The Process of European Spatial Development in Austria
The Case of Gürtel Revitalization Project, Vienna

Sameeha Sheth

NEURUS Program
University of Illinois at Urbana-Champaign - Wirtschaftsuniversität Wien

January - August 2009
INTRODUCTION

This research aims to understand the process of spatial planning in the European context. The process of planning in terms of policy formulation to implementation and adaptation involves co-ordination amongst different governments. The Union has a unique political structure, which reflects and influences on planning practices of every member state.

The European Union is an economic and political Union of 27 member states of Europe. The commission was established in 1993 to standardize relationships amongst all the member states. The standardization is enforced through common policies of trade, agriculture, fisheries and regional development (Europe, 2009). The Union operates through the hybrid system of inter governmentalism and super nationalism.

The policy system involves agreements between different member states and the Commission. Important working committees and decision making bodies are formed to carry on different responsibilities. Political bodies such as the European Commission, European Parliament, the Council of the Union, European Court for Justice, European Bank and others are carefully assigned different scopes of work. Each of them co-operates with the other and to create more synchronized environment within Europe.

Figure 1: Map of Austria with Neighboring Countries
Source: Austria: WikiMap
Due to this unique governmental setup, urban planning is rather unconventional. Policy formulation, implementation and adaptation are layered and involve several government representatives, organizations, agencies and consultants. Policy formulation is done carefully to accommodate differences within Europe.

Policy documents differ from each other depending on framework. In the hierarchy of policy formulation, spatial development falls under the category of non-binding reports that differ from strict regulations such as cohesion funds, structural funds or other financial bindings. The process often becomes complicated due to the nature of policies and regional constraints. However, it certainly helps to formulate urban planning and development guidelines at both local and regional levels.

Spatial development in Austria follows the European Union’s approach. The Austrian Conference on Spatial Development is a conceptual setup for spatial development, which helps the state to prepare comprehensive plans and lay out guidelines for future development. This setup makes urban development thoughtful in terms of goals, objectives and outcomes. The process in Austria starts with the conceptual framework and gets more structured and detailed depending on exact conditions. Despite being a fiscally sound and resourceful state of the European Union, Austria does participate in EU interventions and collaborations to maintain harmony with other member states.

The paper discusses the Vienna Gürtel Revitalization Project to understand the process of urban development and its partnership with the European Commission. The urban development process is fully analyzed, studied and substantiated by reviews of literature and interviews with experts. Realization of an urban initiative such as the Vienna Gürtel Revitalization Project has several stages and levels of complication, which I discuss. I end the paper with a concluding note on the positive and negative aspects of the processes followed by the Austrian city planning authorities.

There are both positive and negative outcomes of European intervention in Austrian spatial planning and development. Interventions associated with member in the European Union plays an important role. The goals and objectives of spatial policies of the Union emphasize important issues such as social inclusion and equality amongst races. Those are positives. However, EU membership also has some negative effects on local planning practice relate to project time frames, financial management, and conflicting goals.

**Organization of the Paper**

The paper is organized as follows. I begin by summarizing my approach to this research, highlighting the methodology I used to reach my conclusions. Next I outline European Union policies, their basic types and differences from one another other, and then discuss the European Union Spatial Development Perspective, which lists main focus areas in spatial development policies in Europe. The latter discussion explains how the goals and objectives evolve and how spatial planning policies formulated by the European Commission help achieve specific objectives at the local level. I then discuss
planning practices in Austria and subsequently spatial planning practices in Vienna before moving on to my case study.

The project selected as a case study, the Vienna Gürtel Revitalization Project is a joint venture of the Austrian government and the European Union. I describe the process the City of Vienna followed to realize the project, providing an introduction to the Gürtel Revitalization Project and an outline of its historic significance and related goals. I analyze the planning process in Vienna, including committee formulation and organizational responsibilities, the structure of payments and approval and contracting of the project.

The final section of the paper concludes with a summary of the positives and negatives associated with the partnership between the EU and the City of Vienna in urban development planning.

RESEARCH METHODS

My research strategy involved a review of published literature and public documents, interviews with government officials, and personal observations. I initiated the research in Champaign-Urbana in the fall of 2008, focusing on gathering background information, reading spatial policy documents, and laying out the scope of work for my planned case study in Vienna.

One of the initial steps of the research in the spring of 2009 after reaching Vienna was to find an appropriate project for a case study. Ultimately I selected the Gürtel Revitalization Project because it offered a chance to observe how the partnership between the European Union, Austria, and Vienna played out in a specific instance of urban planning. In conducting the case study, I focused on understanding the planning process, key stakeholders, aims and objectives of the project, and final outcomes. Basic facts and goals were carefully reviewed from the public material from the project. I also made several site visits to understand the characteristics and residents’ reaction towards the development.

Concurrently I sought to understand the process of EU and Austrian partnership and the process of planning in Vienna. After visiting the city public relations office and the city exhibition of the Gürtel Revitalization Project, key interviewees were identified. They included city officials, the head of the department of important urban planning departments, consultants, and researchers who are experts on spatial planning in the European context.

