

## **HUMAN SETTLEMENT COUNTRY PROFILE**

### **SWEDEN**

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#### **Programmes and Projects**

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- B. Improving Human Settlement Management
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**Decision-making:** The National Board of Housing, Building and Planning (Boverket) is the central agency of the Swedish government for planning, urban development, building and housing. ([www.boverket.se](http://www.boverket.se)). At the local level, municipalities are responsible for integrated planning. At the regional level, county administrative boards are responsible, and at the national level, the National Board of Housing, Building and Planning is in charge of integrated planning. Local communities and municipalities have a responsibility for the conservation of biodiversity and sustainable use of biological resources, in particular through land-use or physical planning. The National Heritage Board is the central authority in Sweden for matters concerning the cultural environment and the cultural heritage. Its main task is to serve as the administrative authority, along with the county administrations and regional museums, to ensure that our entire cultural heritage is both preserved and used. Development of energy policy rests with the central Government. Within Government, the lead responsibility resides with the Minister of Industry, Employment and Communications. In order to clarify and reinforce the central government function, The Swedish National Energy Administration was established on 1 January 1998, as the central government body responsible for the main part of the authority functions within the energy area.

The Environmental Code, which represents a coordinated and more stringent body of environmental legislation, is an important tool in the pursuit of sustainable development. The Environmental Code (of 1999) plays a crucial role in the implementation of environmental policy since it is applicable to all activities that are “not of negligible significance to human health and the environment”. As a result of the Environmental Code being constructed with overarching goals, general rules of consideration and new tools, such as environmental quality standards, better prospects are being created for guiding development towards the goals resolved on. One of general rules stated in the code states that raw materials and energy shall be conserved and reused or recycled wherever possible. In 1999 Parliament adopted 15 national environmental quality objectives that centre on human health, biological diversity, the cultural environment and nature. The objectives are to be achieved within a generation. One of them is A Good Built Environment. This objective states that cities, towns and other built-up areas must provide a good, healthy living environment. It is of particular interest where the Habitat process is concerned.

*Land-use and building:* The Planning and Building Act governs the more detailed land-use decisions, in comprehensive municipal planning, in detailed planning and in building permits. The Planning and Building Act has however underwent a major review in 1996, strengthening the demands for considerations of sustainable development. The requirements for Environmental Impact Assessments have also been harmonized between physical planning matters and development projects. Rules making it compulsory to take environmental concerns into account have gradually been introduced in planning and building legislation, as well as in other legislation relating to operations that involve the use of land, water and other natural resources. The location and design of buildings and other structures must be appropriate from an environmental and health point of view. Due to the fact that the municipalities are legally responsible for planning of their land and water areas (the Planning and Building Act), they have a key role in efforts to achieve sustainable development.

Sweden’s planning system emanates from local self-government, and the municipalities are principally responsible for the planning of settlement development and land use. Sweden, unlike many other Western European Countries, does not have any statutory supra-municipal planning. Regional land-use planning is, however, conducted in the Stockholm region, based on planning and building legislation. An essential condition for sustainable development is a society based on fundamental democratic values.

Participation in planning processes and open decision-making and planning processes in which all citizens have an opportunity to participate are important conditions for the practical work of achieving sustainable development. Transparency, dialogue and citizen influence are therefore essential in connection with all levels of planning. Public participations in the planning of new transport infrastructure are safe-

guarded through legislation, e.g. the Road Act and the Environmental Code. The legislation stipulates that consultations with the public should take place throughout the whole planning process.

For a great deal of the 1990s, environmental issues and the aim of sustainable development were powerful motive forces behind municipal physical planning. The legislative amendments enacted in the Planning and Building Act in 1996 to strengthen environmental consideration in the planning process initially impacted on municipal planning and decision-making. At present, 2/3 of the municipalities of Sweden have initiated a review of their comprehensive plans. In addition, more than half the municipalities have officially decided to bring local Agenda 21 activities and comprehensive physical planning closer together. Almost all local authorities have adopted municipal master plans pursuant to the Planning and Building Act.

