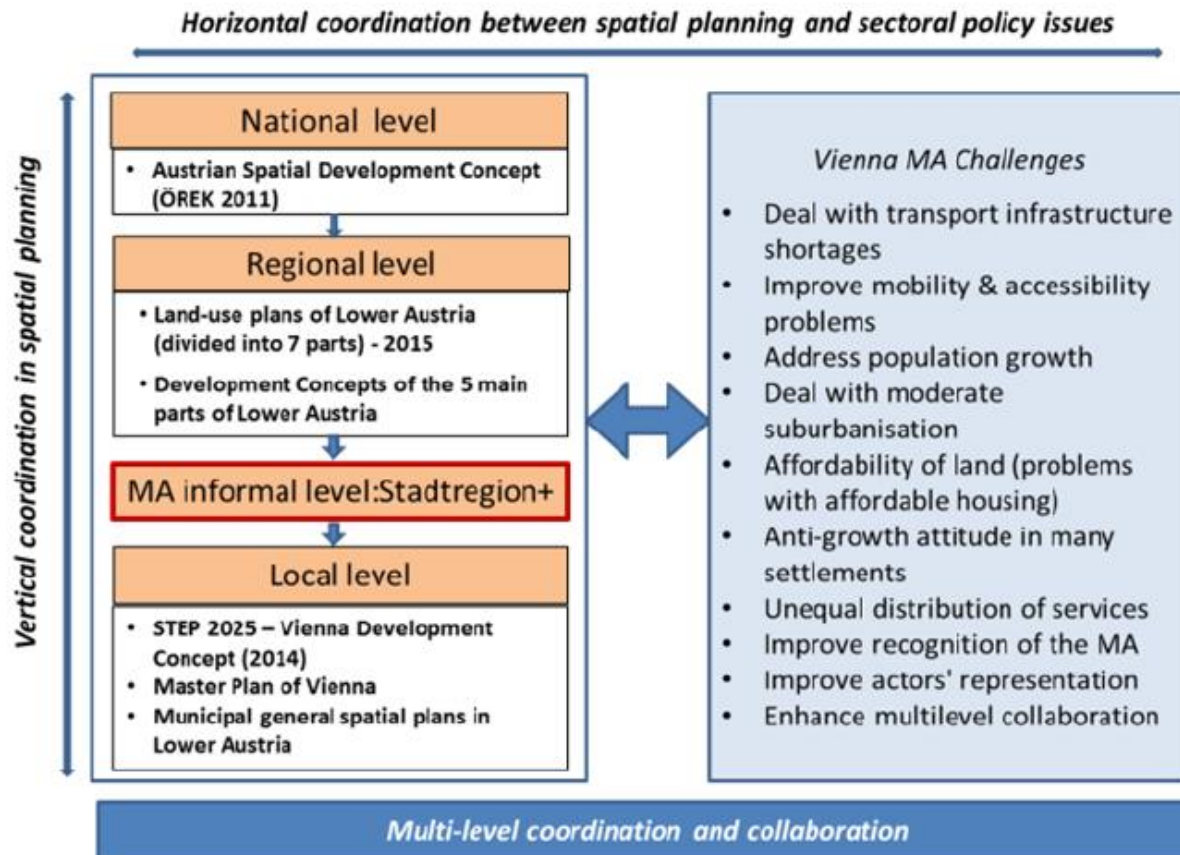


C) The Metropolitan Area of Vienna: struggle for cooperation

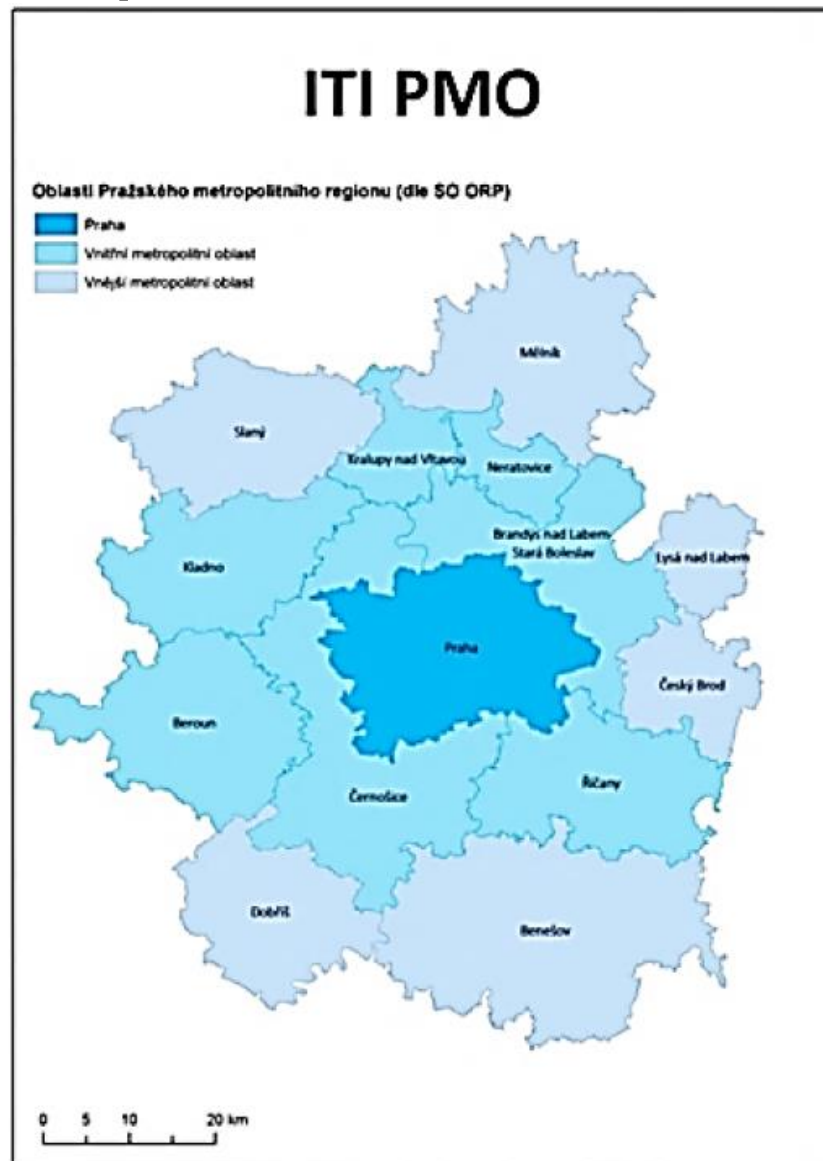
Map 1.1: Relationship between FUAs, MUAs and the Metropolitan Development Area of Vienna



Interaction between governmental levels and challenges of Metropolitan Area development around Vienna