Amongst my interviewees were Ing. Wolfgang Dvorak (department head- Public Relations and Knowledge Management), Dr. Wolfgang Sengelin (department head Urban District Planning and Land Use), Dipl.-Ing.Kurt Mittringer (department head – Urban Development and Planning), Dipl.-Ing. Heinrich Weber (department head- European Strategy and Economic Development), Dipl.-Ing. Paul Grohmann (senior planner, City of Vienna), Dipl. Ing. Shams Azadi (senior planner, City of Vienna), Dipl. Ing. Christiane Demcisin (senior planner, City of Vienna), Arch. Silja Tillner (Urban design and architecture consultant) and Prof. Andreas Faludi (subject expert).
Each of the interviewees has several years of experience in the field of spatial planning in Austria. Each interviewee was asked a general set of questions followed by specific questions based on his/her involvement with the Gürtel Revitalization Project and spatial planning in Austria in general. All interviewees were encouraged to bring up additional issues related to their experiences working on spatial development projects or research.

Each interviewee shared his/her personal experiences while working on the project, as well as beliefs, agreements and disagreements with the project in totality. Their active role personal engagement, involvement and position helped me to gain insights and strengthen my understanding of the process of planning in Vienna. Senior planners of the City of Vienna are still continuing to work on projects of similar nature and are also working on later phases of the Gürtel Revitalization Project. Most city officials and department heads were responsible decision-making associated with the Gürtel revitalization project at different stages. The urban design consultant for the project was responsible for laying out the project brief and setting up goals and the planning approach, helping me understand the process of spatial planning from a consultant’s point of view.

**EUROPEAN UNION POLICIES: AN OVERVIEW**

Policies formulated by the European commissison are aimed at gaining standardized structures for member states. The policies are written differently and have different procedures for implementation. A variety and hierarchy of policies result in differences in adaptation and implementation by different member states and projects.

Policy formulation in the commission involves ministries of each of the member states and every issue is agreed upon and subsequently published at the commission. The process of spatial development is the result of intensive discussions among member states and political structures of the same.

The following are the basic types of official documents written by the European Union (my primary source is EU-Förderungen, 2008). Implementation of a given document depends on the type, scale and the nature of the project. The Gürtel Revitalization Project is a high budget spatial development project, conceptualized on the basis of European Union’s spatial development policies.

**Regulations.** Regulations are official binding documents issued by the European Commission. These documents are in the form of strict legal legislation and do not allow any alterations or revisions after adoption. Most of the financial agreements between different governments of the member states are bound through these types of documents. European regional development funds, European social funds, European agricultural guidance funds, finance instrument and guidance for fisheries, and cohesion funds include some of the regulations passed by the European commission.

**Decisions.** Documents published by the Commission as decisions have no legal status at the moment but are likely to become regulations. Decisions that are considered documents are discussed and approved by the committee before becoming decisions.
Various local or regional funding documents become decisions. Documents describe regional competitiveness, employment, convergence, and cohesion funds. Structural funds are examples of decisions taken by the commission.

**Guidelines.** Guidelines are suggestions and recommendations for regulations. Guidelines are considered a step before becoming decisions or regulations. These guidelines indicate principles and criteria that are likely to be approved by the European Commission to different planning departments of member states for determining financial corrections. Community strategic guidelines on cohesion, community initiative, urban community and innovative actions under European regional development fund (ERDF) are examples of such development guidelines.

**Reports.** Reports are non-binding recommendations. Reports are conceptual frameworks for funding decisions and regional policies. They are not strict regulations such as cohesion or structural funds, and are therefore subject to alteration and revision. Reports consist of ideas, which can bring about better urban development. Community policies on spatial planning are still in the form of reports; therefore each member state adopts the “European Spatial Development Perspective (ESDP) to gain maximum success. As Spatial Planning is in a report form, it gives a lot of liberty to member states to operate in ways that suit their needs. General directions mentioned in the reports are conceptual and could be interpreted in several ways and therefore are responsible for several discrepancies and conflicts regarding achievable goals stated in the reports.

**Thematic Communications.** Thematic communications can be understood purely as planning ideas, raised by officials, politicians and policy makers. Examples of such ideas concern sustainability, pollution control or improving the quality of life. These communications are often recorded and researched before they become reports or decisions.

**THE EUROPEAN UNION SPATIAL DEVELOPMENT PERSPECTIVE**

“European spatial planning must be seen as a part and parcel of an emergent system of European multi-level of governance.” (Faludi, 2000)

As mentioned earlier, spatial development policies are only in the form of reports and therefore are subject to additions and alterations according to the requirements. Policies therefore are only conceptual and suggest alternatives for better planning. There are different components of the policy, which incorporate different issues of urban development.

The mission of the spatial development policy is to achieve sustainable development in the territory of European Union. The report only suggests a basic approach for development and planning and encourages public participation to gain social equality in the territory of the European Union.