*Energy:* The overall purpose of Sweden's energy policy, launched through the Governmental Bill A Sustainable Energy Supply (1996/97:84), is to create the conditions for efficient use and cost-efficient supply of energy, with minimum adverse effect on health, the environment and climate. The goal of Swedish energy policy – both in the short term and in the long term - is to secure access to electricity and other sources of energy on international competitive terms. The aim is also to create an energy system based on sustainable, and preferably indigenous and renewable, sources of energy and energy consumption.

**Programmes and Projects:** The government promotes policies and programmes in the areas of energy efficiency, environmentally sound and efficient transportation, industrial pollution control, sound land-use practices, sound management of marine resources and management of toxic and other hazardous waste. The environmental efforts in many fields such as car exhaust norms, air quality norms, fresh water quality, noise abatement, heavy metals also aim at improving the conditions for good health.

A. Providing Adequate Shelter for All: Providing adequate shelter for all is since long a high priority political goal in Sweden. Housing policies have of course changed, in accordance with political, demographical and economical changes. To keep building costs at an affordable level also in areas of growth and increasing demand, the Government in 2001 established a Forum for Building Costs, with a task to analyse the cost structure in the sector and to promote good examples of good quality, cost-efficient housing construction. From 2004 a work is also underway to analyse the effects and efficiency of today's system of housing grants.

A good indoor environment must be the result at the same time at we build with energy efficiency and with ecological materials and constructions. The heating of homes and offices contribute to a great deal of the emissions of CO<sub>2</sub> in our part of the world. Therefore it is important to take steps forward within this sector in order to reduce emissions. Life cycle analyses of measures to be taken can be important, taking into consideration the long lifespan of buildings and build structures. The Swedish Government has taken several initiatives together with the business sector to form partnerships aiming at better integrating environmental considerations into the general practice of the sector.

B. Improving Human Settlement Management: The Swedish Government has resolved to earmark a total of MSEK 6,200 (approximately EURO 0.671bn.) in the period 1998-2002 for the support and encouragement of local investment programmes for sustainable development. The aim here is both to accelerate the changeover to sustainable development and to contribute towards the growth of employment. The measures taken shall among other things reduce environmental impact, make the use of energy and other natural resources more efficient, promote the use of renewable resources and preserve biological diversity. Altogether 161 of Sweden's 290 municipalities have been awarded grants for a total of 211 programmes or 1814 projects. Together with the funding committed by municipalities, businesses and organisations this gives a total investment volume of MSEK 27,300, of which investments directly relating

to the environment account for MSEK 20,700. One noticeable experience is that municipalities in the front line of local Agenda 21 activity have often presented interesting local investment programmes. According to local authority estimates, it is estimated, that grants awarded to local investment programmes for the period 1998-2002 will lead to annual reductions in energy use by 2.1 TWh while carbon dioxide emissions will be reduced by 1.57 million tonnes per year (equalling 2.8 per cent of Sweden's emissions) and landfill refuse deposits will be reduced by about 500,000 tonnes per year. Emissions to water will be reduced by 2,460 tons of nitrogen and 180 tons of phosphorous per year, which correspond to two per cent and four per cent respectively of the current total emissions to the sea. A report on environmental technology developed within the LIP, which is suitable for export to Eastern Europe and developing countries has just been finalised. Exchange of information and know-how about "best practices" needs to be encouraged. The report will hopefully contribute to facilitate the communication of results of successful projects, which could be of interest to other countries. A series of evaluation reports on the results and effects of LIP will be published within the years 2004-2005 ([www.naturvardsverket.se/lip](http://www.naturvardsverket.se/lip)).

In 1997 the Swedish Government presented a Bill, Development and justice - A policy for metropolitan areas in the 21st century, which is to be regarded as the first step in a process in which central government, the regions, county councils and municipalities are working together to create growth in vulnerable metropolitan areas. Almost SEK 2 billion has been allocated by central government for a three-year period from July 1999. The government's policy is based on two general objectives, to end social ethnic and discriminatory segregation and to create favourable conditions for sustainable growth in these regions. Agreements have been signed between local authorities and the Commission on metropolitan areas. This work is now under evaluation and a report will be published in spring 2004.

In the spring of 2003 the Swedish Parliament decided on a national strategy for public health. The strategy is founded on one overall aim "The creation of societal conditions which ensure good health, on equal terms, for the entire population". 11 goal areas are prioritised whereof one is about healthy and safe environments and products.

