

URBAN II Evaluation

Case Study: Leipzig



1.0 Introduction

Leipzig is the largest city in Saxony and is the main economic and service centre of Western Saxony. The city exhibits some of the main characteristics of an old industrial centre, with multiple structural problems caused by the economic restructuring that took place after German reunification. Leipzig was a major manufacturing centre and was badly affected by industrial closures, which created wastelands and massive job losses in both primary and secondary industries. Since 1989 the city lost 30,000 jobs with dramatic losses affected the manufacturing industry, especially in mechanical engineering and metal processing.

The programme area and especially its former industrial land has been a major concern for the city of Leipzig since the early 1990s. The URBAN II programme targets the western inner-city districts of Leipzig (Plagwitz, Lindenau, AltLindenau and parts of Kleinzschocher and Leutzsch). These neighbourhoods were built up around manufacturing activity in the late nineteenth century and have suffered from economic restructuring and the associated high rates of unemployment and population loss both to the suburbs and to further afield, especially to Western Germany.

Socio-economic indicators show that the unemployment rate was far in excess of the national average of 9.6 %, though the rate in the URBAN area were approximately in line with city and regional averages. A 1999 comparison of the five biggest cities in Saxony showed that Leipzig suffered the most from emigration and had the highest portion of welfare recipients. However, the unemployment rate was still lower than two cities that received funding under URBAN 1 - Zwickau and Chemnitz.

The main urban problems include decaying living quarters and high vacancy rates, poor environment conditions and a shortage of green and open spaces, derelict and brownfield sites, environmental liabilities and issues around land ownership. The programme area had 40 hectares of derelict industrial land. The programme has sought to arrest the decline of these areas through an integrated programme of activity focused on environmental and infrastructure improvements, local economic and employment development plus social integration and renewal. The main interventions were focussed around:

- SME support
- Innovative employment projects
- Development of brownfield sites and buildings
- Youth entrepreneurship
- Improving green infrastructure
- Skills for property owners
- URBAN Competence Centre
- Neighbourhood management
- Meeting facilities and support services
- Leisure infrastructure

- Local culture

The programme funded a large number of small projects (other German and Austrian URBAN programmes tended to be built around a small number of large projects). Specific project examples include;

- Assistance for SMEs
- A centre for employment promotion
- Improvement and creation of new pathways and public open spaces
- Leutzsch youth recreation centre
- Remodelling of Erich-Zeigner School playground

The programme focused on physical (35% of total budget) and economic measures (33%), although a comparatively high share of the budget went to social measures (26%). Just 6.5% of the total budget was allocated to technical assistance.

1.1 Programme Realisation

There were no major changes to the broad aims and priorities of the programme and projects were selected in line with the criteria set out in the Operational Programme.

The only exceptions to this were the actions around improving former industrial areas. This included the failure to implement a major brownfield redevelopment project called 'Jahrtausendfeld' (Millennium Field), which was not deemed eligible for EU funding as the site was owned by a subsidiary company of the German state¹. There was no replacement national funding available, so resources were transferred to environmental projects under the 'creation of green space and environmental improvements' measure. Other brownfield sites were redeveloped, but the scale of this activity was much less than originally planned.

2.0 Impact, outputs and results

All output and result targets were exceeded, though consultations suggest that goals were slightly on the low side, to try to ensure that expectations were realistic. The table below provides a summary of all of the outputs and results collected at programme level (taken from the final evaluation report published in 2009)

Indicator	Overall
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¹ Treuhandliegenschaftsgesellschaft, now TLG Immobilien GmbH, a successor to the trust managing land and property owned by the former East German state.

	Target	Actual	%
Outputs			
Additional capacity in recreational and meeting facilities - social, 3.2	200	4221	2111%
Created or upgraded green spaces (m ²) - social, 3.2	3000	13241	441%
Created or upgraded public buildings (m ²) - social, 3.2	3000	11258	375%
Property owners, renters and craft businesses advised	150	507	338%
Project organisations supported in cultural field	12	36	300%
Created or upgraded public buildings (m ²) - social, 3.3	1000	2470	247%
Participants in training and qualification measures	80	182	228%
Additional capacity in recreational and meeting facilities - social, 3.1	150	300	200%
SMEs supported	150	245	163%
Public spaces created or upgraded (m ²)	30000	40296	134%
Extension of cycle network (km)	5	6.38	128%
Development of commercial space (m ²)	7500	7870	105%
Created or upgraded green spaces (m ²) - physical, 2.3	70000	70108	100%
Results			
Jobs secured	120	1104	920%
Jobs created	80	544	680%
Business start-ups	20	80	400%
Homes brought back into re-use (as a result of advice)	40	89	223%
New student businesses	10	18	180%
Placements in the regular labour market	25	26	104%
Businesses moving in	10	9	90%