Components of the spatial development policy can be divided into four general categories according to its objectives and focus. Most of the policies are guidelines to achieve polycentric and balanced urban system in the European states. EU policies have
stronger influence on the implementation on national, regional and local level planning practices. Due to the constant change in the structure of the commission policies are subject to change for contextual needs. The following are the four categories of spatial development policy.

**Urban Issues.** Policies under this category focus on urban issues at the local and regional level. Policies regarding urban issues identify trends towards change in the European urban system. Due to constant changes in the urban structure of Europe, policies focus on general issues, which can be commonly identified most amongst European states. One of the most important issues in the urban context of Europe is the emergence of urban networks, transport hubs and inter-stare connections.

![Figure: 2: Polycentric and Balanced Spatial Development in the EU](image)

*Source: European Spatial Development perspective (European Commission)*

Policies focus on economic opportunities and constant changes the member states encounter. Issues of urban sprawl, social segregation and most importantly the quality of urban development are focused under this segment of policies. Urban policies are essential because of limited developable land and dynamics of different member states and territorial relations of member states (European Commission, 1999).

**Agriculture.** In the context of Europe, rural areas of the member states play an important role in case of spatial development. Many of the rural areas in Europe have not gone under the structural change. Rural areas / agricultural zones are complex economic and natural locations with cultural diversity. Issues of population density, natural resources, and agriculture, make planning for these areas challenging. Structural weakness of these areas often encounter problems such as extremely low population density, lower employment, climatic disadvantages, poor infrastructure and agricultural production conditions.

Most policies dealing with agricultural areas focus towards relationship with nearer urban areas, bringing more non-agricultural jobs to diversify economy and promotion of networking and regional development. Along with constant shift in agriculture and forestry polices, sustainable agriculture, application of environmental measures and exchange with non-agricultural areas becomes important issues (European Commission, 1999).
Focus on Rural Areas. In case of the European context there are partnerships between towns, cities and countryside. The partnership has different spatial dimensions such as regional, inter-regional and transnational, which consider the location and the condition of the city and its adjoining rural areas. Policies for rural areas focus on transportation networks, employment sectors and spatial proximity of knowledge, information and services.

Figure: 3: Urban – Rural Relationship in Europe
Source: European Spatial Development perspective (European Commission)

Spatial policies for rural areas are formulated to enhance co-operation between countryside and the nearest city / town aiming to strengthen the region as a whole. Land use planning policies focus on integration of countryside surroundings in large cities. Most attention was given to enhance the quality of life in surrounding rural areas, to bring mutual exchange in knowledge and service networks. Policies promote spatial interdependence or urban and rural areas (European Commission, 1999).

Transportation. Transportation is one of the most important issues that affect the spatial planning, and development. In case of the unique governmental set up of European states, transportation networks and connections becomes as important as urban issues. In the European context, transportation is layered through primary and secondary system of networks.

Most importantly in European states where there is unusual connectivity and interaction within and amongst all member states, transport related infrastructure needs assessment of spatial impacts at community, local regional and national level. Transportation policies focus on better accessibility, transportation links and access to knowledge. Transportation networks are interconnected with land use and spatial development in more than one ways (European Commission, 1999).
Different transportation systems in Europe are connected through the Trans European networks (TENs). Policies related to transportation focus on improvement of the linkages of peripheral regions within European states and neighboring countries. Infrastructure of the transport facilities is often the target. Regional co-operation and improvement of existing policies and enlargement of the TENs are some of the most important objectives of the spatial policies (European Commission, 1999).

Issues and policies mentioned above are the most significant part of the spatial development in European Union. Sustainable use of infrastructure, diffusion of innovation, knowledge, preservation and development of natural and cultural heritage, water and resource management are few of the important issues, which are intertwined with spatial policies. Detail consideration of natural and cultural heritage is part of the policy development (European Commission, 1999).

European spatial development perspective recommends three levels of spatial co-operation, which includes the transnational level, the regional/local level and the community level. Based on the recommendation each member state works on the guidelines of European policies and structures its adaptation to suit its local requirements.

**SPATIAL PLANNING IN AUSTRIA**

“Where spatial planning is concerned, many key decisions were taken not in the legal statutory but in the political discretionary realm.” (Prantl, 1994)

The Austrian Conference on Spatial Planning plays an important role as a coordinator between the European Commission and Austria and within the Austrian context of regional and spatial development policies. It is an organization, which lays out a conceptual framework at the national level. The organization was set up in 1972 to enhance the organizational structure of Austrian spatial planning. The organization is made of committees and commission deputies as well as working groups at local and
regional levels. Senior officials of territorial authorities and other social and economic partners form the committees of the organization (OROK, 2001).

The principal motive of the conference is to research and study development patterns and publish the “Austrian Spatial Development Concept.” These ideas and recommendations are continuously studied, revised and then recommended to local city planning authorities.

