



## Discussion Paper: Nordic overview of national support initiatives in urban planning

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**Project:** Comparative review of national support initiatives for local urban project development

**Programme:** Nordic Thematic Group for Green and Inclusive Urban Development (2021-2024)

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## About this discussion paper

This discussion paper is part of the project Comparative review of national support initiatives for local urban project development. The project runs during the 2021-24 programme period for the Nordic Thematic Group for Green and Inclusive Urban Development (TGA). TGA has been formed by the Nordic Committee of Senior Officials for Regional Policy (EK-R), under the Nordic Council of Ministers for Sustainable Growth. Members consist of representatives from relevant ministries, national, regional and local authorities as well as cross-border cooperation committees. The project aims to provide a better understanding of how green and inclusive sustainable urban development are governed, supported, and regulated through national support initiatives in the different Nordic countries. These diverse initiatives have direct effect on the relations between planning actors at all levels, especially on collaborative efforts and funding mechanisms, components which are examined in the project and from which the Nordic countries can exchange knowledge and practices.

## Introduction

The Nordic countries share many cross-sectoral targets at the national level to meet ambitious environmental, social, sustainable, and innovative development goals and standards. These require actions to be taken in city-regions and urban areas. Nevertheless, when it comes to spatial planning, central governments in the Nordic countries oftentimes have limited power to influence local level priorities when it comes to regulating land-use and adopting a range of policy areas that have an impact on sustainable urban development (see e.g. ESPON COMPASS, Nadin et al. 2018; Schmitt & Smas 2019). Many of the responsibilities lie with municipalities, which have more relevant decision-making power on a range of local development issues.

This raises the questions of if, how, and to what extent central governments (also referred to as the 'national level' throughout the report), can, should, and have the incentive or tools to support and collaborate on the development and implementation of various local urban development projects. It also raises questions of which and to what extent local and regional planning authorities need further vertical and horizontal support to adequately meet national sustainability objectives.

The focus on Nordic national support initiatives in this discussion paper is thus to both understand the regulative and national support aspects (top-down) and the prerequisites (bottom-up) to achieve national cross-sectoral targets as these relate to green and inclusive urban development. As the demands for a sustainable future in the Nordic Region increase, more knowledge is needed to explore the diversity of ongoing national level interventions and nation-wide multistakeholder mechanisms in local and regional land-use and spatial planning.

This discussion paper is divided into three main chapters, complemented with an overview of the Nordic planning systems with notes on any recent updates in the appendix. The first chapter considers the ways in which the Nordic planning systems have evolved to incorporate measures for green and sustainable urban development over time. The second chapter contains an overview of relevant national planning support initiatives that have been selected based on information from members in the Nordic Thematic Group for Green and Inclusive Urban Development (2021-2024) and further research. The final discussion chapter proceeds with reflections on the research questions, which are:

- How are the issues, objectives and goals related to sustainable urban development emphasised in national support initiatives in the Nordic countries?
- How are the national support initiatives complementing and colliding with municipal and regional spatial planning?
- What are the key comparative aspects across the national support initiatives from which all the Nordic countries can learn and draw inspiration?

The discussion also provides outlooks on the next phases of the project. Starting in the autumn/winter of 2022, the project will analyse and examine in-depth case-studies and elaborate on the collaborative planning structures and funding approaches among national, regional and local level planning authorities.

## Green and sustainable provisions in the Nordic planning systems

What kind of provisions are there today in the Nordic planning systems to ensure green and socially sustainable urban development? This chapter briefly considers how the spatial planning and regulatory frameworks set parameters for which such development may take place. Indeed, national and regional goals are often articulated within statutory spatial planning frameworks, but also points

to complementary sector policies and new approaches that in recent years may require different ways of operationalisation with implications for planning at all levels of governance.

### Ensuring sustainability in and beyond spatial planning

In the Nordic countries the spatial planning systems regulate land-use (Boverket 2020). The national level often holds an advisory role, including the preparation and approval of legislative frameworks and guidelines. However, the role of the national level differs between the Nordic countries and has continued to change over recent decades following similar trends seen in western European countries (see e.g. Galland 2012 in the case of Denmark; Schmitt and Smas 2019). Research has also observed that western European spatial planning has changed when it comes to national level involvement, shifting from a focus on reducing inter-regional disparities in the 1960s and 1970s to increasingly turning towards achieving sustainable development through economic growth measures, often through infrastructure projects, from the late 1980s and onward (c.f. Galland 2012; Galland and Othergrafen 2020).

Even though the Nordic countries' planning systems may be considered relatively similar in an international context, the differences between the spatial planning systems lie in the statutory planning instruments at the national level, but also in the institutional systems and interaction between the levels of governance and involved actors (see e.g. Schmitt & Smas, 2019). A recent update on the planning systems in Denmark, Finland and Norway was recently conducted in 2020 (Lidmo, Huynh & Stjernberg, 2020). While few changes have been made in these countries since, one example of recent change is that the Danish Housing and Planning Authority (*Bolig- og Planstyrelsen*) was established in 2021 under the Ministry of Interior and Housing. In Finland, a planning reform has been proposed, where one of the initial plans is to introduce an *urban land use plan*, a city-regional planning instrument based on the functional city-region. Differences in the organisational and institutional systems imply that there are different mandates and tools at the national level in the Nordic countries to influence and govern the regional and local urban development towards achieving sustainable and green agendas within the respective planning systems.

Table 1 outlines existing statutory planning instruments at the national level in each Nordic country. All these planning instruments influence local level planning (c.f. ESPON COMPASS; Lidmo, Huynh and Stjernberg 2020). Some may outline land-use priorities and strategic decision-making, such as the Danish Planning reports, or be directly regulative such as central government land-use plan (*statlig arealplan*) in Norway. For an overview of the spatial planning system for each Nordic country, refer to this discussion paper's Appendix (p. 44).

As this discussion paper underscores, national level initiatives may be considered necessary to influence and support Nordic municipalities toward green and socially inclusive urban development. This happens either through other sector-policies at the national level, such as transportation, or through other initiatives and funding programmes, approaches which are starting to change the conditions for local level planning. For example, agreement-based planning approaches which include [Stadsmiljöavtalen](#) in Sweden, [Byvekstavtaler](#) in Norway and [MAL-agreements](#) in Finland. Common to these emerging planning approaches is that they may limit or challenge conventional planning processes and deliberative local planning approaches. The inclusion of citizen participation in planning processes highlights the role of the civil society and the public when initiating local development projects and practicing broad decision making. The Nordic countries strive for this with varying degrees of success (Lidmo, Huynh and Stjernberg 2020). Overall, national level goals and priorities find their way to the local level and take a spatial dimension through the interplay between interpretation and implementation of national objectives (Lidmo, Huynh and Stjernberg 2020).

**Table 1: Statutory national planning instruments in the Nordic countries**

Denmark	Finland	Iceland	Norway	Sweden
National planning reports	National land use guidelines	National Planning Strategy	National expectations with regard to regional and municipal planning	Areas of national interest for conservation and development
National interests			Central government planning provisions	
National planning directives			Central government planning guidelines	
National planning directive for Greater Copenhagen			Central government land use plan	

### Planning for urban greenery

It has been noted that while the spatial planning systems and governance differs among the Nordic countries, they do, generally speaking, share similar objectives and criteria for the natural environment or designated green areas at the national and regional level planning. This has for instance been outlined in the report [The legal framework and national policies for urban greenery and green values in urban areas](#) (Lidmo, Bogason and Turunen, 2020), which examines and compares the five Nordic countries' planning legislation as these relate to environmental legislation that emphasise developing, preserving, and protecting green characteristics and qualities in urban areas. The report observed that while the regulation of green qualities in urban areas often are widely interpreted at the local level, there are key requirements set in each country. At a municipal level, the general structure, or zones of land use, are outlined to varying degrees in all Nordic countries. Urban green areas are usually regulated as public space, or as unspecified land in development districts or similar. Norway stands out in this context since there urban green space is regulated as a particular land-use objective. In practice this means that there is a clear zoning policy that must be met before a development project is being approved. In Finland, local detailed plans must ensure that there are sufficient parks or comparable areas suitable for local recreation in the zone covered by the plan. Though green space is mainly regulated in municipal and detailed plans across the Nordic countries, Finland's legally binding regional plans are used to pinpoint the general structures of land use, for instance in relation to green infrastructure. In this context the National Urban Parks arrangement in Finland is also unique in the way it has enabled many cities to establish national urban parks, often as a green infrastructure network to preserve green areas across the country (see e.g. Slätmo, Nilsson and Huynh, 2021).