A healthy indoor environment is one important interim target of A Good Built Environment, but it is difficult to achieve. In Sweden in 1999, almost a million people were judged to have various symptoms of ill health related to problems in their indoor environment. Measures to improve compliance with existing legislation are needed, together with other effective instruments. Increased use of quality declarations in conjunction with selling and letting of homes could help to achieve a better indoor environment.

In August 2003 the National Board of Housing, Building and Planning published a report about the status of building maintenance in the Swedish housing stock. The result shows that the need of building maintenance activities will increase in the future due to an aging housing stock and neglect of maintenance in the past. In the report, the Board presents a number of proposals, which are now under consideration.

C. Promoting Sustainable Land-Use Planning and Management: Quite a number of activities have been conducted within the ongoing planning and development work of the municipalities. This has been facilitated by extensive amendments to the Planning and Building Act, including the stipulation of environmental impact assessments in planning applications for projects with a substantial impact on the environment. The Parliamentary Committee for Habitat and Agenda 21 presented a final report in 2004 with proposals for a number of activities in this field.

The National Board of Housing Building and Planning is preparing a strategy for Sustainable Urban Development involving of number of actors. Together with the National Heritage Board they are also working on a project on tools for planning and management of existing urban areas.

At present a Parliamentary Committee is revising the Planning and Building Act with the aim for it to develop into a better tool for sustainable development. A report will be presented at the end of 2004.

Urban and Regional Planning Research and development justified by long-range knowledge and competence needs in regard to sustainable urban and regional planning. The Sustainable City in 1996, with the aim of ensuring long-term expertise, experience and knowledge in Sweden about sustainability and urban development. The overall objective is to stimulate inter-disciplinary and collaborative research intended to develop new tools, methods and processes as needed in order to change towns, cities and urban regions so that they provide a good living environment for their present inhabitants and for future generations.

D. Promoting the Integrated Provision of Environmental Infrastructure: water, sanitation, drainage, and solid-waste management: See under Freshwater and Sanitation Profiles.

E. Promoting Sustainable Energy and transport Systems in Human Settlements: *Energy*: As energy policy by definition is inter linked with environmental- and climate issues it should be mentioned in this context that a new Swedish climate strategy have been proposed recently and also a revised environmental strategy. To begin with the climate strategy it comprises objectives and an action programme for achieving them. The action programme includes measures, policy instruments and planning as well as organizational proposals for implementation. The strategy relates to the period up to 2050 and the action programme covers the period up to 2010.

The political energy policy is promoted for example by taxes on fossil fuels and support for renewable resources such as wind power and collecting energy from the sun. Increased use of bio energy in combined plants for production of heat and electricity is also an important strategy. The heat is then used in district heating for supplying heat for buildings. The aim is also to decrease the very high use of electricity in Sweden for warming up buildings.

For wind energy production there was set up a national planning goal in 2002 on 10 TWh per year in 2015. (The total electricity use in Sweden was in the year 2002 149 TWh.) To support good localisation of wind power plants the National Board of Housing, Building and Planning, in 2003 published a handbook The planning and probation of wind power foundations. In the year of 2003 the board also produced a report, which pointed out nine places in the sea with good conditions for establishing wind power foundations. The National Energy Authority has worked with the transforming of the national goal for wind power so that one part is reserved for production in the sea and the other on land in different regions in Sweden.

During 2003 the production of electricity from wind power was around 0,6 TWh from about 675 plants. Some of the electricity was produced from three groups of wind power foundations in the Baltic Sea.

*Transportation*: The Swedish Parliament adopted a new national transport policy in 1998. The subsidiary objectives of the policy aim for:

- an accessible transport system;
- a high transport quality;
- a safe traffic;
- a good environment; and
- a positive regional development.

The transport policy is being directed more towards the goal of sustainable development, which means that high priorities are rail-systems and road safety programs.

The national transport authorities carries out a great number of programmes and projects in order to attain a sustainable transport system. These activities includes inter alia further development of objectives

and targets for the sector, pricing initiatives, development of the infrastructure, research and development, information activities, capacity building among companies etc.

During 2003 several suggestions with the purpose to increase travelling with public transport was presented by the Committee of public transport. These suggestions should contribute to attain the goals in the transport policy and also lead to improvements for the environment.