The Urban Development Plan for Austria is a conceptual guideline for future development, i.e., “an instrument used in general forward looking urban planning and development that defines in general terms the further orderly expansion of the city” (UD Report 2000, Stadt, Wien). It is a steppingstone for the City of Vienna comprehensive plan. The report states the general tendencies of urban development and establishes potential directions for future planning in Austria (OROK, 2001). The Urban Development Plan helps to identify complications, potential action areas and sets out aims and objectives to achieve that. It also focuses on the distribution of land, development of delineated areas, relationships with transport infrastructure, and spatial-functional relationships between the city and the region. Mentioned below are the main focus areas of the Urban Development Plan of Austria.

**International Urban Policy.** The urban development report for Austria suggests harmonized environment between other EU member states and its Global implications. It encourages and recommends participation in European policy making, urban exchange initiatives introduced by the European commission use the asset of being the United Nations headquarters to enhance co-operation within Austria and with neighboring states and countries. Austria currently is a part of many intergovernmental projects with Hungary, Slovakia, Slovenia, Russia, and Germany. These projects encourage regional co-operation amongst cities (Klotz 2000).

**Demographic Development.** The goal of demographic development is to achieve balanced growth and the focus is towards attracting youth to the cities, increasing household, family types and inviting immigrants to make Austria a diverse and safe nation. Several programs for economical housing, quality education and more jobs seek to attract young citizens (Klotz 2000).

**Housing and Urban Renewal.** The focus is to improve housing conditions, incorporate different housing types and include housing for different income groups and nationalities.

**Infrastructure and Transport.** The urban development plan for Austria works on the future financing of the transport services with a strong focus towards public transport management and finding options for cost-cutting development projects. The plan provides recommendations for regional, national and international transport policies. Several studies are made for the urban traffic measures, routes, constructions and overall organization of Austrian transport system. The focus is also on road networks, railways and long distance traffic projects along with the public transport (Klotz 2000).
Economy and Labor Market. Austria is currently undergoing a phase of positive economic growth. Policy focuses on retaining the economic growth of sectors and encouraging globalization of markets and international competition. While doing this, the country is working towards the clustering of industries and supporting weaker economic sectors to prevent further decline (Klotz 2000).

Science and Technological Innovation. This focus is to gain and enhance the urban knowledge base of the nation. The urban development plan suggests policies to encourage future oriented technologies, communication technologies and makes urban decisions more approachable for the citizens of the city through print media and videodisks (Klotz 2000).

Leisure and Consumption. Objective of this policy is to administer Austria’s existing leisure and recreational zones and organize several programs to keep these places rich and welcoming. It also focuses on plans to commercialize such zones through live entertainments and intriguing shopping opportunities (Klotz 2000).

Culture and Social Affairs. Austria has been extremely rich both culturally and socially for several years. To carry forward the same tradition, enhance the cultural activities, public festivals, fairs, music weeks etc are planned. In the past few decades the country has become culturally and socially more diverse on account of increase in the immigrant population. Revitalization of old areas, blend of old and new, installation of vivid artworks and construction of pavilions, hospitals and art museums are aimed for in every city of the nation (Klotz 2000).

Green and Open Spaces. Demarcation of the green belt is one of the essential goals. The goal is aimed to achieve management of the woods and agricultural land of the area and its recent plantations. Several multipurpose open spaces are planned for social interaction and health and well being of the residents.

SPATIAL PLANNING IN VIENNA

The Spatial Development Scheme for the City of Vienna is to gain development opportunities in the entire City of Vienna. The comprehensive plan focuses to gain economic and political integration with the central Europe. Development of green areas, settlement development scheme and development of inner urban structures are a few of the most important concerns for spatial development in Vienna (Rudi, 2005). The primary goals for spatial development are:

- Growth of the transportation structure
- Preservation of valuable spaces at the edge of the city
- More recreational spaces and open natural areas
- New building methods that save space, energy and yet are contemporary
- Making all the districts accessible by either of tram or subway transport
- Make connections between districts and bring new business locations
- Work towards mixed demographics and social inclusion
The diagram above shows the selected action areas for the urban development according to spatial challenges and development potentials. Each one of these selected areas was dealt with separately by the City of Vienna planning authority under different development programs. This idea of development was freshly developed to address specific tasks and concerns of residents and of the city authorities. Each of these selected areas has different characteristics and need suitable solutions.

**WEST GÜRTEL REVITALIZATION PROJECT**

The West Gürtel Revitalization Project was one of the 13 action areas designated by the city of Vienna Urban Development Plan in 2005. The area designated for revitalization also involved historic iron bridges, arches and a train station designed by famous the architect Otto Wagner in the early 19th century. These structures are protected under the historic preservation act. The same tracks and bridges were later converted in to the “Under Ground Train Path 6” as a part of the revitalization project. This currently is the only underground line which, despite of its name runs above the ground (Gorg 2002).
The West Gürtel area was abandoned for several years by most of the residents of the city of Vienna on account of increased criminal activities. The area housed activities such as drug dealing and prostitution. For almost a decade the area was considered unsafe and remained unused by the residents and became a home for the homeless citizens and criminals.