All Nordic countries therefore use or have the possibility to use spatial planning frameworks to regulate access to green spaces in urban areas. The available planning instruments differ and have varied implications on the extent to which enduring green and inclusive development take place or ends up being accessible for the local community. The report did note that national planning instruments seem to have less actual impact on urban green areas across the Nordic countries

compared with local planning instruments, yet the tone set by national planning instruments remain key since these are steering both discourse and practice from the top level and down (Lidmo, Bogason and Turunen, 2020).

### Collision or convergences? National sector policies and spatial planning

In recent years, updated national sector policies are either integrated, coordinated, informed and/or not included in spatial planning at the local, regional and national level (see e.g. ESPON COMPASS, [Nadin et al. 2018](#)). To this end, Schmitt and Smas (2019) have argued that there has been a shift towards strategic spatial planning that can be observed in the Nordic countries which has, "...led to an introduction of other types of planning instruments that are outside of the more formal spatial planning system [and sometimes] contain investment-oriented agreement-based policies, e.g. place-based infrastructures" (Schmitt and Smas 2019: 144). In the Nordic context, these include various contractual policies such as agreement-based approaches and packages (see also Smas 2017). One common rationale behind these emerging planning approaches is that they are introduced and implemented for the central governments to promote sustainable urban development, especially through coordination and integration of transportation, housing and land use projects (Schmitt and Smas, 2019).

#### Shifts towards strategic spatial planning and new planning approaches

Planning research in the past decades have observed a shift in spatial planning from land-use planning to strategic spatial planning (see e.g. Albrechts 2006; Healey 2007). At the same time, contemporary research in the Nordic countries notes that "spatial planning has become increasingly influenced by neoliberal policy agendas across the Nordic countries in recent years, which is motivated by notions of effectiveness and selectivity instead of comprehensiveness and the involvement of new actor networks" (Bäcklund et al., 2017; Fredricsson and Smas, 2013; Galland, 2012; Mäntysalo et al., 2015 cited in Schmitt and Smas 2019: 133). Schmitt and Smas (2019) also note that these shifts have led to an "introduction of other types of planning instruments that are outside of the more formal spatial planning system" and sometimes "... contain investment-oriented agreement-based policies, e.g. place-based infrastructures" (Schmitt and Smas 2019: 144). Those initiatives have a direct effect on the relations between the national and local level. In Sweden, Norway and Finland, this has led to initiatives that coordinate and integrate transport and land use and housing planning projects (e.g. MAL-agreements in Finland, *stadsmiljöavtalen* in Sweden, *byvekstavtaler* in Norway) often framed as important tools to promote sustainable urban development (see Schmitt and Smas 2019).

These new planning instruments and tools often exist outside of or complementary to the planning systems, or are linked differently depending on the specific instrument, country and context. The emerging tools and planning approaches outside of the planning system can lead to issues of legitimacy (see e.g. Mäntysalo et al. 2015), suggesting that the planning systems are not 'up-to-date' when it comes to handling the complexity of urban development projects as well as governing and regulating urban development projects that are green and socially sustainable.

In Norway and Denmark, but also in Iceland, there is a ministerial tradition which means that they have integrated ministries with executive power. In the context of spatial planning, this implies that the ministry can develop national planning guidelines but more importantly regulatory planning instruments. The latter is less common in Sweden and Finland who have more of a technocratic tradition with autonomous governmental agencies with some degree of autonomy and separated structurally from the related ministry or department (Schmitt and Smas 2019). This means that these governmental agencies rather make sure national interests are secured in local and regional spatial



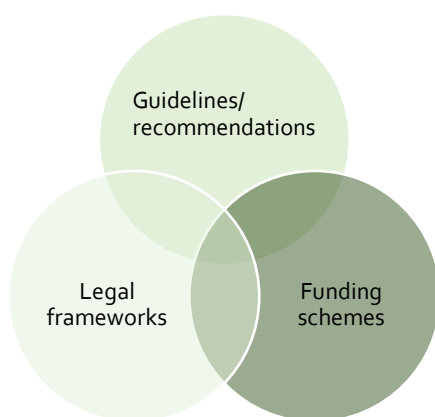
planning, than having regulatory and legally binding planning instruments at their disposal (c.f. Schmitt and Smas 2019; Lidmo, Huynh and Stjernberg 2020).

### National support initiatives: definition and scope

There are various forms of so-called *national support initiatives* that exist which influence green and inclusive urban development. For example, there are emerging planning approaches that exist in addition to the conventional planning system. Agreement-based planning approaches, as mentioned above, is one example. Even though agreement-based planning approaches have existed in various forms in Nordic spatial planning<sup>1</sup> for a long time (see for example Boverket 2007; Nyström and Tonell 2012), recent examples such as Stadsmiljöavtalen in Sweden; byvekstavtaler in Norway and MAL-agreements in Finland all aim to facilitate sustainable urban development, to achieve national objectives, and to better coordinate transportation planning, housing development and collaboration between different planning and sector authorities.

Sector planning or other project funds also influence efforts towards local sustainable urban development. On a European level, we can distinguish between spatial planning 'in' Europe vs spatial planning 'for' Europe. Spatial planning 'in' Europe refers to national and regional planning, i.e. the various spatial planning systems and practices across Europe within each national, regional and/or local context. Whilst spatial planning 'for' Europe refers to different programmes, initiatives and instruments for spatial planning in the development of the EU territory as a whole (Böhme and Waterhout 2008 cited in Dühr et al. 2010:360). Following similar arguments, in each Nordic country it may exist national variants of spatial planning 'for' Europe. These initiatives may be called spatial planning 'for' Sweden or spatial planning 'for' Norway and so on. However, in this report we call them *national support initiatives*.

In the Nordic Countries, which this discussion paper focuses on, there are three ways where the national level influence local-level spatial planning, namely through planning legislation or that of other sectors, financial mechanisms, as well as recommendations and guidelines (Figure 1).



**Figure 1:** *The three ways the (central) state influence urban development.*

These broad categories sometimes overlap and are no new concepts. However, the relatively decentralised planning systems in the Nordic countries, result in large responsibilities among the Nordic municipalities to implement and govern the local development towards sustainable urban development. In some cases, it may require further support from the national level in addition to

<sup>1</sup> In Swedish, the term Förhandlingsplanering is commonly used to describe this.

existing guidelines, recommendations and legal framework. In order to grasp and better understand how municipalities work toward green and inclusive urban development, in addition to policies and tools within the statutory planning systems, *national support initiatives* are defined in a broad sense as:

*Initiatives that support sustainable urban development efforts through funding mechanisms from a nationwide stakeholder (e.g. ministries, foundations, agencies) to local level stakeholders, such as municipalities. The funding may encourage or lead to partnership networks and multilevel collaboration that enhances local level efforts in achieving national sustainable urban development targets.*

As this broad definition underscores, national support initiatives may be similar to *Spatial Planning 'for' Europe* but consist of programmes and initiatives within each of the individual countries rather than EU-programmes. These initiatives may exist because the statutory and local level spatial planning systems lack tools or means to achieve the ambitious national targets and could be understood as another way for the national level to influence local level spatial planning priorities. In other words additional national level initiatives may be considered necessary to influence and support Nordic municipalities toward green and socially inclusive urban development, and several of those existing or recently finalized initiatives are outlined in the following chapters in this discussion paper.