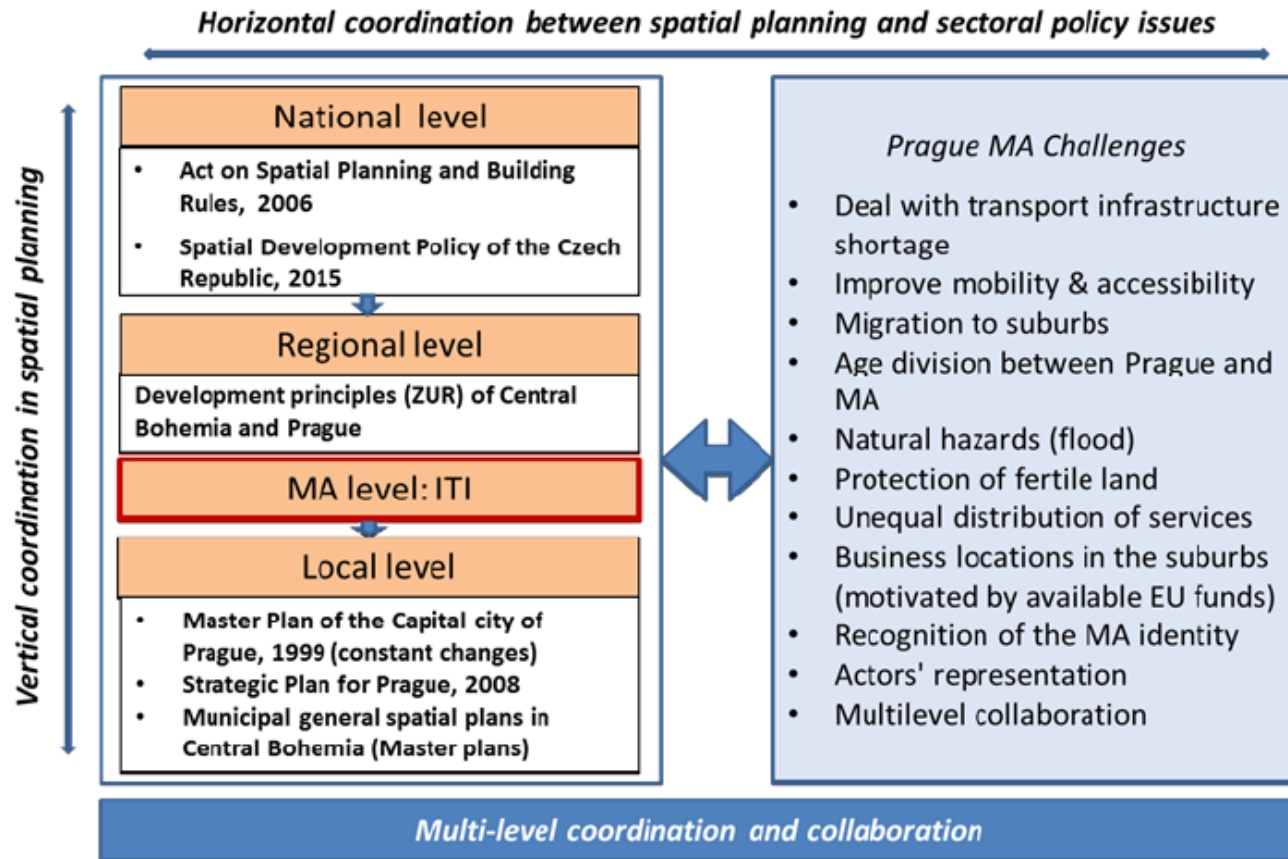


D) Project-based metropolitan collaboration in Prague: the ITI area

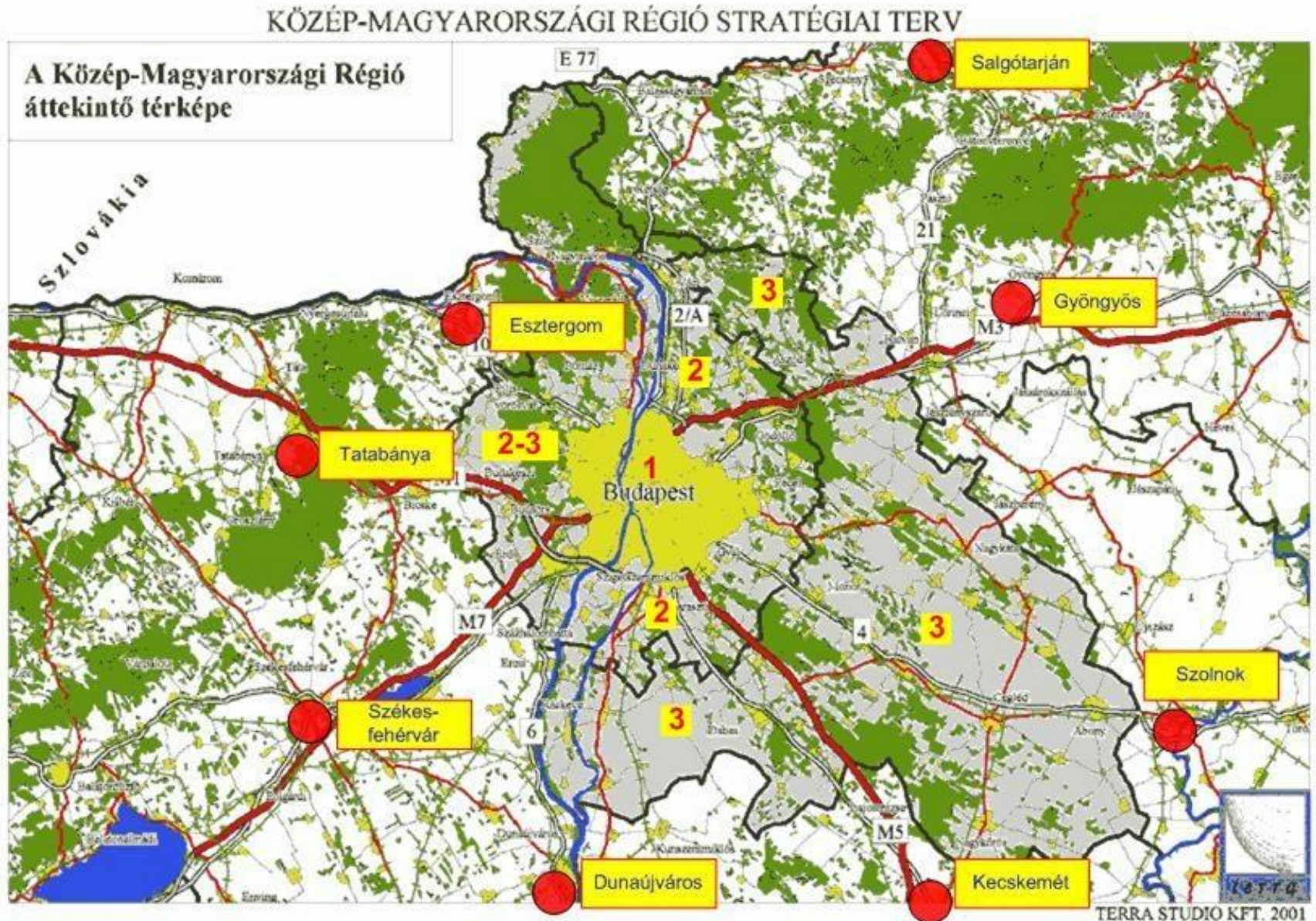


Source: ESPON SPIMA research, Éva Gerőházi and Iván Tosics; IPR Praha

Interaction between governmental levels and challenges of Metropolitan Area development around Prague



E) Politically influenced withdrawal of metropolitan collaboration in Budapest



Territorial levels around Budapest

	Popula- tion (million)	Administrative status	Functional importance
Budapest municipality	1.7	local government	
Agglomeration of Budapest	2.5	none (statistical unit)	job market, housing market, infrastructure
Region of Budapest	2.9	NUTS II planning level	none
Economic area of Budapest	4.0	none	economic area (investors)

F) Romania: efforts to strengthen FUAs always benefit from additional outside support

In Romania, the recommendations made by the **European Commission**, the efforts undertaken by the National Government (particularly the **Ministry of Development**), and the support offered by the **World Bank** have been instrumental in strengthening the SUD and FUA approaches.