The area spreads through different districts and conditions. It is located on the outer ring of the city beginning from Heligenstadt in the north-west of the city. This ring is one of the busiest traffic arteries of the city. The east and the west side of the designated area portrays different characteristics and needs. Most districts on the left side of the West Gürtel area (see figure 6) are not as developed as the ones on the right. Districts on the right side of the West Gürtel ring have a booming real estate market and cater to the wealthier residents of Austria, whereas the districts on the right such as 15 and 16 have a high percentage of immigrants (Görg 2002). A comparison of the inner and outer districts in terms of population and age distribution is provided in the table below.
Table 1: Population Makeup in Vienna Inner and Outer Districts  
Source: Vienna Urban: Urban Intervention Gürtel West (Gorg 2002)

<table>
<thead>
<tr>
<th></th>
<th>Inner Districts</th>
<th>Outer Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inhabitants</strong></td>
<td>38,323</td>
<td>94,068</td>
</tr>
<tr>
<td><strong>Share of foreign population</strong></td>
<td>24.00%</td>
<td>32.50%</td>
</tr>
<tr>
<td><strong>Share of inhabitants 19 or younger</strong></td>
<td>15.50%</td>
<td>19.50%</td>
</tr>
<tr>
<td><strong>Share of inhabitants 65 or above</strong></td>
<td>13.80%</td>
<td>12.50%</td>
</tr>
</tbody>
</table>

Outer districts are less attractive and real estate rates are relatively low. Even though the area is suitable for commercial development, most of its areas were developed as housing for the middle and low income population. One of the biggest challenges for the project was to address a wide spectrum of issues, conditions and requirements. Due to these characteristics this area was considered one of the high priority areas for development.

The project was initialized in 1994 with brainstorming revitalization ideas. The West Gürtel revitalization project was a collaboration of the City of Vienna Urban Development and the European Commission. The city of Vienna was sanctioned less than 50% European Regional Development Fund (ERDF) of the total 32 million euros project cost. Almost 9.8 million euros were received from the European commission during the course of the project realization. The project was then started in 1995 and ended in 2002. The project client is the City of Vienna and estimated cost of the project was nearly 32 million euros. Because of the unique characteristics of the area and neighboring conditions, there were several areas of interest. Different parts of the selected area were treated differently and objectives and goals were set according to the need or the location and largely for the betterment of the area (Gorg 2002).

The aim of this project was to gain economic sustainability of the target area. Focus of the project was mainly on innovation of new business and trade. Redevelopment measures for the project were meant to raise the quality of the public space and promote cultural diversity on a local basis. For projects done in collaboration with European Union, public participation through engaging residents in planning practices for betterment of local communities is required (Gorg2002).

The same area was initially targeted in 1970 to bring order to the transport network. The project did not succeed and was abandoned since then. The past attempt of the project was a failure due to lack of regional studies and analysis. The City of Vienna prepared more detailed, sophisticated and realistic goals for the project later.
Apart from the larger goals such as increase in jobs, it brought about economic growth, social integrity and betterment of life (Gorg 2002).

There were a few construction oriented yet extremely important aims for the project.

1. **Traffic:**
   a. Improvement of pedestrian and bicycle paths

2. **Green spaces:**
   a. New plantings, improvement and maintenance of existing trees
   b. Automatic irrigation system, enlargement and rehabilitation of green spaces
   c. Reduction of hard / non-permeable surfaces

3. **Design:**
   a. Opening up of West Gürtel bridges
   b. Development of uniformity around the West Gürtel area

4. **Activities:**
   a. Temporary markets
   b. Neighborhood parties
   c. Concerts, movies, theatres
   d. Permanent activities such by attracting new businesses, restaurant, bars
   e. Cultural and recreational facilities, artwork in the city public places

5. **Redesign of the West Gürtel median strip:**
   a. Redesign of public spaces
   b. Suitable conditions for private investors to improve commercial success
   c. Increase green areas, more open-air areas (reduce impervious surfaces)
   d. Create visual transparency, reduce barriers, provide well-lit and safe environment

**ANALYSIS OF PROCEDURES AND PLANNING PROCESS**

The Gürtel area was targeted for revitalization several times in the past. Due to the challenges in the area and associated complexities, those projects did not yeild successful results. The project in 1995 was laid out with careful review of the needs and complexities of the area.

The organization of teams and distribution of work was studied to a greater depth than in the past. The project was realized as a collaboration of different city municipal departments and the European Commission. New government organizations and professional consultants added a different dimension to the project, and enhanced planning practice in Vienna.
The process involves five principal players according to their responsibilities. Each one of those players has a specific scope of work and all connect at different levels with respect to other working committees.