### Summary: green and sustainable provisions in the Nordic planning systems

There are many ways the Nordic planning systems provide for green and sustainable development. When it comes to the spatial planning systems today, objectives put forth in national support initiatives overlap and support the existing systems, but not without conflict of interests. It often boils down to different resources and capacities of municipalities across the Nordic countries to govern and regulate just and sustainable urban development futures. Even if all municipal planning frameworks must outline how national and regional goals have been considered, it is often up to each individual planning authority to assess how this will be done in each development project. This can be both a challenging task and sometimes hard to fulfil without further support from other planning authorities. National support initiatives are emerging and becoming increasingly important to for several planning authorities to cope with the complexity of encountered challenges in their efforts toward sustainable urban development. In the following chapter, we will outline some of the most recent, relevant and ongoing initiatives in the Nordic countries.

## National support initiatives in the Nordic countries

Planning for green and inclusive urban development in the Nordic countries is increasingly a cross-sectoral effort, but spatial planning often remains at the core when plans are implemented in regions and cities. This can be the source of tension when stakeholder interests overlap, but also a potential unifying driver to meet national and regional planning objectives. In this chapter, we have mapped different national support initiatives in each Nordic country which primarily target sustainable urban development. The selected initiatives do not reflect a comprehensive list as such, but each contains a description of scope, objectives and actors involved.

### Survey and preliminary scoping

An initial mapping was conducted in the autumn of 2021 to identify different national initiatives, funding programmes or other regulatory measures that cuts across a range of sectors and policy areas with green and social implications on regional and local planning in urban areas.

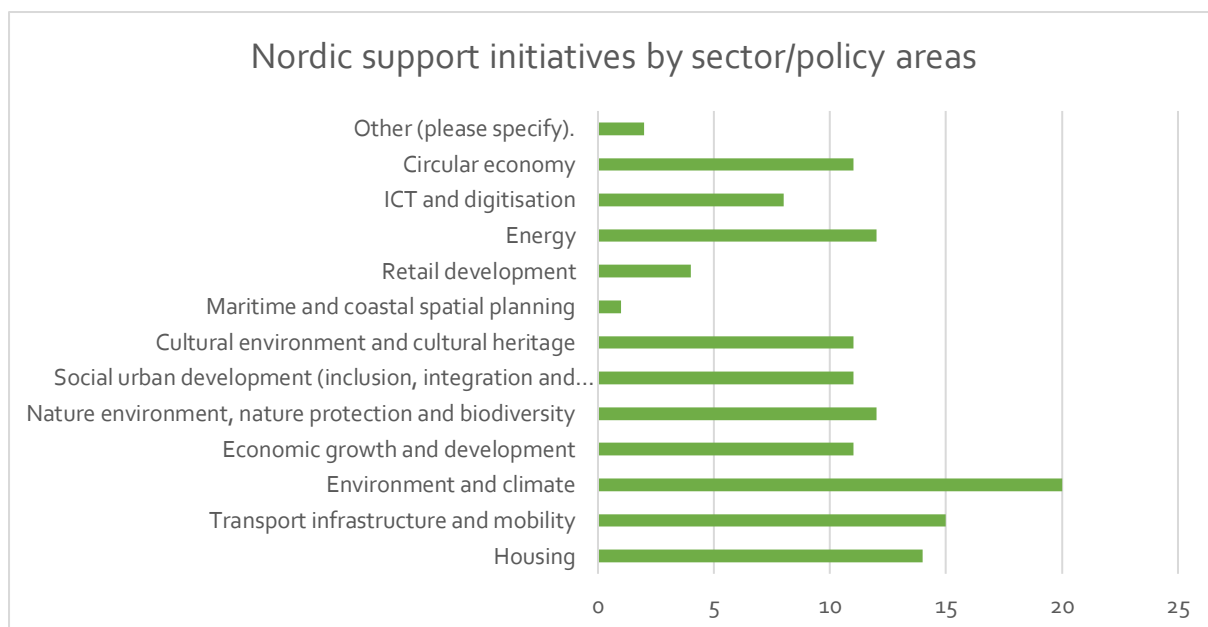
The survey questionnaire covered 12 different sector areas:

- Housing

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- Transport infrastructure and mobility
- Environment and climate
- Economic growth and development
- Nature environment, nature protection and biodiversity
- Social urban development (inclusion, integration and segregation)
- Cultural environment and cultural heritage
- Maritime and coastal spatial planning
- Retail development
- Energy
- ICT and digitalisation
- Circular economy
- Other

The survey was sent out to representatives from relevant ministries, regions and municipalities who are members in the Nordic Thematic Group for Green and Inclusive Urban development (2021-2024), who were also encouraged to share the survey with relevant stakeholders. The respondents were asked to list up to five national support initiatives that were ongoing or that were ended in 2017 at the latest. Respondents varied from 1-4 per Nordic country. Desk research was then conducted to complement the listed initiatives that were mentioned, as well as to validate the relevance of these. For the Icelandic case, an interview was conducted to complement the mapping exercise from the survey and desk research. This mapping exercise should thus not be understood as a comprehensive list of initiatives for each country, but will guide an understanding of which initiatives should be considered as case studies in the project's Phase 2.



**Figure 2:** Based on the survey, a total of 28 Nordic initiatives was identified after validation by Nordregio researchers. This figure shows which policy sectors/thematic focus that those initiatives cover. One initiative could be holistic and include all themes/policy sectors, or just one.

The survey results (Figure 2) indicates that almost all the initiatives aim to steer, regulate and financially support urban development projects connected to *Environment and Climate* aspects, but most initiatives are holistic, covering multiple themes and policy sectors cutting across sustainable

urban development issues. This suggests that environment and measures for climate change adaptation and mitigation are important aspects for urban development. This does however not imply that the detailed analysis of selected national support initiatives for each Nordic need to have a sector-oriented focus, which the discussion paper returns to in the Discussion chapter.

After the first mapping exercise, Nordregio researchers made a more detailed categorisation than could be done in the survey, and added new nuanced sector areas to the initiatives. These sector areas are outlined in Table 2 below, together with the responsible authority/organisation and a short description/purpose of each initiative. The table is followed by a sub-chapter for each of the five Nordic countries that consists of descriptions of all identified national support initiatives.

### **Webinar: Multilevel governance for green and inclusive urban development in the Nordic Region**

One of the first initiatives of the programme period was a Nordregio webinar focusing on two projects funded by the Nordic Thematic Group on Green and Inclusive Urban Development. The event brought together national, regional, and local representatives to exchange knowledge about ongoing initiatives, practices, and discuss how multilevel governance cooperation can be enhanced within and across the Nordic region. All of the five countries were represented with keynote speakers and panellists.

During the programme, participants had the opportunity to learn more about some of the national and local initiatives that are addressed in this policy brief but also other national programmes. These included, Klimasats by the Norwegian Environment Agency, DK2020 by Concito/Realdania, Borgarlína, Transport for the Capital Area, Iceland, Lähiöohjelma, Finnish Ministry of the Environment, as well as the Area-based initiatives by Ministry of Local Government and Regional Development and Prosjekt tettstedspakke by the Norwegian Centre for Transport Research (TØI) in Norway.

For more information and recording of the webinar:

<https://nordregio.org/events/webinar-multilevel-governance-for-green-and-inclusive-urban-development-in-the-nordic-region/>

**Table 2: National Support Initiatives relevant for sustainable urban development in the Nordic Countries**

Country	Name of initiative	Purpose	Responsible authority or organisation	Sector areas
Norway	Urban Growth Agreements (Byvekstavtaler, belønningsordningen, og bymiljøavtaler)	To support municipalities/city-regions to achieve the zero-growth goal, by promoting the development of smarter and greener cities through the reallocation of road space to uses other than driving and parking private cars. Supported measures must be solutions that ensure better accessibility and facilitate the use of transport modes other than private cars.	Ministry of Transport	Transport infrastructure Mobility Environment Climate
Norway	Klimasats	Financially supporting municipalities with cutting greenhouse gas emissions and engage in the transition to a low-emission society	Norwegian Environment Agency (Miljødirektoratet)	Environment
Norway	Area-based initiatives (Områdesatsinger)	Improve local services and the quality of life in communities where it is needed the most.	Ministry of Local Government and Regional Development (KDD)	Social urban development (inclusion, integration, and segregation)
Norway	FutureBuilt	Focused on circular and green transitions in the building industry, by supporting pilot projects out as a strategy for changing the way buildings and urban areas are developed.	Local multistakeholder coordination in partnership with the Ministry of Local Government and Regional Development (KDD) and other national agencies	Circular economy Building sector
Norway	Gnist	Complement, reinforce and realize existing initiatives and plans in the municipalities, but also implement new development projects. The starting point is local needs, advantages and premises. A key part is the exchange of knowledge and experience in innovative local and business development across municipalities and regions.	DOGA (Design and architecture Norway)	Innovation Economic growth Built environment
Norway	Cultural heritage	Funding to support preservation monuments and cultural environments in private ownership; ensuring restoration is being done in accordance with antiquarian guidelines	Directorate for Cultural Heritage	Cultural heritage