F. Promoting Human Settlement Planning and Management in Disaster-Prone Areas: Human Settlements in Sweden are by nature not very vulnerable to natural risks such as flooding, land sliding and coastal erosion. However, pursuant to a long period of heavy raining, flooding of town occurred in many places in Sweden. An investigation and mapping of areas of risk was carried out and a campaign directed towards the municipalities was carried out, urging them to take such risks more into consideration in planning, building permits and construction.

G. Promoting Sustainable Construction Industry Activities: The government has through the Environmental Advisory Council initiated a dialogue with two sectors of the business society with the purpose to raise environmental standards and ensure more efficient use of resources while taking into account the need for enterprises to improve their performance in increasingly environment oriented markets. The sectors in focus have been Construction and management of building and Trade with everyday commodities.

The FORMAS (Swedish Research Council for Environment, Agricultural Sciences and Spatial planning) is responsible for energy-related building research while the Swedish Board of Housing, Building and Planning (Boverket) is responsible for the sub-programme for reduction of peak load in households as well as the sub-programme for substitution from electrical residential heating to other heating methods.

The Swedish Government presented an Action Programme for Architecture and Design in 1998. The programme puts forward new objectives and amends legislation to promote aesthetic considerations. Parliament has adopted the Bill and work is in progress. In February 2004 a new Council for Architecture, Form and Design was established with the aim to promote the intentions of the Architectural Programme. Activities are also directed towards National Bodies as builders and developers.

The Eco-cycle Council of the Swedish Building Sector has developed a new Plan of Action "The Environmental Programme for the Building sector 2003". The programme contains environmental objectives for (1) energy conservation, (2) economising with building materials, (3) gradual decrease of hazardous substances and (4) encouragement of sound indoor environments.

The project Building/Living (Bygga-bo-dialogen) for a Sustainable Building and Property Sector - in Trust for the Future, is a unique cooperation between companies, municipalities and the Swedish Government and aims towards the development of a sustainable building and property sector in Sweden. As a result there is a voluntary agreement to take tangible measures for a sustainable development. The "Building/Living Project" has three prioritised areas: Healthy indoor environment, Effective use of energy, and Effective resource management.

H. Promoting Human Resource Development and Capacity-Building for Human Settlement Development: The current Swedish National Committee on Agenda 21 and Habitat was established in June 2000, in order to mobilize the political interest for the UN review in 2001 and 2002. A final report with proposals and future priorities was presented to the Swedish Government in October 2002.

**Status:** The National Board of Housing, Building and Planning in 2000 reported to the government on progress made regarding the Habitat Agenda. The report proposes thirteen (13) future challenges for planning. Some of the challenges concern, for instance, enhanced possibilities for participation and coop-

eration, collaboration across administrative boundaries, sustainable physical structures, the built environment, safe and healthy environments, and sustainable transport systems.

Problems confronting sustainable urban development in Sweden include: the risk of de-populating rural and urban areas; growing traffic needs as they relate to the use of parks and green spaces for roads and highways; loss of services; and increased segregation. The challenge defined for ongoing work remains supremely relevant, even though a great deal has been accomplished in the past few years. It is important in this connection to observe that the Swedish municipalities have a key role, e.g. in the achievement of healthy dwellings and settlement.

The National Board of Housing Building and Planning published a book "Stadsplanera", Town Planning instead of land-use-planning and traffic planning. A nation-wide campaign was launched and number of best-practice municipal examples were collected. The book will inspire to a democratic planning process with respect for existing urban structure and solving the real problems for the citizens.

The environmental objective A Good Built Environment includes eight interim targets. Several of them such as reduction in waste disposal, energy consumption in the residential and services sector and the use of gravel will probably be reached in time, while others are more difficult to achieve. Among the latter are long-term protection of cultural heritage, reduction of the number of people who are exposed to traffic noise and no adverse impacts on health from the indoor environment. Other dimensions than those described in the targets also need to be taken into account. Security, accessibility and participation, for example, are important in shaping people's perceptions of their built environment.

The great majority of built environment of cultural heritage values lack the most basic of safeguards. To achieve the target, steps must be taken to ensure that local authorities take greater account of cultural heritage assets in their planning. Increased resources or reordered priorities at the local and regional levels are essential if many of the interim target as well as the objective a Good Built Environment are to be attained.