As mentioned earlier, the European Commission is responsible for the policy formulation of member states. Most regional policies are formulated and released for implementation by the Union, based on research, development and spatial development policies. In the procedure of the Gürtel Revitalization Project the European Union does not play a direct role. However financial linkages between the Commission and Austrian government mean that the connection of the EU is strong.

The second major player in the project is the Austrian Regional Development Authority. That organization is responsible for setting up the policies for local development and planning. Such policies are in the form of reports which discuss past development trends, recommend development strategies and define methods for better urban development in Austria. These guidelines and recommendations are then translated into the comprehensive plan for the state. After identifying potential development areas, visions and objectives of each identified city, region or area.

Third major player in the process is the important project management committee which has direct connections with the project or the action area. The management committee, involves itself with different organizations and consultants working for the project and responsible for handling the project at local or regional level. In the case of the Gruel Revitalization Project, the project management committee is made of different city municipal departments such as the department of urban development, urban strategies land use, department of economic development and also the department of EU
strategies. These departments work on the tasks assigned to them independently. Other government organizations such as the department of historic preservation and design and esthetic management work to monitor the design decisions, construction techniques and supervise the physical outcome.

Another important player in the Gürtel Revitalization Project was the urban design and architecture consultant. This private company was responsible for laying out and detailing the planning decisions taken by city to a workable and attractive physical form of buildings, landscapes and streetscapes.

The political structure at different level of the process of the Gürtel Revitalization Projects mentioned in the diagram does affect the development tendencies at local level. Most financial decisions of granting funds to a member state and how it needs to be divided amongst different stakeholders for local projects were taken at the political levels in a course of meetings of different governmental levels.

**Units and Responsibilities**

The Gürtel Revitalization Project required an independent work units to carry out and manage specific tasks. Due to the complexity and higher aims the responsibilities were divided amongst different municipal departments, consultants and organizations. A governing body was also formulated to overlook the process, decisions and collaborations of different working units.

The Vienna city department has committees formulated for different action areas and also for projects both at local and regional level and dealing with different governments or other member states of the European Union. Committee formulations differ to match the requirements and the nature of the project. The Gürtel revitalization project was headed by 4 committees with varied scopes of work. These committees are:

**Steering Committee.**
The steering committee was one of the most important working group. The committee was made of representatives from the monitoring and managing committees, final beneficiaries, and the urban design consultant. This was a unique committee for only the Gürtel project. The committee was responsible for constantly brainstorming ideas and innovations. Different representatives from varied back grounds made suggestions and thought about new ideas for the project. The steering committee was also responsible for evaluating decisions taken by other committees. The committee met at regular intervals to constantly review the process and improve it.

**Monitoring Committee.**
Monitoring committee was working on similar issues like the steering committee, however the goal of the committee was not limited to suggestions but also implementation. The committee also included political leaders, organizations and representatives of the fiscal authorities.
Managing Authority.
The department of European Union strategies and economic development was the acting managing authority for the Gürtel Revitalization Project. The managing authority is one of the key committees for the Gürtel project. This authority is responsible for all the monitory decisions, communications with the European commission and the final beneficiaries of the project. The department of EU strategies and economic development acts as a communication representative of the City of Vienna to the European Union.

Paying Authority.
The paying authority is a committee made of financial representative from the City of Vienna. This authority is responsible for filing bills, making estimates and working with the funding authorities of the European Union. The authority also divides the funds amongst final beneficiaries after they are approved by the managing authority.

Final Beneficiaries.
Final beneficiaries are the city municipal departments assigned for different parts and issues of the project. The Gürtel Revitalization Project involved different city departments with limited budget to fulfill aims and objectives finalized by EU and the City of Vienna. In case of the Gürtel project there were multiple beneficiaries due to the collaboration of European commission.

Department of urban planning, urban district and land use planning, and public relations departments from the city of Vienna were the final beneficiaries for specific action area and for a specific part of the project. Some parts and elements of the project were not owned by the city or departments of city municipal departments but were under the ownership of the European commission.

Implementation of the Project by the City of Vienna

The implementation and work distribution amongst the committees and organizations does follow a formal structure, but is quite complicated. The project had many stages and each of these stages had principle players with well assigned scope of work. The process of the Gürtel revitalization project was initiated by the steering committee. Representatives of different city departments and ministries communicated their ideas and plan of action with the municipal department of EU strategy and economic development. Decisions were made by this managing authority if proposals formulated by the steering committee are viable or not. Once the proposal is finalized, department of EU strategies then prepared proposals for findings and sent them to the commission for approval of funds.
The process of approval takes several revisions, discussion and alterations. The final proposal is made with the approval of the Commission. EU funds are sanctioned after approvals of objectives, methodology and estimated cost of every aspect of the project. Once the documentation returns to the EU strategy and economic development committee, the project becomes local.