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Denmark	Partnership for living city centers (Partnerskab for levende bymidter)	A partnership with the aim to find solutions to the widespread challenges facing many town centres in small- and medium sized cities	Ministry of Finance, Business and Financial Affairs  Realdania  Danish Housing and Planning Authority	Economic growth Retail Development Planning
Denmark	Closer to II: Cities with spaces for everyone (Tættere på II: Byer med plads til alle )	Aims to support more affordable housing in Denmark, allocated for example through mixed-cities fund.	Ministry of Interior and Housing	Housing
Denmark	Housing- and Planning agency subsidy pools Bolig- og plansstyrelsen tilskudspuljer (Byfornyelsespuljer, områdefornyelse, landdistriktspulje, nedrivningspulje)	In Denmark, several subsidy pools exist that support various sustainable local development initiatives. Under the Ministry of the Interior and Housing, the Danish Housing and Planning Authority oversees many of the funding pools targeting sustainable local development. Public and private actors can apply for project funding under specified criteria	The Danish Housing and Planning Authority (Bolig- og plansstyrelsen)	Cross-cutting
Denmark	DK2020	Supports a multistakeholder network with national reach and participation at local level. It targets local climate sustainability transitions. It has contributed to a commitment among the participating municipalities to develop climate action plans.	Realdania	Environment Climate
Iceland	Transport agreement between the state and municipalities in the capital area	A contract between municipalities and state on development of transport infrastructure and public transport in the capital area. The aim is to increase safety, improve transport for all modes of transport and reduce delays, greatly increase public transport and reduce pollution caused by particulate matter and greenhouse gas emissions by promoting a carbon-free society to meet the climate goals of governments and municipalities.	Association of municipalities in the Capital area  Icelandic Road Administration (State)  Ministry of infrastructure	Environment Climate Transport Planning Mobility

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Iceland	Equity Loans	A form of aid for those who need assistance to be able to enter the real estate property market. One of the justifications for introducing the remedy was also to contribute to a more socially sustainable urban development.	The Housing and Construction Authority (state)	Housing
Iceland	Public housing support (Stofnframlög fyrir almennar íbúðir)	The state and local authorities are allowed to provide initial contributions for the construction and purchase of affordable rental apartments. The goal is to contribute to a more sustainable urban development, contribute to less segregated neighbourhoods and assist municipalities in securing a balanced socioeconomic mix in their neighbourhoods.	Reykjavik City Connected to BTR Borgarlína	Housing
Iceland	Green Steps	The Green Plan is Reykjavík City's strategy which sets the scene for finance, investments and green key projects for the next 10 years. It summarizes in one place the main key projects and green investments in the city and is based on sustainable thinking and a clear vision of a carbon-neutral urban society.	Reykjavik City Connected to BRT Borgarlína	Climate Transport
Iceland	20-minute neighbourhood	The plan describes the 20-minute neighbourhood so that within it there is a good supply of diverse housing options and all the main services. It will be assumed that residents will have no further access to the central core than a 20-minute walk. Local services are spread so that the residents of each district have access to the most necessary services such as kindergartens, primary schools, sports and leisure activities and a grocery store within a 5–10-minute walk. The focus of the town's 20 minutes reduces the need for travel and should enable as many people as possible to go on their errands on foot or by bicycle.	The Housing and Construction Authority (state)  Ministry for Social affairs  Ministry of infrastructure	Climate Transport Planning Health

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Finland	Sustainable City Programme (Kestävä kaupunki –ohjelma)	Aim to increase and deepen the cooperation between municipal developers by applying pilot projects to solve common urban sustainability challenges and spread best practices to be incorporated into city management.	Ministry of the Environment	Low-carbon/Climate IoT Health Environment Social Sustainability
Finland	Regional land use development tool (Alueidenkäytön kehityskuva)	The Regional land use development tool is meant to be used continuously in various public sectors to enable better planning and decision making. It produces information about the current state and future of Finnish regional and community structures (i.e. the location of housing, services and traffic). The tool is also used to gather scattered information on the state of the built environment in one place to make it more accessible for users. This tool differs from many other national support initiatives, since they do not consist of available funding, but they are developed by state funding in order to support local and regional planning authorities with SUD efforts.	Ministry of the Environment	Land use planning Transportation Climate Energy Service networks Housing
Finland	Project 'Ryhti' (Ryhti-hanke)	The Ryhti database aims to gather information such as detailed plans, and permits for building, demolition and environmental measures. It targets users such as property owners, the residents, the business sector, researchers, and decision makers.	Ministry of the Environment Finnish Environment Institute SYKE	Buildings Planning Real estates Built environment
Finland	Suburban programme (Lähiöohjelma)	The suburban programme aims to reinforce the comprehensive development of suburban areas and prevent segregation in the largest Finnish cities. The main objective is to facilitate the well-being of residents and promote the vitality of these areas by positive, long-term development.	Ministry of the Environment	Social inclusion/integration Segregation



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Finland	Municipal Climate Change Solutions Programme (Kuntien ilmastoratkaisut - ohjelma)	The programme aims to encourage and speed up the local and regional work with reducing greenhouse gas emissions in the most cost-efficient ways possible. This is done through enhanced partnership and cooperation between the state and municipalities on environmental initiatives, funding of local and regional environmentally friendly solutions and spreading of best practices.	Ministry of the Environment	Cross-sectoral environment and climate cooperation Low-carbon transport Energy efficiency
Finland	Ecosystem agreements (Ekosysteemisopimukset)	Agreements on the strategic allocation of public and private financing to local research and innovation programs in 16 university cities were signed in 2021 to promote competitive ecosystems. The working programme is founded on the main themes of low-carbon, digital technology, and welfare and health. The objective of the agreements is to build innovation ecosystems, in other words, to intensify cooperation within networks, strengthen key competences and increase effectiveness.	Ministry of Economic Affairs and Employment	Nature environment Nature Protection Biodiversity Environment Climate
Finland	MAL-agreements: Land use, housing and transport agreements	The intentions with the MAL-agreements are to facilitate cooperation between the municipalities in a city-region, but also cooperation between the state and the municipalities. Each agreement sets concrete objectives and connects measures, in order to develop housing under the coming years, as well as to improve the functioning and competitiveness of urban regions	Ministry of the Environment  Ministry of Transport and Communications  Ministry of Economic Affairs and Employment  Ministry of Finance the Housing Finance and Development  Centre of Finland (ARA)  Finnish Transport Infrastructure Agency  Finnish Transport and Communications Agency Traficom	Land use Housing Transportation

Nordic overview of national support initiatives in urban planning

		Regional Centres for Economic Development, Transport and the Environment		
Sweden	The Strategic innovation programmes (SIP)	<p>The Strategic innovation programmes (SIP) is a joint initiative between Vinnova, the Swedish Energy Agency and Formas. It consists of seventeen programmes, divided thematically, and aims to support sustainable solutions to societal challenges that have been identified as strategically important for Sweden, in alignment with the 17 SDGs</p> <p>The major initiative in this programme is Climate Neutral Cities 2030 with the objective to achieve climate neutrality and good life for all in cities within planetary boundaries. The initiative includes 23 Swedish municipalities, that together account for 40% of Sweden's population, and five partnering government agencies.</p>	<p>Vinnova</p> <p>Formas</p> <p>Swedish Energy Agency</p>	<p>Bioeconomy</p> <p>Transport infrastructure</p> <p>information and communication technology</p> <p>process industry (i.e. metal industries)</p> <p>health and medical technology</p> <p>Built environment</p> <p>power electronics</p> <p>mining</p>
Sweden	Urban environment agreements (UEA), Stadsmiljöavtal	<p>Municipalities and regional authorities can apply for a government grant for initiatives that aim to increase the usability and use of regional and local public transport and/or biking as well as more sustainable freight transport or increase of housing construction. The initiatives should also lead to more energy effective solutions in public transport and/or biking, streamlining of freight transport and good built environments.</p>	<p>Swedish Transport Administration</p>	<p>Public transport systems</p> <p>infrastructure</p>