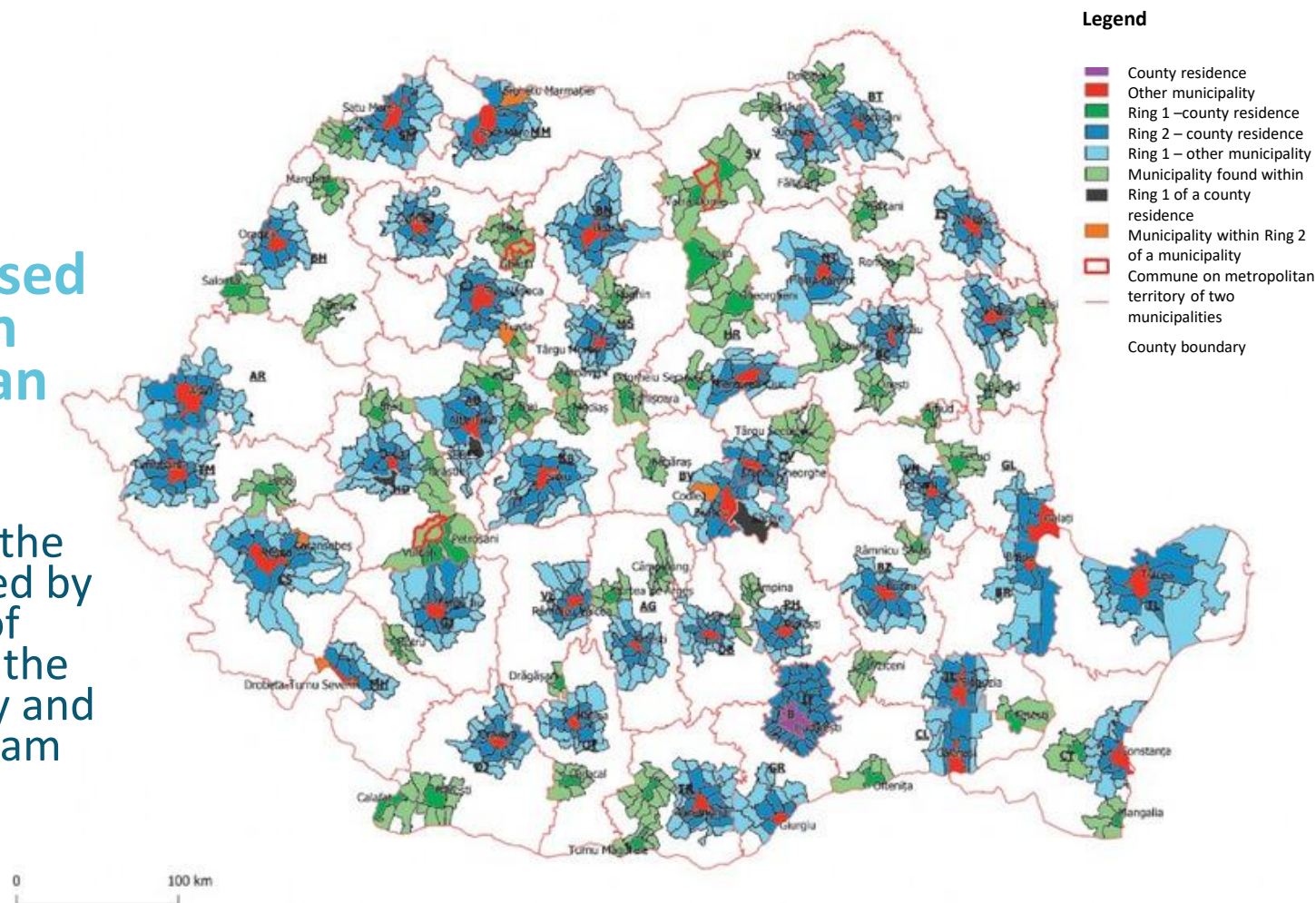


	2014-2020 Programming Period	2021-2027 Programming Period
SUD Allocation	€2 billion	€12.5 billion (MORE RESOURCES)
Regional Operational Programme design	Centralized (MA within the Ministry of Development)	Decentralized (MA within the Regional Development Agencies) (MORE DECENTRALIZATION)
FUA Approach	Support for metropolitan projects but no dedicated financing for peri-urban areas	Dedicated financing for peri-urban areas, and support for metropolitan projects (MORE FLEXIBILITY_
Eligible investments	Primarily urban mobility and rehabilitation of public buildings	Number of eligible interventions has increased substantially, enabling, among others, urban regeneration interventions and the development of business infrastructure (e.g. industrial/logistical parks) (MORE DIVERSITY)

Source: Marcel Ionescu-Heroiu, 2023

In 2022, Romania passed the Law on Metropolitan Areas

This was one of the
objectives included by
the Ministry of
Development in the
National Recovery and
Resilience Program



Source: Marcel Ionescu-Heroiu, 2023

Some key proposals of the Law on Metropolitan Areas

- 5% of Personal Income Tax of constituent localities goes to the metro area;
- Framework created for project implementation by the metro area;
- Framework created to enable easier public service delivery at the metro area level;
- Platform created to enable metro area to prepare and implement EU projects.