*Energy:* The total energy supply in Sweden has increased by 8 % between 1990 and 1999. During the period the use of biofuels and peat has increased the most. Biofuels and peat are used in three main areas: district heating plants, the pulp and paper industry and house heating. It is the district-heating sector that accounts for the largest increase. The use of oil and natural gas has also increased, while the use of coal and coke has declined. Fossil fuels accounts for about 40 % of total supply of energy in Sweden.

Total energy use has increased in the industrial and transport sectors, but has been relatively constant in the residential sectors. Certain shifts have occurred in the breakdown between energy sources and sectors. In transport sector the use of petrol has declined while diesel and bunkers oil have increased. Electricity and district heating use have increased in the residential sector at the expense of oil. In the industrial sector the use of bio fuels and district heating has increased.

Hydropower and nuclear power produce most of Sweden's electricity. Combined heat and power plants, oil-fired cold condensing plant, gas turbines and wind power also produce some electricity. Oil-fired cold condensing plants and gas turbines have been used as reserve capacity. The capacity of wind power has increased substantially since 1990, but the contribution from the wind power plants to the total electricity balance is still very small, 0,4 TWh in 1999. Hydropower production has varied widely between the years during the 1990's, due to variation in precipitation. Decided by the Parliament in June 1997, nuclear power is going to be phased out. In 1999 the first reactor was shut down. Decommission of the Swedish nuclear power will continue, provided that the loss of generation capacity can be compensated by reduced electricity consumption and increased supply of electricity.

*Transport:* Further action is needed in order to attain a sustainable transport system. From an environmental point of view the emissions of sulphur, nitrogen oxides and VOC are decreasing. Noise from transport is still a vast problem. Emissions of carbon dioxide from the transport sector have increased with some 8% between 1990 and 2000. A continued increase of CO<sub>2</sub>-emissions is predicted if no additional measures are introduced.

The traffic noise problem is concentrated to the major towns. Many measures to reduce the noise are taken but still it has increased since 1998. The reasons for this include urban development generating more traffic, an increase in heavy vehicle traffic, and a combination of wider tyres and noisy road surfaces. Traffic is expected to increase even further; the prognosis of car traffic is a growth by 29 % from 1997 to 2010. At present this question is thoroughly dealt with in bulleruppdraget, which aims at finding measurements and suggesting measures to reduce noise pollution.

**Capacity Building, Education, Training and Awareness raising:** A voluntary Nordic Eco-labelling scheme was introduced in 1989. The range of products is wide but fall into three main categories: everyday commodities; office supplies and commercial buildings; and housing construction and household products. At the local level, a number of local authorities have developed their own guidelines and brochures, addressing the local inhabitants. Information on consumption and production can be accessed via Internet.

**Information:** The mission of Statistics Sweden is to produce and make available official statistics relating to different areas of society, which can serve as a basis for decisions, public debate and research. These statistics are to be objective, reliable, comparable, up-to-date and easily accessible. ([www.scb.se](http://www.scb.se)). The mission of National Land Survey (Lantmäteriet) is to contribute to an efficient and sustainable use of Sweden's real estate, land and water. They are specialists in geographic information, land information, cadastral services and geographic information techniques. In these four fields they have the national responsibility and a dominating role. ([www.lantmateriet.se](http://www.lantmateriet.se)).

The National Board of Housing, Building and Planning (Boverket) is the central agency of the Swedish government for planning, urban development, building and housing. Boverket's most important tasks over the next few years are to produce and spread knowledge about how planning contributes to a sustainable development in Swedish and European perspective. To produce information and make proposals on housing market issues, including links to new lifestyle and population trends effective and sustainable building, where the life-cycle perspective is at the heart both of new construction and of how we deal with the existing stock. Also contribute to specifying and realising the environmental quality objective of a Good Built Environment. There are, however, large gaps in the data required to monitor progress. Methods and statistics need to be developed if it is to be possible to assess performance in relation to this objective.