Nordic overview of national support initiatives in urban planning

Sweden	Support Programme for Renovations and Energy Efficiency Measures in certain areas	<p>Developers and property owners could apply for a grant aimed at reducing rent in apartments buildings where renovations and energy efficiency efforts have been made. Aimed at particularly vulnerable urban areas, the initiative allocated SEK 800 million per year. This was divided into two parts, one part was dedicated to grants for renovations and the other part for energy efficiency measures.</p> <p>The grant to energy efficiency measures was provided to the property owner if the renovation contributed to at least a 20 percent increase of energy efficiency of the building.</p>	<p>Swedish National Board of Housing, Building and Planning</p> <p>Swedish Energy Agency</p>	Housing Energy
Sweden	Climate Leap	<p>The Climate Leap, (Klimatklivet), is a funding scheme for local and regional initiatives to enable reducing emissions of hazardous climate and greenhouse gases. It is estimated that the initiatives will contribute to an additional reduction of 1.9 million tons of CO<sub>2</sub> per year over a 16 years period</p>	<p>County Administrative Boards</p> <p>The Swedish Environmental Protection Agency</p>	Transport infrastructure industry housing other buildings
Sweden	Green and safe societies	<p>The aim of this initiative is to develop outdoor public spaces such as parks, squares and walking trails in vulnerable areas into more health-promoting and verdant spaces as well as to shape outdoor environments into secure, pleasant and inclusive spaces. This includes the conversion of hard-made surfaces into more verdant greenery, by planting trees and bushes.</p>	Swedish National Board of Housing, Building and Planning	Environment Ecosystem services urban greenery social urban development

Nordic overview of national support initiatives in urban planning

Sweden	Visions: in the North	<p>The project Visions: in the north was initiated by the Council for Sustainable Cities (Rådet för hållbara städer) with the aim of investigating new ways forward in the creation of sustainable social development.</p> <p>The main aim of the project Visions: in the North, is to bring together several creative professions to look at the question: How can we create beautiful, inclusive and sustainable communities that we can all be proud of for generations?</p>	<p>Council for Sustainable Cities</p> <p>Swedish National Board of Housing, Building and Planning</p> <p>ArkDes</p> <p>Swedish Energy Agency</p> <p>Formas</p> <p>Vinnova</p> <p>Involved municipalities</p>	<p>Housing</p> <p>Architecture</p> <p>Environment</p> <p>Infrastructure</p> <p>Climate</p>
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## Norway

While there is no national spatial plan in Norway, there are several guidelines that exist for green and sustainable development, including the *National expectations regarding regional and municipal planning 2019–2023*, a document revised every four years that is meant to outline regional and municipal planning with the goal of promoting sustainable development throughout the entire country (see Appendix, p. 44).

During the 2013-2017 period, the then Ministry of Local Government and Modernisation implemented a major program aimed at sustainable urban development in large urban areas under the title “Planning for large cities”. The government has continued to steer national efforts toward developing sufficient housing and jobs in metropolitan areas, while increasing sustainable modes of transportation that can contribute to reducing greenhouse gas emissions (KDD, 2021). Other important planning measures for urban development have been to coordinate area, housing and transport policies with attention to sustaining quality of life for citizens. One of the key initiatives in this context has been the Urban Growth Agreements, which has operated since 2017.

The government also awards an annual “sustainable urban and regional development” prize to a city that have successfully implemented high-quality economic, social and environmental efforts in local sustainability developments. To encourage other places to do the same, the Ministry of Local Government and Regional Development has a dedicated [webpage](#) with tools and guidelines for urban and regional development (see KDD 2022a). More recently, there is a shift in schemes that place emphasis on regional development and focuses on innovation for local and business development in rural communities through programmes such as [Gnist](#), or carbon neutral built environment adaptations such as the FutureBuilt programme, which could be relevant to consider within the scope of national support initiatives as defined in this discussion paper (see DOGA 2022). Other national initiatives and grants schemes that additionally support cities and municipalities in areas such as arts and culture, health and outdoor accessibility can also be found on the [same webpage](#) (KDD 2022b).

### Urban Growth Agreements

The state has a zero-growth goal (*nullvekstmål*) for major urban areas that aim to ensure that the growth in passenger transport should be absorbed by public transport, cycling and walking. Urban growth agreements (UGAs) have in recent years been the main tool for achieving the zero-growth goal. UGAs are binding agreements outlining infrastructure investments and implementation packages over a ten-year period. They promote the development of smarter and greener cities through the reallocation of road space to uses other than driving and parking private cars. The agreements are in place in Bergen, Oslo, Stavanger and Trondheim. As of 2022, the government plans to adopt five new UGAs for Buskerudbyen, Grenland, Kristiansandsregionen, Nedre Glomma and Tromsø.

UGAs are a multi-level governance tool involving local, regional and national governments. All three levels of governance work together across relevant sectors to identify land use and transport systems that can result in zero-growth in passenger car traffic. The final decision of an agreement is made after negotiations between the national transport authorities and regional and municipal political representatives. The solutions chosen shall ensure better accessibility and facilitate the use of transport modes other than private cars. Strategies to reduce or limit urban road traffic volumes include densification and transformation of urban centres, improved conditions for walking and bicycling, better public transport services, and restrictions to private car traffic.

Funding for projects comes from toll revenue and state, regional and municipal budgets. The state budget covers 66 percent of the investment costs for large public transport infrastructure projects in

the four largest urban areas. The National Transport Plan 2022-33 allocates about EUR 8 billion to UGAs (Ministry of Transport, 2020). Prior to UGAs, urban environment agreements (*bymiljøavtaler*) were the key instrument for coordinating land and transport policy through a binding collaboration between the state, county municipalities and municipalities in the nine largest urban areas. In addition, urban development agreements (*belønningsordningen*) were introduced in 2015 to focus on specific areas in the urban environment agreements. In order to further integrate transport policies in these nine urban areas, the urban environment agreements and the urban development agreements in 2016 were coordinated into Urban Growth Agreements. Urban growth agreements are discussed in more detail in the National Transport Plan 2022-2033 (Ministry of Transport, 2020).

### Klimasats

Klimasats is a support scheme for municipalities and county municipalities that want to cut greenhouse gas emissions and engage in the transition to a low-emission society. Started in 2016, the scheme is in its seventh year and has supported 1472 projects under the coordination by the Norwegian Environment Agency (Miljødirektoratet). Municipalities, county municipalities, and the local council in Longyearbyen and some municipal enterprises can apply for joint grants, or separately. In 2021, NOK 111 million was allocated to municipalities and other eligible applicants across 183 projects (Miljødirektoratet, 2021). The results show that there is a major demand for this type of funding support among the municipalities, and that mainstreaming climate action is becoming a nation-wide norm.

Municipalities can apply for support for climate measures in specific procurements or tenders, mapping of climate measures in buildings and construction, and charging points for electric cars. The funding scheme is comparable to Klimatklivet in Sweden, but Klimasats does not cover climate adaptation measures. The Norwegian Environment Agency has its own grant scheme for adaptation projects. Klimasats also has guidelines and a toolbox for the municipalities reporting on the projects that have received funding (Miljødirektoratet 2021).

### Area-based initiatives (Områdesatsinger)

Since 2014, the state has collaborated with several municipalities on area-based initiatives to support urban areas with major living conditions challenges. Today, the state has cooperation agreements with the municipalities of Oslo, Drammen, Stavanger and Bergen. The aim with the cooperation agreements is to contribute to improving local services and the quality of life in communities where it is needed the most.