For output measures, the achieved values were far in excess of targets in a number of areas, especially in relation to the physical outputs under measure 3.2 (restoration and creation of recreation and meeting facilities). The ratio of 2111% means that the actual number of spaces created in the new facility exceeded the defined target by a factor of more than 20 to 1.

All but one of the result indicators collected in Leipzig relate to economic impacts, and only one missed its target. The only indicator to fall short, the number of businesses moving into the area, missed its target by one. The figures for numbers of jobs secured, created and number of new businesses are well in excess of the targets and compare very favourably with many other programmes. The final evaluation from 2007 highlights the impact of URBAN on the programme area's physical characteristics, especially its competitiveness, functionality and attractiveness. The achievements of supported projects were relevant to the area's problems, especially work to improve attractiveness through the provision of public and green space. Substantial amounts of public and green space were created, and while there is no quantitative data on usage and impact, these projects were designed in conjunction with local residents. This theme also included the re-use of historical buildings and infrastructure, through projects such as the out-reach work by the 'Theater der Jungen Welt' (Young World Theatre).

The many and diverse projects supported under the social theme have made valuable contributions to equal opportunities and social justice by improving institutions and consolidating

networks. According to consultations, the programme supported 68 private and not-for-profit associations providing social and cultural activities and created 75 new childcare places.

The community participation measures were comprehensive and consultations suggest that they served to improve communication between the city council, local groups and residents, increasing local people's identification with the area and contributing to the attractiveness of the area. A survey from 2006 showed generally high levels of satisfaction among residents, with many more people in URBAN districts saying the area had improved over the past five years compared to the city as a whole. This appears to be supported by population figures, with the population of the programme area increasing by 14% between 2000 and 2007 (Plagwitz district by 26%) while the city's population grew by only 3%. The largest increases were between 2002 and 2004 and analysis shows this to be the result of both in-bound migration and some increase in the birth rate. However, there is no consensus on whether this is linked to specific URBAN activity or merely the result of local, cyclical trends.

The economic measures, especially the support given to SMEs, were seen as very successful, with 245 local companies supported. The project activity helped to stabilise businesses and secured additional private investments of €7.4m from a total subsidy of €2.7m. Programme monitoring data shows that the economic activity created 436 jobs (246 for men and 190 for women), with other measures creating 108 new jobs and securing 1104 existing jobs. The total number of businesses increased significantly between 2000 and 2007, with a 54% rise in the Plagwitz district, boosting the revitalisation of commercial properties.

While some jobs were created, these were more than offset by ongoing job losses, especially in heavy industry and manual trades. Between 2000 and 2007 unemployment in the programme area increased by 21%, with long-term unemployment up to almost 50% of the total (compared to city average of 45%) and fewer people in employment paying enough for them to lose their eligibility for social benefits. The districts of Lindenau and Altlingenau were the main drivers of this increase in unemployment. This data highlights continuing structural weaknesses in the local labour market, which is further compounded by population that has continued to age between 2000 and 2007.

There are significant differences in the performance of the URBAN area's individual neighbourhoods, with Plagwitz performing well and developing a role as a fashionable neighbourhood for young artists, start-ups and students. While the supported cultural activity is likely to have reinforced the pattern of improvement in Plagwitz, this suggests that local potential and opportunities for development also have an important role to play. Socio-economic data for the other URBAN neighbourhoods Kleinzschocher, Lindenau and Altlingenau suggests that there is a need for ongoing monitoring, especially at a more local level. Although Leipzig has other deprived areas, it has no urban areas with comparable problems that could be used for counterfactual analysis.

The final evaluation asserts that a comprehensive improvement and revitalisation of the URBAN area was arguably not a realistic aim for a six-year programme, especially when the severity of

economic problems and the resources available to local government are considered. In Leipzig the programme sought to provide an impetus to the target area through complementary model projects, most of which had clear spatial impacts. It suggests that an integrated multidisciplinary programme can have a positive impact on urban areas, by beginning a process of improvement. Furthermore, the €19m from URBAN and city contributions led to the release of a further €127m from the national government and private investors, possibly also serving to bring down the co-financing contributions required of the city.