Functional zonification of the territory of Romania

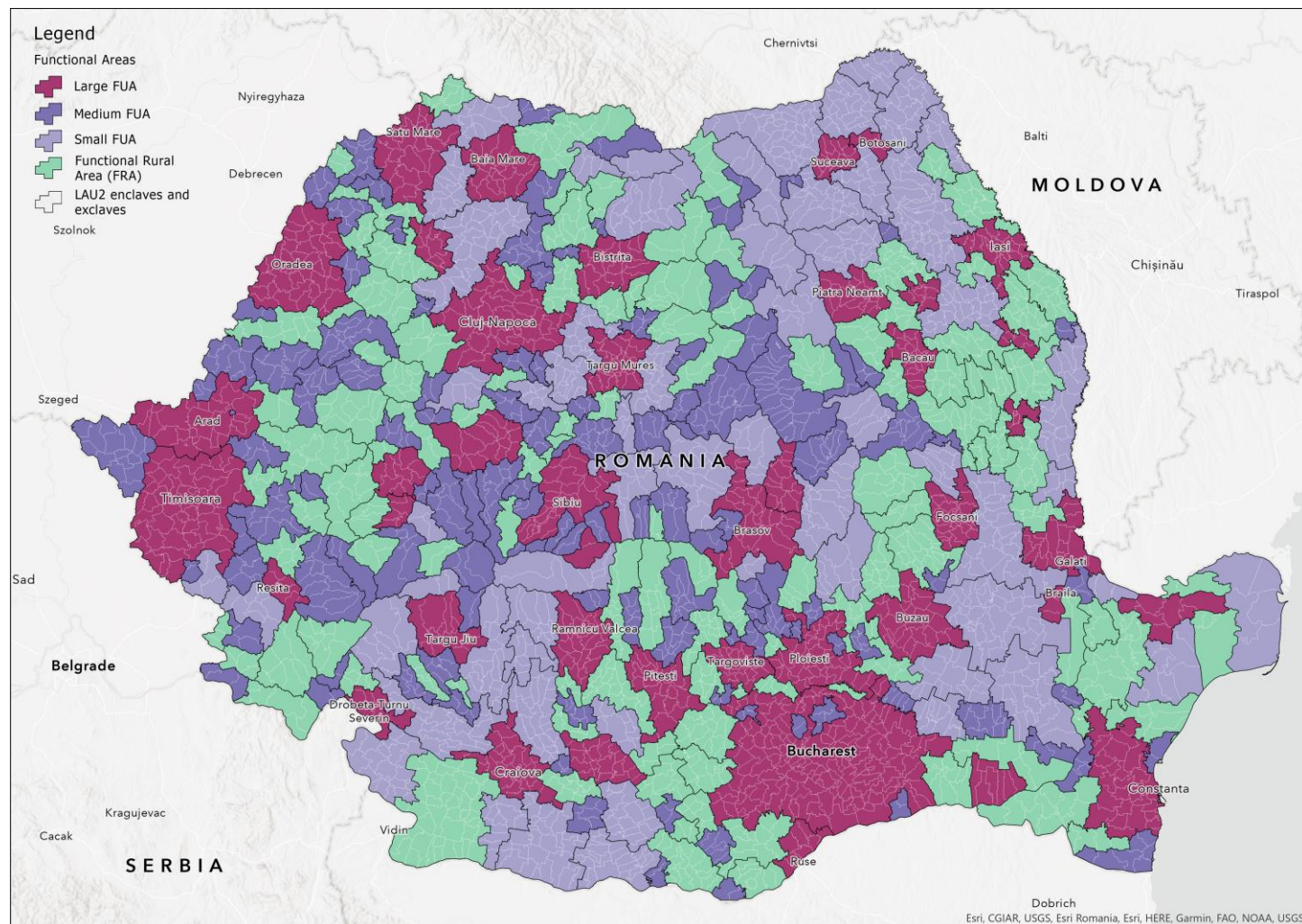
Functional urban
areas defined
through the Urban
Policy



ROMANIA

URBAN POLICY

Rest of the territory
zonified using a pilot
methodology
developed by the
World Bank and JRC



Source: Marcel Ionescu-Heroiu, 2023

Summary of the metropolitan case studies

- A. **French urban communities:** strong regulatory planning of housing on metropolitan level, based on national law
- B. **Switzerland:** national efforts to create metropolitan collaboration based on flexible planning framework
- C. **Austria:** lack of national strategy, difficulties to overcome the regional borders
- D. **Czech Republic:** lack of national strategy, collaboration limited to goals linked to EU money
- E. **Hungary:** centralization of territorial development, retreat from metropolitan collaboration
- F. **Romania:** top-down legal framework and financial support system established for metropolitan areas

EU reaction on the COVID crisis: NGEU and RRF

- In **July 2020** there was a historic agreement reached in the European Council on a new temporary funding instrument, **Next Generation EU (NGEU)**, which will provide up to **€672.5 bn recovery fund** in the form of a two-year temporary reinforcement of the budget, supporting a fair and just recovery in the EU. This will be **additional** to the seven-year Multiannual Financial Framework (MFF).
- With the NGEU the bulk of the money will be channelled **to member states**, providing the basis **for massive public and private investments**, focusing on creating jobs and repairing the immediate damage caused by the COVID-19 whilst supporting the Union's green and digital priorities.