The area-based initiatives work with specific challenges in each of the four municipalities. The municipalities have chosen different ways of organising its cooperation with the state, but the activities that are common to the initiatives, include:

- Revitalizing and upgrading public spaces, such as meeting places and cultural activities and amenities
- Enhancing the integration of immigrants
- Improving better results for students in primary school
- Reducing the number of dropouts in high school
- Getting more people into work and stay in the labour force
- Reducing crime
- Strengthening public health

The annual action plan programmes, which contain proposals for specific measures and activities form the basis for applications to the state. Area-based initiatives are also co-financed from

participating directorates and other ministries. It is the Ministry of Local Government and Regional Development that coordinates the initiatives across seven different ministries and the participating municipalities. The ministries earmark funds for the area investments in the annual allocations through the proposed state budget. A collaboration is assumed where the ministries set aside funds in the ordinary budget processes toward the area-based initiatives.

### Other national planning support initiatives in Norway

There are additionally several national funding schemes that in the broadest sense support inclusive and green urban development. FutureBuilt is a programme that has for many years focused on circular and green transitions in the building industry. Alongside national-level partners, six municipalities in the Oslo region have been collaborating on efforts to ensure climate friendly urban development since 2010. As of May 2022, 69 pilot projects have been carried out as a strategy for changing the way buildings and urban areas are developed, these include public and commercial initiatives dealing with neighbourhoods, housing, schools, kindergartens, office buildings, cultural centres and cycling projects.

At the local level, there are innovation programmes such as Gnist, which has gained widespread attention in recent years. Gnist focuses on building capacity for innovation in rural municipalities that want to work in new ways with local and business development. The goal is to contribute to job creation and more attractive local communities throughout the country. Like Denmark, this type of initiatives seeks to reinvigorate the importance of innovative and sustainable local development in small- and medium sized cities, many of which are way beyond the urban periphery or in sparsely populated areas.

As for cultural heritage, there is also national funding support to preserve protected cultural monuments and cultural environments in private ownership and to help ensure that these are restored in accordance with antiquarian guidelines, but further comparison with the Nordic countries and the extent to which these contribute to green and inclusive development more specifically, for example as it pertains to landscape preservation, would be relevant (Riksantikvaren n.d.).

### Denmark

Danish national spatial planning throughout recent decades has increasingly taken a strategic steering role, often evolving through the lens of economic development and balanced growth objectives as for example seen in the efforts put into the retail and commerce sector in local planning (see e.g. the government's *Vækstplan for handel og logistik* from 2020, Regeringen 2020). This is also reflected in some of the initiatives that listed here, although Denmark, with its funding pools (puljer), allows for targeted projects in urban areas.

More recently the government announced the "Tættere på II – Byer med plads til alle" programme, which stated that Denmark will spend billions on sustainable housing construction and devise a new national architecture policy which is likely to have implications local planning in years to come if implemented. When it comes to the support for green planning, the updated Planning Act place more regulations and obligations on municipalities to plan for the protection of nature, and especially to secure continuous green areas that cross municipal borders, less emphasis is put on those green areas which are closer to the core of dense urban areas. The existing legislation focuses more on the outskirts, on the green wedges and corridors, and this is quite often defined by transport needs. At the local level, strong agency around spatial planning has enabled increased public participation and access to information, which in turn gain, to a certain extent, local acceptance for complex and multi-layered planning decisions and processes. This is because participatory processes cut across different policy sectors and projects, such as those involving nature, water, climate, and recreational projects.

Despite having a planning system that is becoming increasingly decentralised, there is still an important interplay that rests upon national interests and policies and local level implementation in Denmark.

### Partnerskap for Levende Bymidter

In 2020, as part of the government's growth strategy for local commerce (Vækstplan for handel og logistik), the then Ministry for Industry, Business and Financial Affairs, Realdania, and other actors, established a partnership to help find solutions to the widespread challenges facing many town centres in small- and medium sized cities. As of 2022, the partnership is between Realdania and the Danish Housing and Planning Authority.

In Denmark, the city centres have historically had, and continue to have, a significant role as social meeting places for the community, yet many places have for years been experiencing closure or relocation of many functions because of depopulation, changing trade patterns (such as increase in e-commerce), and new mobility and commuting patterns. These trends affect the overall attractiveness of cities and thus the opportunity to attract settlement and businesses.

The partnership is meant to run until mid-2022, and has published a tool-box available online for small- and medium sized cities in Denmark (Bolig- og Planstyrelsen 2021). It is demonstrating of how public-private partnerships can galvanise local sustainable development nationally. The partnership has also provided recommendations for government initiatives that can support the municipalities' work with enhancing vibrant city centres. Two key recommendations are relevant to this study, which include, 1) Physical transformation: Under this area, closer consideration of how municipalities, partially through physical planning and partially through investments in public services, art, culture, movement, and urban greenery etc. can support vibrant city centres. The second is 2) Public-private partnerships: Among local politicians and local actors involved in the partnership, there is a growing interest in private-public collaborations. There is special interest in establishing binding partnerships, so-called Business Improvement Districts (BIDs) as well as other types of partnership models such as network partnerships like POGI, which is a network for public procurement, or DK2020, a networking which is becoming the largest in the country for local climate sustainability transitions.

### Closer to Part II: Cities with spaces for everyone - Tættere på II: Byer med plads til alle

In October 2021, the Ministry of the Interior and Housing (*Indenrigs- og Boligministeriet*) announced the government's plan to provide more affordable housing across the country. Some of the priorities outlined in the report, *Closer to Part II: Cities with spaces for everyone* (Ministry of the Interior and Housing (2021)). This build on the earlier *Closer to (Part I) - Green Cities and a capital in development*, which laid out 19 proposals to strengthen the green transition in the country's larger cities and ensure a liveable capital (see report, *Indenrigs- og Boligministeriet 2021*).

The "Part II" of the national support programme include, more student housing, where 4000 studio flats in the capital have been suggested, as well as at least 33 percent public housing in the big cities where DKK 10 billion will be allocated to the mixed-cities fund (*Fonden for blandede byer/ Nybyggerifonden*). The fund will finance several new initiatives targeting the public housing sector. Related to these, other initiatives have also been suggested for new public housing through the conversion of hotels and private residential properties, new public housing through better utilization of space, new public housing for allocation as well as affordable cooperative housing, 14 other specific housing projects in the Greater Copenhagen area. The aim is to implement these objectives up until 2035.



### Funding schemes from the Danish Housing and Planning Authority

In Denmark, the central government allocate funding pools (tilskudspuljer) to each ministry.<sup>2</sup> Under the Ministry of the Interior and Housing, the Danish Housing and Planning Authority oversees many of the funding pools targeting sustainable local development. The funding is further distributed to municipalities and for each initiative that is announced, public and private actors can apply for project funding under specified criteria. The calls are often available through the municipalities' webpages or the government's main site.<sup>3</sup> The scope of each funding pool varies from year to year and change names according to area of priority. For example, funding earlier known as *Byfornyelsespuljen* (2018-21) and/or *områdefornyelse*, formerly under the auspices of the national authority known as Danish Transport, Building and Housing Agency, has since shifted to an increased focus on rural development (landdistriktspuljen).<sup>4</sup> The former was at the time based on a recent revision of the Urban Renewal Act (Byfornyelsesloven) which emphasised the importance of sustainable buildings and the spaces that exist between the buildings (squares, roads, social initiatives, etc.) with primarily larger cities as a frame of reference.<sup>5</sup>

A total of DKK 198 million has been earmarked for the entire programme period (Indenrigs- og Boligministeriet 2022). Funding will be given to projects that promote employment, business development, service, living conditions, settlement as well as local cultural and leisure activities in rural and small island communities or that can shed light on rural development conditions and opportunities.

As of 2022, a total of DKK 40.1 million has been allocated from the rural development funding pool which will specifically support five types of projects, including rural pilot projects, research projects, projects on small islands, projects in areas with onshore wind turbines and funding for locally run grocery stores, pending on the opening of application rounds. Another example of funding pool targeting green and sustainable development is the *Pulje til forsøg med natur- og landskabsværdier i byfornyelsen*, which will distribute resources to projects enhancing green values in city development (but as of August 2022 not yet open for applications).