However, it could also be said that the fact that the programme was composed of many small projects is likely to have diluted the impact of the programme making it less likely that there would be a significant impact on a particular thematic area. Nevertheless it is clear that the achieved impacts would not have been possible without URBAN funding.

3.0 Links with Other Programmes and Policies

URBAN was linked to physical regeneration efforts in the city including national urban renewal programmes. Leipzig had three urban renewal areas, covering 134 hectares in total. These focused on physical development, such as the construction and rehabilitation of housing, with the networks created under URBAN used to explore potential synergy effects. For example, the URBAN Competences Centre provided a way to engage with property owners and encourage them to refurbish their properties by taking advantage of mainstream schemes funding the improvement of façades and courtyards. A total of €18.6m was spent on these programmes in addition to URBAN funding.

The URBAN programme area was eligible for Objective 1 support, with ERDF funding making up 75% of the total money spent on URBAN – in line with guidelines for all Objective 1 regions. In addition, the state of Saxony implemented another renewal programme in the East of Leipzig (also funded by ERDF), while Leipzig Grünau was included in 'die Soziale Stadt' (the socially integrative city) a national and regional programme in Germany. The state of Saxony has been able to apply lessons from URBAN, especially in relation to the development of an integrated and multidisciplinary strategy, as this forms the basis of new sustainable urban development strategies elsewhere in the state.

4.0 Factors of Success

The programme was implemented through close cooperation with local actors, and consultations cite the value of mobilising a range of actors outside the city council (associations, businesses etc) as well as residents. Communications work was an important element in this, with the Leipzig West Forum providing opportunities for the testing of new communication and consultation techniques.

This served not only to increase the likelihood of the programme addressing the correct priorities and having a greater impact, but also to ensure that renewal work will continue after URBAN. Consultations through the URBAN Competences Centre were also mentioned as an important factor in motivating local property owners and retailers.

The fact that the programme was composed of a large number of smaller projects can also be seen as a strength; achievements were quickly visible and built up awareness of and support for the URBAN programme. Key issues about this approach¹ were as follows:

- it helped the programme to tackle many different issues and ensured that it was generally holistic in nature
- it helped to build political support as the programme couldn't be criticised for not tackling a particular problem
- the programme reached a greater number of people and covered a wider area because there was felt to be 'something for everyone'
- the programme recognised that if you are serious about tackling, for instance, unemployment you need to invest in health or housing projects as the issues are all inter-related, however;
- it made it much more complicated to manage as a programme as there was a larger administrative burden with more projects to administer, appraise, monitor and support).
- it may have 'watered down' the impact as the amount invested per project was perceived to be too small to make a real difference on a particular issue

The SME support projects were also deemed innovative, since it was possible to give grants covering investments (which did not need to be paid back) and business expenses for enterprises (covering skills training, technological or environmental upgrades). This kind of activity is not generally supported in mainstream German regeneration programmes. The intensive coaching and consulting by external advisers also contributed to the success of the SME projects.

The failure to implement the 'Jahrtausendfeld' project meant that less was achieved in terms of the rehabilitation of brownfield sites than was originally planned. It was unclear as the wider impact of this issue but it still was seen as a factor which reduced some of the long term effects of the programme.

5.0 Integrated Approach

¹ Other German and Austrian URBAN programmes tended to do the alternative and support a small number of larger projects.

The fact that there were lots of small projects arguably increased the likelihood of synergy effects, as project activity covered a wide range of themes and priorities. There are a number of examples of how social, economic, ecological and structural measures were linked through mutually supportive projects,

- Improvements to the local retail offer (in Zschochersche Straße, Karl-Heine-Straße and Lindenauer Markt) were linked to grants for small businesses, public realm improvements and housing refurbishments
- Redevelopment of a school, kindergarten and sports facilities were connected with improvements to the local park. This combined the improvement of green areas and the achievement of social goals such as an increase in childcare places
- Transformation of rail freight yard into a park for local residents, with some space made available to companies (and provision of a crèche). This means that it is not an isolated physical development, but residents and businesses can now watch over the area and feel safer going about their business¹

URBAN gave Leipzig the opportunity to trial genuinely integrated methods which are not possible under mainstream strategies, with the possible exception of the German 'Soziale Stadt' (socially integrative city) programme or the 'Nachhaltige Stadtentwicklung' programme (sustainable urban development) which also covers Leipzig. This is supported by ERDF but with around half the resources of URBAN.