Energy statistics are an important instrument when evaluating the development of the energy system. Swedish Statistics (SCB) produces energy statistics on behalf of the Swedish National Energy Administration. Different kind of data is collected with different samples and frequency. Example of statistic publications are: Monthly oil-, gas-, and stock statistics, Monthly electric energy statistics, Quarterly fuel statistics, Annual electricity, gas and district heating statistics, Annual energy statistics of manufacturing, Prices on electricity and transmission of electricity, etc.

In the area of environment and transportation, comprehensive and systematic observations of emissions are being carried out.

**Research and Technologies:** FORMAS, the Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning, is a governmental research-funding agency. Formas encourages and supports scientifically significant research related to sustainable development. The projects supported cover a

wide range of approaches from basic research to more applied efforts and within the built environment also demonstration and experimental projects. Research, development and experiments justified by knowledge and competence needs for the promotion of a sustainable society. Formas currently runs three Key Actions for R&D on the urban environment:

The Liveable City and the Sustainable City were both launched in 1996 with the aim of ensuring long-term expertise in Sweden about urban development. The two programmes had different visions. The Liveable City aimed at regaining lost human qualities and values in the everyday life of the people. Traffic, inhuman scale, commercialism, anonymity and segregation were considered to be taking over too much of the pleasant places of the cities. Three research groups were started and given some 4 Million Euros. They have now finished their six-year-period and are publishing their results in books, articles and dissertations. The Sustainable City aimed at sustainable urban development. Around 8 Million Euros have been invested in establishing four research groups in Stockholm, Gothenburg and Örebro, and complementary research projects. The main themes are Visions of sustainable cities, Processes to reach sustainable urban development, Tools and methods and Urban infrastructure systems. The Key Action is now in its last year and has resulted in 10-15 PhD exams and a number of articles and reports. The final reports from the programme and the research groups will be available in 2004.

Urban Public Spaces (2002 – 2004): In order to arrive at a deeper understanding of the research field, Formas has formulated a limited assignment, centring on sustainable urban development, the intention being to shed light on the public spaces in the city from two angles: their function and architectural design and, how people use them in everyday life. The four interdisciplinary projects for which a total of approx. 2,2 Million Euros have been allocated address the following issues: The potential of public spaces to transgress the boundaries of the segregated city, Public spaces in Nordic medium-sized cities, Urban climatic spaces and Children and urban places – access, use and influence.

**Financing:** For subsidies regarding the local investment programmes for sustainable development and for subsidies for the development of the metropolitan area, see under II. Improving Human Settlement Management.

*Energy:* The total funding for energy RD&D in Sweden is 2500 million SEK per annum. (1997). The sources of the funding are about one-third each from government, electricity companies and other industry, respectively. As a member of the European Union Sweden participates in the 5th Framework Programme and its fourth thematic programme Energy, Environment and Sustainable Development and its sub-programme ENERGIE. The budget for ENERGIE amounts to 1042 million Euro for the period 1998-2002. Sweden receives approximately 4% of the total budget.

The Government offers financial support -SEK 8 billion or USD 1 billion for a three-year period for energy efficiency and renewable energy programmes. The Swedish Parliament have decided to allocate 2 262 247 million SEK to energy related projects and programmes for 2001 (within the framework of the overall cost of the energy programme 9,2 billion SEK). The total national budget amounts to 711 135 767 million SEK for 2001.

Moreover, the so-called Eco-cycle billion (SEK 1 billion or UDS 80 million) has been established to provide financial support for innovative environmentally sound technology. Finally, there are investment grants to combined heat and power plants (CHP) and wind farms.

*Transportation:* The national and regional road and railway network is financed by state appropriations. Investment decisions are based on the national transport objectives and socio-economic considerations. In the long-term, all socio-economic marginal costs ought to be covered through variable taxes and charges.

Several environment related taxes and fees have been introduced (e.g., energy tax, CO<sub>2</sub> tax, SO<sub>x</sub> tax and NO<sub>x</sub> fee). Evaluations have shown the carbon dioxide tax to be the most effective instrument in the heating sector. Bio fuels are mostly used for heating production and fossil fuels for electricity generation in combined heating and power plants, the reason being that fossil fuels are not taxed for electricity generation.