### DK2020 for local climate sustainability transitions

The DK2020 initiative is an example of multistakeholder network with wide national reach and participation at the local level. It is based on the C40 network's Deadline 2020 project, which sets a global framework for how cities and municipalities can contribute to achieving the objectives of the Paris Agreement. The partners behind the project are Realdania, Local Government Denmark (KL) with the five Danish regions as well as CONCITO and C40 being knowledge partners and project leads.

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<sup>2</sup> There is a website where all of the funding pools can be accessed <https://www.statens-tilskudspuljer.dk/indenrigs-og-boligministeriet>

<sup>3</sup> Here is a specific example from Faaborg-Midtfyn municipality <https://www.fmk.dk/borger/bolig-og-byggeri/byfornyelse-og-landsby-fornyelse/>

<sup>4</sup> See e.g. byfornylesdatabasen: <https://byfornylesdatabasen.dk/omraadefornyelse/o/3> which is an overview of all the project that received funding under byfornylespuljen, as well as a report evaluating earlier initiatives to help commercial town centre revitalization: <https://bpst.dk/da/Bolig/Lister/Nyheder/Nyheder/2019/11/Fem-byfornylesforsoeg-skal-afhjaelpe-tomme-butiksgader-og-bymidter>. See e.g. how funding is announced in the City of Copenhagen: <https://byfornylespuljer.kk.dk/> and another example from Jammerbugt municipality: <https://bpst.dk/da/Bolig/Lister/Nyheder/Nyheder/2022/07/Perimetersti-forbinder-landsby-og-natur>. See also a report from 2014 (Danmark på Vippen (Balance Denmark), 2017) on *Fordelingen af statslige midler til byfornyelse*, which analysed how the funding from 2014 to the start of 2017 had been distributed across the country.

<sup>5</sup> See e.g. a call announced during this funding period <https://www.assens.dk/media/184292/forsoegsudmelding-byfornylesens-forsoegspulje-2018.pdf>

DK2020 began in 2019, when Realdania launched an open call in Denmark for municipalities to join the DK2020 pilot project. What started with 30 municipalities have now become 94. These municipalities have committed to develop climate action plans using the C40 Climate Action Planning Framework. With this Denmark is close to having all municipalities developing plans committed to keeping global heating below 1.5°C.

## Finland

Despite having legally binding regional plans that considers national land use guidelines, Finland's planning system does not have strong regulative planning provisions at the national level. As in the other Nordic countries, spatial planning and sustainable urban development mainly takes place at the municipal level. Nevertheless, the government has in recent years initiated several funding programmes in order to support Finnish municipalities on the path towards green and socially inclusive urban development. For example, climate-mitigation is a cross-cutting theme among many of the national support programmes alongside urban densification and the bridging of the urban-rural divide. These national priorities are also reflected in the comprehensive MAL-agreements for city-regions.

In general, a substantial amount of the allocated funding is directed into projects to streamline and build capacity for strategic management of sustainability initiatives (within and across authorities) both at the regional and local levels. The Sustainable City programme and the Municipal Climate Change Solutions Programme demonstrate priorities toward knowledge exchange activities, while the Ecosystem Agreements contribute to harnessing competence networks on ecosystem quality for the participating city-regions.

A current reform of the Land use and Building Act in Finland is ongoing with the initial ideas to introduce a new regional planning instrument for city-regions to facilitate urban coordination. It has for instance been proposed to make the new planning instrument obligatory in city-regions with MAL-agreements<sup>6</sup>.

### Sustainable City Programme

With a budget of EUR 6 million this five-year programme (2019-2023) takes on a partnership-based approach, aiming to increase and deepen the cooperation between municipal developers by applying pilot projects to solve common urban sustainability challenges and spread best practices to be incorporated into city management. In 2021, a steering group consisting of the Ministry of Environment, that also manages the programme, and municipal representatives was appointed. The main objectives are to obtain low-carbon, smart, healthy, and socially sustainable cities through a close partnership between the state and the municipalities both at practical urban development and strategic management level. The programme provides expert and peer coaching, experience exchange and joint projects. An overarching goal is to implement the goals of the New Urban Agenda (NUA), Agenda 2030 and the Urban Agenda for the EU. 85 municipalities and an additional 70 organisations have participated so far. 4.4 million EUR are state funds while the rest (1.6 million EUR) are co-funding from participating organisations (Finnish Ministry of the Environment, n.d.a.)

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<sup>6</sup> Updates to this reform has taken place since the discussion paper was drafted in the spring and summer 2022. These updates will be considered in the Final Nordregio Report of this project, that is planned to be published by the end of 2023.

### Regional land use development tool and Ryhti database Project 'Ryhti'

The Ministry of the Environment has developed two relevant tools to facilitate the management and planning of the built environment in both urban and rural areas. The objective of both these tools is to gather scattered information on the state of the built environment to make it more accessible for users. These tools differ from the other national support initiatives, since they do not consist of available funding, but on the other hand, they are developed by the state with state funding in order to support local and regional level planning authorities in their work with sustainable urban development and thus relevant to include in our mapping.

The process of developing a regional land use development tool started in 2021 and is being managed by the Ministry of Environment in cooperation with other ministries, government agencies, regional associations, and municipalities. From 2023 this tool is meant to be used continuously in various public sectors to enable better planning and decision making. It produces information about the current state and future of Finnish regional and community structures (i.e. the location of housing, services and traffic). It also investigates these structures at the local level of urban and rural areas. The target users of this tool are from different societal sectors, such as landscape planning, climate and energy policy, planning of the transportation system and at different levels of administration, from municipalities to the state (Finnish Ministry of the Environment, n.d.b.).

In the preparation phases of the reform of the Land use and Building Act, the Ryhti database was initiated in 2020 by the Finnish Environment Institute SYKE and coordinated by the Ministry of Environment. The Ryhti database is supposed to gather information such as detailed plans, and permits for building, demolition and environmental measures. The data base is to be put into service in January 2024 and be further elaborated during a transitional period 2025-2029. The development of the tool is done in collaboration with the real estate and building industry, businesses and government authorities. It targets users such as property owners, the residents, the business sector, researchers, and decision makers. (Finnish Ministry of the Environment, n.d.c.)

### Suburban programme

This programme is coordinated by the Ministry of the Environment and aims to reinforce the comprehensive development of suburban areas and prevent segregation in the largest Finnish cities. The cities themselves chose which suburban areas that are included. (Finnish ministry of the Environment, n.d.d.) The main objective is to facilitate the well-being of residents and promote the vitality of these areas by positive, long-term development. One of the main sub-challenges is increasing employment, especially among immigrant groups, for example by investing in educational programs, increasing citizen involvement, and generating new research data. More specifically the programme pays attention to i) increasing learning support and hobby or club activities in suburban schools ii) investigating experienced security in certain neighbourhoods and to strengthen citizen involvement via e.g. housing associations, organizations and churches iii) taking low-carbon goals into account when making planning decisions, iv) ensuring comfortable living spaces e.g. by building more outdoor exercise places and improving walking trails, v) investments in making suburbs more accessible for aging or people with reduced mobility, and vi) revitalising suburbs with the help of art and culture. (Helsingfors stad n.d.) For the program period of 2020-2022, EUR 21 million of environmental management funding will be available (Finnish Ministry of the Environment, n.d.d.).

### Municipal Climate Change Solutions Programme

The programme aims to encourage and speed up the local and regional work with reducing greenhouse gas emissions in the most cost-efficient ways possible. This is done through enhanced partnership and cooperation between the state and municipalities on environmental initiatives,

funding of local and regional environmentally friendly solutions and spreading of best practices. Neighbouring municipalities are encouraged to cooperate in the climate initiatives. Some of the programme financing is set aside for procurement at national level, to enable all municipalities to invest in environmental efforts. For example, by developing common tools and organisational strategies. In the period 2018-2021 this programme has financed 134 projects, where the central objectives have been the work with environmental and economic management of the municipalities, environmental cooperation between municipalities and businesses and between municipalities and residents, low carbon traffic, energy efficiency and regional environmental cooperations. (Finnish Ministry of the Environment, n.d.e.)

