## Summary

##### Programme for the promotion of urban development

The “Smaller Towns and Communities – Supralocal Cooperation and Networks” programme was launched in 2010 to strengthen smaller towns and communities in their role as hubs of economic, social, and cultural activity in remote regions far from more dense population centres. The programme focuses explicitly on smaller towns and communities and helps them to develop urban planning strategies for adapting to a range of challenges. These include economic structural change, out-migration processes, ageing populations and the resulting difficulties for municipal budgets. The programme’s core objectives include promoting inter-municipal cooperation and implementing measures to safeguard public services in these communities.

The adaptability and flexibility of this urban development programme were of great importance during the ten-year implementation period. The programme “learnt” along the way: the contents of the programme were continuously adapted to accommodate new developments and challenges.

During the implementation period, smaller towns and communities garnered much greater attention in the media and among scientists and other experts. This increased awareness is demonstrated by numerous research projects, such as those organised by the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR). These projects focused specifically on the challenges and requirements of smaller towns and communities, developed forms of assistance and provided momentum for the further development of the programme. An interim evaluation carried out between 2016 and 2018 confirmed that the “Smaller Towns and Communities” programme was highly applicable to those communities.

##### Programme objectives and funding priorities

Through this programme, the federal and state governments are providing particular support for smaller towns and communities in remote regions that are located outside urban agglomerations and threatened by out-migration and/or demographic change. The subsidies from the programme can be used for urban development measures (*Städtebauliche Gesamtmaßnahmen*) that improve local public services. This also includes inner-urban development measures for the creation and maintenance of green and open spaces as well as for accessibility for people with disabilities. Unlike other programmes for the promotion of urban development, this programme revolves around supralocal coordination, that is, an inter-municipal collaboration based on a division of labour, in order to provide appropriate services and avoid costly redundant (double) structures. At the same time, the “Smaller Towns and Communities” programme also uses established instruments for the promotion of urban development. Integrated strategies are developed to solve urban planning problems and to pool public and private funds. The inclusion of private stakeholders is a core part of the programme.

##### Funding principles and programme implementation in the states

The “Smaller Towns and Communities” programme was implemented according to the administrative agreement regarding the promotion of urban development (*VV Städtebauförderung*), which is concluded annually between the federal and state governments. This agreement describes what is eligible for funding and what prerequisites must be met. The content of the agreement was incorporated into the strategy for the “Smaller Towns and Communities” programme, which is coordinated by the federal and state governments together with municipal umbrella organisations. The strategy provides guidance for all stakeholders in the programme in relation to the planning and realisation of measures for urban development. It describes the programme’s goals and instruments. The individual federal states are responsible for the implementation of the programme.

##### Instruments for implementing the programme

In the “Smaller Towns and Communities” programme, four specific instruments are used to assist the participating municipalities with their supralocal and integrated development.

* Inter-municipal cooperation and the establishment of networks are both goals and instruments of the programme. Over half of the programme’s cooperation areas bring together at least two participating municipalities.
* A supralocal, integrated development concept not only provides the vital strategic foundation for the measures but is also a prerequisite for participation in the “Smaller Towns and Communities” programme. The integrated concepts tie in with the individual local conditions and are intended to provide an impetus for fully integrated development across the participating municipalities. In addition, the future development of public service infrastructure should also be coordinated from a supralocal perspective. Data from accompanying research shows that all the cooperation areas have development concepts which are often supralocal and in some cases citywide or area-specific.
* Administrative bodies for cooperation management should be established to support the development of inter-municipal cooperation. The most important activities are the management of processes and funding, the creation of supralocal development concepts, the provision of support for individual measures, as well as public relations and participatory activities. About one third of the cooperation areas have administrative bodies tasked with cooperation management.
* Contingency funds are used as an incentive in all urban development programmes to stimulate and support private involvement in the cooperative collaborations. Throughout the programme period, the inter-municipal partnerships only made very limited use of area-based funds. However, individual municipalities that do make targeted use of the contingency funds as part of their urban development measures illustrate that this instrument offers great potential for stimulus and participation, particularly in the centres of smaller towns and communities.

##### Programme figures

In the last ten years, the “Smaller Towns and Communities – Supralocal Cooperation and Networks” programme for the promotion of urban development supported 672 measures in 456 cooperation areas. Over 1,450 smaller towns and communities received urban development funding, either directly or within the context of an inter-municipal cooperation. In total, the programme provided around €567 million in federal subsidies. The federal funds were complemented by funds from the states and municipalities (which generally matched the federal funding amounts) and mobilised follow-up investments in the towns and communities.