6.0 Programme Management and Partnerships

Annual reports, evaluations, indicator data and consultations all suggest the Leipzig programme was well-managed. The state of Saxony retained authority over the URBAN programme with the city of Leipzig responsible for implementation. The authorities worked together through the steering and monitoring committees.

Project management support was provided by an independent contractor, bringing in skills that were not necessarily available 'in-house', such as the experience of managing complex regeneration programmes. The contractor provided services around project selection and support, monitoring and financial control, with a project manager responsible for each thematic priority. This was financed partly through project costs and partly through the technical assistance stream.

Although this appears to have been an effective model in terms of efficient programme management, there is conflicting evidence on whether having an external contractor helped or made it more difficult to get buy-in from other departments within the city council authority or encourage them to link their activities and align funding towards the priorities of the programme

¹ Incidentally, the number and incidence of crimes also fell between 2000 and 2007.

- While consultations suggest that collaboration between the city and state was effective, the large number of projects (53 in total) meant that there was a significant administrative burden, with large amounts of time spent on formal management tasks. One of the main problems affecting the programme was the length of time taken for decisions to be made, caused by a multi-level, hierarchical governance structure and the approval procedures of the state government. This caused project-level delays and put a financial burden on the city. The final evaluation recommends a more proportionate approach to monitoring and control, especially for smaller projects.
- The mid-term evaluation recommended improvements to the indicator set, including the need to split indicators by gender and collect data able to inform an assessment of the value of interventions. While result and impact data was collected, there is little quantitative information on service quality or use.

The partnership model was built around a number of organisations; steering committee, URBAN working group, monitoring committee and the Leipzig West Forum. Partnership-working was considered to be strong and there was a genuine joint working between different organisations for the greater good of the target neighbourhood. This was also true for the different departments of the city authority who had previously not worked together on common projects or programmes linking regeneration, transport, sports and culture. A particular strength was the mobilisation of a range of actors outside the city council such as businesses, associations and residents.

The community were heavily involved in the design of the programme and its associated projects and it was perceived to be a bottom-up approach- something that was not perhaps the norm back in 2000. The community were perhaps not 'at the helm' of the programme in terms of deciding how the money was spent, and many of the strategic regeneration concepts pre-dated the start of the programme, but they were extensively consulted during the inception stages of the programme about what needed to be done.

Through the many participation structures such as the Leipzig West Forum, specific thematic groups and neighbourhood management, project ideas were developed and discussed, while new forums of organisational co-operation were created – which continue to exist post-URBAN. Partnership working also served to expand the horizons of local organisations that traditionally follow more narrow interests. For example the chamber of commerce usually focuses on their own sectors of interest, and this process helped them to develop a more place-based or neighbourhood-level vision.

7.0 Sustainability and Legacy

A significant legacy of the programme is the continued existence of many of the cooperation and consultation structures that were created under URBAN, such as the Leipzig West Forum, specific thematic groups and neighbourhood management body. This culture of cooperation between local

stakeholders led to many project ideas being generated and many are committed to the ongoing renewal of Leipzig West. The steering committee still exists, providing advice on city development and input into neighbourhood management.

Physical projects have created public assets, such as public spaces, improved school buildings and local facilities. The city council has taken over responsibility for many of these, for example the maintenance of parks and administration of neighbourhood management. Several of the social infrastructure projects are continuing, supported by private organisations and local not-for-profit groups, although replacement funding for the URBAN competence centre could not be secured.

The SME support measures created a legacy in the ongoing activity of local businesses – the bankruptcy rate for companies during the intervention period was 3%. While businesses were very happy to receive financial support, URBAN also supported the development of networks through which businesses could exchange questions and share problems in the areas such as personal development or marketing. In addition, the work of the business and innovation centre has continued.

Finally, the state of Saxony has a successor programme "Nachhaltige Stadtentwicklung" (sustainable urban development) which is funded by ERDF and based on the approaches tested under URBAN . This programme covers different areas of Leipzig, is worth €5m and runs to 2012.