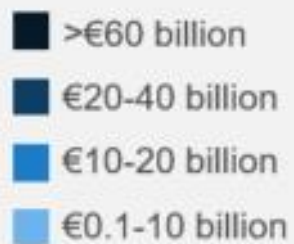
Overall budget 2021-2027



Resilience and Recovery Facility

- Member States had to prepare **recovery and resilience plans (RRP)** that set out a **coherent package of reforms and public investment projects**, which have to be **implemented by 2026**.
- These plans have to address challenges identified in the **European Semester**, particularly the country-specific recommendations adopted by the Council
- Each plan has to include a minimum of **37% of expenditures related to climate** and a minimum of **20% of expenditures to foster the digital transition**.
- Allocation key of money involves also the observed and projected **loss in real GDP over 2020-2021**.

**Grant attribution under
the Recovery and
Resilience Facility**



The EU Recovery and Resilience Facility: a critical analysis

RRF's governance as a **new model: the major strengths**

- reinforces national ownership and commitment to NRRP objectives; provides more direct linkages between reforms and investments; focuses on policy outputs rather than cost-based project inputs

RRF's governance: **serious weaknesses**

- **mechanical linkage of payments** to the fulfilment of fixed milestones and targets shifts the attention away from the purpose and objectives of reforms and investments; **inflexibility** of the performance-based financing and verification system makes it difficult to response to unforeseen or changing circumstances; plan formulation under time pressure **makes it difficult to involve local and regional authorities** and social actors.

The RRF and the (non-)involvement of cities

- Stakeholder involvement in drafting the plans has been generally low, **most national governments consulted stakeholders only formally**. Plans have been drafted in a centralized manner and under heavy time constraints. Exceptions are Portugal and Belgium, and to a lesser extent Italy, Spain and Greece
- **Visegrád-4 countries:** Hungary and Poland shows extreme cases how the central government **neglected larger cities** in all phases of the NRRP process. Czechia is a proof of the **political determination of the process**, as the change of the government brought new approach.
- **Re-centralization of power against the oppositional large cities** as a leading policy in illiberal countries. Threat of the same in other countries with right wing governments.
- What **neglected cities** can do: the case of Budapest

Lobbying of large EU cities

„...we urge the European institutions to recognize municipalities as key allies in our joint fight for a resilient future.

First, we urge **the EU to mandate member state governments to better engage cities when shaping country-level recovery plans.**

Second, we find it crucial that **the EU opens up parts of the Recovery and Resilience Fund directly to local governments...** we specifically urge the European institutions to adopt the proposed amendment in the European Parliament **to earmark at least 10% of the RRF to the local level.”**

However, a system based on **direct contact** with the European Commission seems **not to be realistic** as this would reduce national envelopes and would require to expand the staff of the COM („EU bureaucracy”)

How could it be done differently: comparison between the RRF and the similar US program

- The **American Rescue Plan Act of 2021**, also called the COVID-19 Stimulus Package is a US\$1.9 trillion [economic stimulus](#) bill. The Act allocated **\$350 billion in assistance to state and local governments**
- The [State and Local Fiscal Recovery Fund](#) money can **be used flexibly by cities**, depending on the unique local priorities they identify. The US Treasury consulted local governments and experts before publishing final guidance in early 2022.
- For most cities the recovery fund makes up **20-50% of their budget**. This allows local officials to “invest” in their communities rather than simply “spend” their significant allotments.
- Nobody has seen this much money come in at one time... the money is primarily going **"to address many of the long-standing challenges and disparities that exposed communities to disproportionate impacts of the pandemic..."** Detroit [plans to spend](#) \$250 million on city services and infrastructure, \$105 million on jobs, \$95 million on blight remediation, \$45 million on the digital divide, etc.

THANK YOU FOR YOUR ATTENTION!

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