The use of economic instruments is emphasized in the transport policy. The socio-economic marginal costs attributed to transport (e.g. wear and tear of transport infrastructure, accidents, air pollution) should be covered by variable taxes and charges. To attain environmental objectives technical requirements on vehicles and fuels will play a significant role also in the future. Examples on economic instruments introduced in the transport sector during the 1990's are:

- Environmental classification of vehicles and fuels as a basis for a differentiation of the energy tax and annual vehicle tax;
- Environmentally differentiated landing charges, which reflect the aircraft emissions of nitrogen oxides and VOC; and
- Environmentally differentiated fairway and port dues, which reflects the emissions of sulphur and nitrogen oxides from the vessels.

**Co-operation: Development Co-operation:** The Swedish policy for global development aims at contributing to a equitable and sustainable development on a global level. This aim applies to all policy areas of the Swedish Government. The policy focuses on poor people's need in poor countries. The policy shall contribute to the fulfilment of the Millennium Development Goals. The objective of Swedish development co-operation is to contribute to the eradication of poverty through enabling poor people to improve their livelihoods. The Swedish support to sustainable human settlements forms part of that objective and aims at achieving the goals set in the Habitat Agenda.

Urban development is a crosscutting and an area-based issue that deals with many aspects of poverty eradication (environment, democracy, good governance, and economic growth). Poverty is multi-dimensional. Poor environmental conditions, with health hazards as a result, weak social network, poor access to political decisionmakers, lack of access to land and vulnerability to economic shock (due to high integration in the money-economy) are some specific characteristics of urban poverty.

Urbanisation on the global level is a huge challenge while urbanisation is most rapid in the poorest countries. Migration could come as a result of war, environmental degradation or natural disasters, but the most common cause is poverty and the hope of a better future.

In poor countries, urban centres are often motors of economic growth. In many countries two thirds of the gross national product is generated in the largest cities despite the fact that only between a third and a quarter of the population live there. Growth is impeded when communications, electricity supplies water supplies and other parts of the infrastructure do not function properly. From an environmental point of view, urban settlements generate a lot of pollution and are large resource consumers. Most of the people living in towns, especially the poor, women and children, live in an unhealthy environment characterised by water shortages, shortcomings in hygiene, little or no refuse collection, and wretched housing conditions. Thus, towns in developing countries have environmental problems caused by both poverty and prosperity. Sustainable development is about empowerment; empowerment of people with respect to local decision-making but also to empowerment of local authorities with respect to the state.

In its work with human settlements and urban development Sida highlights the following areas;

1. Balancing economic, environmental and social factors for sustainable development through an integrated systemic approach.

Urban planning should take its starting point in comprehensive holistic frameworks on the local level. In the international debate the term "City development strategies" is often used for a process devised and owned by local stakeholders to formulate a holistic vision for their city. The process involves analysis of the city's prospects for economic and social development and redress of poverty, identification of priorities for investment and development assistance and implementation of this vision through partnership-based actions.

2. Urban governance (decentralisation, public participation, transparency and efficiency of local authorities etc). The rapid migration to areas where no administration or political system to respond to local needs previously existed is putting extreme demand for developing new structures and practices. At the same time cities has proven to be fertile land for new political movements and public participation. The geographical proximity to decisionmakers and the concentration of people has shown that there is no coincidence that opposition movements most often have their roots in urban settings and that manifestations are more easily organised. The economic base for local authorities is also often weak, even if they have a strong formal mandate. It is often limited to taxation of local business and transfers from the central government. Similarly their responsibility for delivering services are often limited to local infrastructure like water, sanitation, transport and roads, electricity, areas where often overlap and unclear responsibilities hampers efficient service delivery. Sida supports decentralisation to local levels, both through top-down actions like new legislation and development of political powers and through down-up support for locally based NGO's CBO and local authorities through capacity building etc. A particular area is the enhancement of fiscal powers of the local level. Supporting the civic society to strengthen the democratic governance of cities and to strengthen the linkages between democracy and environment is essential.
3. Land reform to secure tenure,  
The importance of receiving formal rights to your property cannot be underestimated. It has proven that secure tender has triggered off a number of improvement activities in urban slums. Issues that can be addressed through development assistance are; improve legal framework and institutional arrangements, property rights reform, land registration, land information systems, and public sector land acquisition, judiciary and enforcement and gender issues.
4. Local Economic Development.  
Cities and not only the capitals have shown to be motors of economic development in developing countries. The rural-urban linkages need to be strengthened to promote economic development. Urban areas can effectively contribute to the national growth through public policies coupled with community action, private sector commitment, accountable local government, and supportive national governments. To create sustainable livelihoods and absorb the labour-force, developing countries needs to find new economic areas for their development. Sida support actors like local authorities, business associations through enabling activities (capacity building, change of regulatory frameworks) and micro-credit schemes.
5. Housing  
Housing is a private good but is, in many countries, supported by enabling policies and direct subsidies. Sida supports the development of national housing and habitat policies to enable actions by different actors. Sida also supports the design of housing finance schemes (often with subsidised for the weakest groups) through a.o. micro-lending facilities.
6. Urban environment  
Urban areas are today posing a threat to the environment, particularly in the form of depleting water resources, destruction of coastal zones (where most urban agglomerations are found) and