At this point involvement of City of Vienna departments, organizations and consultants come into play and EU intervention stops financially. City municipal departments then become the key players for the project. For the Gürtel project municipal departments of public relations, urban planning and urban district and land use holds responsibility as final beneficiaries and work independently for the given task. Final beneficiaries have leadership on private organizations, non profit / governmental organizations, consultants and social activists. Due to the distinct characteristics, the area was of interest to many social organizations. Other city departments such as the Department of Design and Esthetic Management and Department of Historic Preservation also work in their own capacity. For the Gürtel project these organizations were working with the final beneficiary which was the Department of Urban Development.

Different non-profit organizations working for women’s right, betterment of immigrants living situations and environmentalist were also integrated with the project and were handling their communication with city Municipal departments. Architecture and urban design consultant had a very important role in the Gürtel Revitalization project. Design consultants not only were responsible for execution of the design and layouts but also were part of the steering committee that helped the city department in decision making and project execution. The consultants were responsible to regularly report to the
urban planning department to synchronize the design decisions with city goals and objectives.

![Diagram of Payment Request Process]

*Figure: 11 structure of Payment Request  
Source: Constructed based on the interview with Head of the Department MA 21*

The diagram above shows the distribution of funds and its flow. It shows different stages of the money refunded from European Commission. Although the process is not complicated, it is time consuming and involves several different administrative bodies. Final beneficiaries are the municipal departments having ownership of the project. These departments need to have a detailed documentation of the expenditure for the project. Detailed summary of goals achieved and associated monitory value.

Prepared documentation is then sent to the administrative body for approval, which is then sent to the European Union with a request for payment. Once the payment is sanctioned, the refund money from the European Commission goes to the paying agent/authority, which is an independent authority, designated by the financial representatives and chartered accountants for the City of Vienna. After careful calculations the money is then distributed amongst the final beneficiaries, which are City Municipal Departments.

Final beneficiaries are expected to have all the funds needed to realize the project. Financial help from the Commission is in the form of refund, which is granted only after the project is fully executed on the terms agreed upon prior to the finalization of the partnership contract.
Table 2: Financial Distribution of the Gürtel Revitalization Project
Source: Regional policy Inforgio (EU-Förderungen, 2008)

<table>
<thead>
<tr>
<th>Measures</th>
<th>Total Cost</th>
<th>EU Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redevelopment and Job creation</td>
<td>17</td>
<td>5.61</td>
</tr>
<tr>
<td>Socio-Cultural openness</td>
<td>7.41</td>
<td>2.51</td>
</tr>
<tr>
<td>Gürtel West</td>
<td>6.74</td>
<td>1.46</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>0.46</td>
<td>0.17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31.92 Million</strong></td>
<td><strong>9.77 Million</strong></td>
</tr>
</tbody>
</table>

As mentioned above, the City of Vienna Municipal departments mainly sponsored the Gürtel project and its main target goals. There was contribution of 9.7 million Euros made by the European Commission. Because the project had two principal donors, the ownership of the project was also divided accordingly. Some parts of the project are owned by the European commission, however most of the ownership rights belong to the City of Vienna municipal departments.

![Diagram](image)

*Figure 12: Approval and Contracting of the Project
Source: Constructed based on the interview with Head of the Department MA 27*

The diagram above shows the method of approval, contracting and ownership of the project. In case of the Gürtel revitalization project contracting of the project happened in two different ways. “The contracting was subject to national and European Union public procurement regulation” (Comment: Head of the EU Strategy and economic development).
Having two financial beneficiaries contracting of the project was a little complicated as in this case the project was partially financed by the European Commission. Therefore the financial beneficiary became the project holder. This situation was limited to few distinct goals. In most cases the project was subsidized to the City of Vienna and primary financial beneficiary became the final authority and therefore the project holder.

**CONCLUSION**

The European commission has adopted a modern management style of evaluation and policy formulation. The management evaluates at three different levels such as external evaluation, mid-term evaluation and exposed evaluation (Faludi, 2007).

European Union in past few years has renewed the process of policy formulation, research and development. The Commission introduces the new style of governance and lays out guidelines for different methodologies to achieve betterment of the European member states. The present rules and regulations of the European Union suggest different ways of thinking regarding the problems and accommodate different views and suggestions.

“In fact, the EU, which is a creature of the Member States, has contributed to transform them, either directly or by unleashing processes of mutual learning and adaptation.”

(Faludi 2006, Erikson 2005)

One can rightfully say that the EU has been quite successful in establishing co-operation and coherence amongst member states. It has been successful in bringing standardization to unite the European states despite of its diversity. The Commission establishes intergovernmental relationship between member state and international networks with neighboring countries. Most policies catering to urban development in member states focus on social exclusion, and bringing equality and justice to migrants. These steps in policy formulation increase public participation in urban revitalization projects and result in well-informed goals.

EU regulations and bindings help remarkably in making decisions and for laying out framework for urban spatial development in different member states. Regulations attempt to standardize and simplify development tendencies, however due to the diversities and drastic differences in local conditions of member states, spatial policies and intervention is accepted with hesitation by the member states (Faludi, 2007). Regulations and guidelines made by the commission are quite rigid and differ from the interest of the member states in cases of combined ventures or financial agreements between commission and the member state. There are often occasions that make decisions challenging to execute by member states.