The vast majority of the participating municipalities are rural communities or small towns. Their respective local problems were addressed using investments (particularly in the area of social infrastructure) and investment-related measures (particularly to promote participation, stimulus and cooperation). In the area of social infrastructure, there was a predominance of measures related to education, culture, children, and youth. The appointed development areas are overwhelmingly in the town centres or the centres of neighbourhoods within the municipalities or districts and are primarily characterised by mixed use and residential buildings. The age of the buildings in the development areas is mostly mixed. In addition, there were a large number of areas that were established before 1948.

##### Programme diversity – local strategies and projects

One of the strengths of the “Smaller Towns and Communities” programme is that it has a flexible framework regarding how the grants can be used. This enables participating municipalities to take different approaches and thereby implement individual strategies and solutions. During the implementation of the programme, the following key topics emerged:

* *Development of supralocal strategies for collaboration*

The resources provided by the programme were used to initiate and consolidate new cooperations, as well as expand existing inter-municipal cooperations related to urban development. Other networks were also involved in the implementation of the programme to facilitate the development of joint strategies for safeguarding public services.

* *Integrated action, funding and support*

Integrated action is implemented as a matter of course in the participating municipalities. Sector-specific issues are viewed as intertwined, different public and private actors are actively involved, and various public and private financial resources are bundled together.

* *Inner-urban development before urban expansion – improving town centres*

Inner-urban development measures in the participating municipalities also helped to improve town centres as residential locations and the accessibility of amenities, resources, and services ‒ both public and private. Urban planning deficiencies and shortcomings were eliminated from town centres, public spaces were adapted in line with the community’s current requirements, and services were clustered in centralised locations.

* *Involvement of the private sector*

Collaboration between private and public stakeholders is an important part of the planning processes involved in the promotion of urban development. On the one hand, private stakeholders can be involved in the development of goals, strategies, and concepts. On the other, private stakeholders and initiatives frequently provide the impetus for the implementation of individual projects.

* *Education, culture, recreation – ensuring high-quality social infrastructure*

A diverse range of public service facilities designed to suit local requirements is of key importance for quality of life for rural populations. Measures for improving the quality of public service facilities are often carried out from an integrated, interdepartmental, and supralocal perspective. This makes it possible to maintain services over the long term, at a high standard, and in a cost-efficient way.

* *Strengthening of smaller towns and communities* *as residential locations*

The participating municipalities pursued a variety of approaches to create high-quality housing and residential environments in smaller towns and communities and to improve their residential function. They specifically developed concepts and strategies, used management systems for real estate and vacant housing, or renovated residential buildings and upgraded the residential surroundings.

* *Designing green spaces and open spaces for climate-friendly urban development*

With the support of the programme, green spaces for various sections of the population were created or redesigned to serve as central locations that foster interaction, communication, and a sense of common identity. Green infrastructure is also particularly important in relation to biodiversity, climate protection, and adapting to the effects of climate change.

* *Creation of frameworks for sustainable mobility*

Issues of mobility and the accessibility of public service facilities play a key role in a large number of the development concepts coordinated and integrated at the supralocal level. The participating municipalities strengthened alternatives to motorised private transport by implementing measures such as improving cycling infrastructure and public transport networks, or designing public spaces, streets, footpaths and squares in an accessible way.

##### Future challenges facing smaller towns and communities

Even though the programme has made an important contribution towards strengthening smaller towns and communities, there are still many different challenges involved with urban development transformation processes in such communities. These include dealing with the effects of demographic and economic changes, the related tendencies of growth and shrinkage, as well as the associated impact on the built environment. Then there are additional challenges, such as the use of digital technologies, climate change mitigation and adaptation, as well as the incorporation of private stakeholders. Numerous municipalities are also facing the problem of managing a multitude of tasks with difficult budgetary situations. For instance, it remains to be seen what effects the COVID-19 pandemic will have on municipal finances, community life, and urban development structures. These challenges and variety of tasks require a great deal of effort, particularly in smaller towns and communities that have smaller administrative bodies.

##### Conclusion and outlook: smaller towns and communities in urban development programmes

On a structural level, the 2020 administrative agreement fundamentally changed the way urban development is promoted and reduced the number of programmes from six to three. The “Smaller Towns and Communities” programme was integrated into the new programme structure, and the objectives and resources have been included in all three new programmes. As a result, smaller towns and communities will continue to significantly benefit from financial assistance provided for the promotion of urban development. The financial resources allocated for the promotion of urban development will remain at a high level in the future. A central focus of the “Smaller Towns and Communities” programme – the inter-municipal collaboration – will be strengthened overall and granted bonus funding. This way, the programme’s successes will be sustained by the new programme structure.

The launch of the “Smaller Towns and Communities” programme represented a milestone for numerous smaller towns and communities in several respects. Many of the municipalities in regions located far from densely populated areas, which previously had no access to urban development funding, came into contact with new processes and procedures for integrated urban development. Development processes have thus been successfully initiated in a way that will help to maintain the viability of smaller towns and communities as public service hubs over the long term, as well as to secure and enhance quality of life among those populations.