consequences from solid waste deposits. At the same time, environmental conditions for the urban population, is extremely poor. Lack of water, no or poor sanitation facilities, no waste collection, high level of in and outdoor air pollution are threatening many peoples health. Water-related infections are the prime cause of diarrhoea diseases. Supporting reforms, capacity building and the creation of structures for enabling investment by national generated capital in water, sanitation and waste collection systems are examples of Sida interventions.

#### 7. Urban Transport systems

Efficient, safe and cheap transport systems contribute to a countries development. Urban traffic is a considerable environmental problem and co-operation over borders is necessary to deal with the problems caused by the rapid increases in traffic, polluting engines and poor quality fuels. Efficient transport systems in the cities contribute to increases in productivity and growth. Sida supports improvement of physical infrastructure, procurement of buses, management and organisational development, road safety, legislation etc. It could also deal with town planning, land use, environmental policies, establishment of companies etc.

#### 8. Air pollution is becoming a threat to peoples health, due to the emerging transport and energy systems. Policies to reduce air pollution through new technology, reduction of use of non-renewable fuels, minimisation of private transport and setting up of monitoring systems for measuring air quality are some examples of areas Sida supports.

#### 9. Cultural heritage

The self-esteem of nations are often manifested through their collective historical heritage, shown in the form of the built environment and monuments. Most of these are found in urban areas. The rapid urbanisation is posing a threat to the perseverance of the cultural heritage as urban development often is neglecting the needs to preserve old buildings and environments. The economic potential of preserving the built environment, e.g. in the form of tourism, is underestimated. Sida is engaged in several interesting projects in the urban cultural environment, for example in Hanoi and Bethlehem and on Zanzibar.

#### 10. Sustainable financing systems

Financial systems based on domestic resources (domestic savings etc) is often lacking in developing countries. The capital market and the banking system are poorly developed and mechanisms for lending to housing and local infrastructure are often poor. Sida supports actions to improve urban finance (municipal finance, housing – with/out mortgage, infrastructure through NGOs, microfinance for housing).

Sida works through different channels. Multilateral co-operation is well developed with institutions like UN-Habitat, World Bank in multistakeholder initiative such as Cities Alliance and others. Bilateral interventions are often designed to address sector-wide approaches and are sought to be implemented through co-ordination with other actors like bilateral donors, NGOs and the private sector. A number of NGOs such as Diakonia, Save the Children Sweden, Cultural Heritage Without Borders and a number of missionary organisations maintain important activities in the context of Swedish international development co-operation. Smaller organisations are co-ordinated within an umbrella organisation called Forum Syd (Forum South). Although these organisations contribute funds of their own collecting, Sida normally bears 80 per cent of the cost. Sida also co-operates with organisations like universities and research institutions.

Sweden is one of the few countries whose Official Development Assistance, ODA, exceeds the 0.7 per cent of gross national product, GNP, agreed on within the UN and confirmed at all the major world conferences, Istanbul and Rio included. In addition, Sweden has resolved, when possible, to revert to the

setting aside of one per cent of GNP for ODA. As an intermediate objective, the Government has resolved that ODA shall total 0.81 per cent of GNP in 2003. Sida's support to urban interventions has increased since 1995. The disbursements ranging between 500 and 750 million SEK per year with the largest areas being housing 40%, Water and sanitation 40% and integrated urban development approximately 10%.

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