In the case of Gürtel Revitalization Project in Vienna, the partnership with the EU was beneficial in some ways, however there were some difficulties encountered in the planning process.
As a “donor member state” of the European Union, one could conclude that the Austrian urban development tendencies, comprehensive plan, spatial development perspective and the dealing of action areas are well evolved and realistic. Based on the review of literature, analysis and interviews it is quite clear that the process of spatial planning in Austria is sophisticated and with multiple stages.

Spatial planning of Vienna follows the same method. As the process is not standardized for every project it brings innovations and creativity. Each project is separately thought and the project committees are formulated accordingly. Even though the action area has similar contextual situations and similar goals they are dealt independently. Project teams work independently for the project and if necessary make communication with European Commission. The process becomes complicated at some levels, when project committee formulation, scale, complexity and communication become difficult at several stages. Although there are several competent organizations, that help to structure the process and make it effective.

As mentioned earlier, the process of European spatial development is subject to varied situational circumstances especially in projects involving collaboration between the European Union and the City of Vienna municipal departments.

Mentioned below are four major challenges encountered by the City of Vienna in the process of planning Gürtel Revitalization Project due to the EU collaboration.

1. **Process is Time Consuming**
One of the problems with the current planning practice is the time frame associated with the process. The interventions of the Commission in the workings of the projects demand extensive report making at several stages of the project and time consuming
communication between the city and the commission. The assessment of documents takes a lot of time, which results in delayed implementation of the project. Even though Vienna planning departments have a working cell dedicated only for communication with the EU, it is still complicated to procure funds from the EU.

2. **City Budgeting Practice limits Prioritization**

There are challenging issues introduced by the city’s finance and budgeting process. Department of urban development, Vienna is the final beneficiary for the Gürtel Revitalization Project. In spite of dealing with many such projects the department has only one consolidated fund, total money is not divided amongst projects in advance but finances are used according to the needs of each project at different stages. This complicates the process even more, because whenever there is a requirement of funds the department has to transfer funds from one project to other. In the process sometimes money does not reach the right project and causes delay and negligence towards project execution.

3. **City of Vienna and EU Priorities Differ**

The goal of the city and the European Union does not always match for several reasons. European commission has carefully formulated goals and objectives for every urban project, but they are not always contextual. Often in case of collaborations there are conflicts of interest.

   Each member state has a different characteristics and requirements for the local development. To be considered for reimbursement, city governments must meet the requirements set by the commission. In such situations often the planning department needs to alter their project goals as per the requirement of the commission, which does not bring full satisfaction to the residents and the city planning departments.

4. **Required EU Procedures are Costly**

Austria pays a lot of money yearly to remain a member of the European Union, however the funds received by the commission for any urban project is less than the amount paid. Austria is a wealthy country and is capable of realizing urban projects by utilizing its own funds. The question therefore arises if it is worth going through the process of getting the funds sanctioned and fulfilling all the requirements of the European Union. Reimbursement timing for cost sharing slows down redevelopment activity in Vienna and also lengthens the process.

The planning process in Austria therefore can be concluded as a complex process. The process is multi faceted and can be conducted in several different ways. EU partnerships have been helpful for achieving some goals and for some it has been more of a hindrance. Looking at both the pros and cons of the partnership process, it is difficult
to say if it is the best way and the only way to conduct planning projects in Austria. The research suggests that the evolved process is mature, but the partnership conditions, could be questioned and altered to achieve better results in the Austrian planning practices.

BIBLIOGRAPHY


List of People Interviewed:

**Prof. Andreas Faludi**  
*Department Chair – Technical University, Delft*  
Spatial planning and urban studies

**Ing. Wolfgang Dvorak**  
*Head of the Section*  
*Public Relation and Knowledge Management*  
Vienna City Administration – Municipal Department 18A

**Dipl.-Ing. Kurt Mittringer**  
*Head of the Section*  
*Urban Development and Planning*  
Vienna City Administration – Municipal Department 18A

**Dipl.-Ing. Paul Grohmann**  
*Senior Planner*  
*Urban Development and Planning*  
Vienna City Administration – Municipal Department 18A

**Dipl.-Ing. Dr Wolfgang Sengelin**  
*Head of the Section*  
*Urban District Planning and land use*  
Vienna City Administration – Municipal Department 21A

**Dipl. Ing Christiane Demcisin**  
*Senior Planner - Branch target Western Belt*  
*Urban District Planning and land use*  
Vienna City Administration – Municipal Department 21A

**Dipl. Ing Shams Azadi**  
*Urban Development and Planning*  
Vienna City Administration – Municipal Department 18A

**Architektin Man. Arch. Silja Tillner**  
*Head Urban Designer /Architect*  
Architekten Tillner & Willinger

**Dipl.-Ing. Heinrich Weber**  
*Head of the Section*  
*European Strategy and Economic Development*  
Vienna City Administration Municipal Department 27A