### Ecosystem agreements

In February 2021, separate agreements on the strategic allocation of public and private financing to local research and innovation programs in 16 university cities were signed to promote competitive ecosystems. The working programme is founded on the main themes of low-carbon, digital technology, and welfare and health. The government distributed EUR 5 million from national development to the city-regions to implement the individual agreements. This has financed the initiatives in the initial phase, but the remaining phase, until 2027, is financed by the European Regional Development Fund. Throughout the program the innovation and cooperation networks related to urban ecosystem development are deepened, the competence and the effectiveness of RDI (research, development and innovation) activities is being strengthened as competence dense research networks that collects diverse actors is gathered. (Finnish Ministry of Economic Affairs and Employment, 2021)

### MAL-agreements: Land use, housing and transport agreements

[Land use, housing and transport agreements](#) (MAL-agreements) is a tool that the Finnish central state has used in order to get a greater influence over land use in some Finnish city-regions (see Lidmo, Huyhn, and Stjernberg 2020). The MAL-agreements have existed in three different rounds since 2012, and more city-regions have signed a MAL-agreement with the Finnish state since the first round. The first round of MAL-agreements was in place between 2012-2015 and included four city-regions (Helsinki, Tampere, Turku and Oulu), followed by a second round with the same city-regions between 2016-2019. The most recent and current MAL-agreements were signed in 2020 for the city-regions of Helsinki, Tampere, Turku and Oulu and in 2021 three additional city-regions signed the MAL-agreement with the state: Jyväskylä, Kuopio and Lahti. The major difference in the third round is that it lasts for 12 years compared to four, i.e. until 2031, but the concrete measures will be updated after four years (Finnish Ministry of the Environment n.d.f). In 2020, the Finnish state announced that EUR 936 million from the state budget is allocated to MAL-agreements between 2020-2031 (Finnish Ministry of the Environment 2020).

The intentions with the MAL-agreements are to facilitate cooperation between the municipalities in a city-region, but also cooperation between the state and the municipalities. Each agreement sets concrete objectives and connects measures, in order to develop housing under the coming years, as well as to improve the functioning and competitiveness of urban regions. This is being done with concrete measures and objectives also for the transportation system and urban structure in the region, to make them more sustainable. By setting up clear objectives and measures, the intention is to facilitate long-term plans for the development in order to make larger infrastructure and traffic investments (Finnish Ministry of the Environment n.d.f).

The government has so far considered the MAL-agreements as successful examples of coordination and cooperation between the state and the city-regions and their municipalities because they have established an arena to solve large societal challenges through land use issues, among others. Yet, it

is noted that this has not been done without challenges in each individual case, but from the national level the agreement has obliged local and regional authorities to solve housing and transportation issues, which are connected to state funding. The city-region of Tampere also went a bit further in the previous round, by developing a joint functional plan for the city-region (instead of the entire administrative region) within the current planning system, which have been stimulated by the MAL-agreements (see Lidmo, Huynh and Stjernberg 2020).

### Other relevant support initiatives

Between 2014 and 2022 the six largest cities of Finland tackled urban development challenges together by cooperating with residents, research organisations and companies. This was done by developing products/tools to be pilot tested in urban environments, physical or virtual so-called innovation platforms in the Six Cities Strategy. It included approximately 60 projects focusing on for instance smart mobility, learning, employment, circular economy, and energy efficiency. The initiative started in 2014 and is financed by a budget of EUR 100 million by the European Regional Development Fund (ERDF), European Social Fund (ESF), the Finnish Government, partnering cities and project partners. To date it has developed into a network that consists of hundreds of experts (6 Aika, n.d.).

Another programme is the Housing and Development programme which aims to compile a long-term, proactive, and goal-oriented housing policy to operate during 2021-2028. The issues addressed are for example environmental consequences of housing development, housing costs, the volumes of housing production and the polarisation of the housing market. The Ministry of the Environment prepared the programme outline (Finnish Ministry of the Environment, n.d.g.).

### Sweden

Within the current planning system, the government in Sweden has limited tools available to influence urban development (see Appendix, p. 52). Several funding mechanisms however exist at the national level to support local level development. In Table 2 the ones identified as most relevant to support green and socially inclusive urban development have been listed.

One of the most relevant innovation programmes for municipalities to support urban development projects are within the strategic innovation programmes, such as the Viable Cities programme. In addition, the County Administrative Board of Västra Götaland published a report in 2021 that lists various funding initiatives where municipalities can apply for funding (see Länsstyrelsen Västra Götaland 2021). Many of those initiatives are not relevant for green urban development and are thus not included in the discussion paper.

There are additional available research and innovation programmes that support pilot- and demonstration projects which in turn could support diverse local initiatives that municipalities can apply for which may impact green urban development, such as the Swedish Energy Agency's research programme "[Transport Efficient Society](#)" (Energimyndigheten, 2020). Vinnova (Sweden's agency for innovation) normally launches calls with themes relevant for green urban development but these do not function as national support initiatives that directly target measures for sustainable urban development with immediate impact, even though some funded projects may lead to new urban innovations with positive long-term effects. Similar to Vinnova, Formas (Government research council for sustainable development) opens calls that supports green and inclusive urban development with local authorities as partners, such as a recent on [Climate Neutral and inclusive municipalities](#).

### The Strategic innovation programmes

The [Strategic innovation programmes](#) (SIP) is a joint initiative between Vinnova, the Swedish Energy Agency and Formas. It consists of seventeen programmes, divided thematically, and aims to support sustainable solutions to societal challenges that have been identified as strategically important for Sweden, in alignment with the 17 SDGs. Enterprises, academia, and public sector organisations join forces in the SIPs to define areas of interest in a wide range of sectors in leading the path towards a sustainable future and to develop products and services accordingly. The starting point for all strategic agendas is to meet global societal challenges, at the same time as creating growth and strengthening Sweden's competitiveness within each sector.

In total the SIPs consist of 17 programmes. For sustainable urban development, the most relevant are Smart Built Environment and particularly the Viable Cities programme. For instance, the major initiative in the Viable Cities programme is *Climate Neutral Cities 2030* with the objective to achieve climate neutrality and good life for all in cities within planetary boundaries. The initiative includes 23 Swedish municipalities, that together account for 40% of Sweden's population, and five partnering government agencies. The most central tool of the initiative is the Climate City Contract 2030 which all participants signed in December 2021 to undertake concrete contributions to accelerate the climate transition of cities. The contract is to be a living document to be revised every year at both local and national level, as areas of strategic importance to urban climate transition are identified. Viable Cities has had 11 calls for proposals so far. The two calls in 2022 focus on the development of pilot systems for achieving large-scale transformations towards climate neutral cities and on developing solutions for sustainable urban mobility and sustainable city logistics within the European-Chinese cooperation programme ERA-Net Cofund Urban Accessibility and Connectivity Sino-European (Viable Cities, n.d.).

### Urban environment agreements (UEA), Stadsmiljöavtal

As a response to the rapid population growth in urban areas, the Swedish government implemented a decree in 2015 (SFS 2015:579) for promoting sustainable urban environments. This included a decision on contractual policies for economic support to municipalities and regions in the development of sustainable public and freight transport in urban areas to tackle high housing demands and limited capacities of public transport (Regeringskansliet, 2015). Municipalities and regional authorities can apply for a government grant for initiatives that aim to increase the usability and use of regional and local public transport and/or biking as well as more sustainable freight transport or increase of housing construction. The initiatives should also lead to more energy efficient solutions in public transport and/or biking, streamlining of freight transport and good built environments. In order to receive funding, involved municipalities must undertake countermeasures. Such countermeasures can be either physical or non-physical measures, such as parking and traffic strategies or detailed plans, that contribute to increased sustainable transportation or increased housing development.

Since the UEA was introduced, the programme has launched eight calls. The ninth call is to be announced in the second half of 2022. UEA has funded approximately 340 initiatives for a total of SEK 5.7 billion. The first decree was valid between 2015-2018 but was complemented with measures for improved bicycle transportation in 2017. In 2019 a new decree was approved that included new forms of freight transport. In 2020 the parliament decided on a reinforcement of the UEA for the period 2021-2022, allocating specific financing to measures for bicycle infrastructure. The executive mandate for allocating economic grants to municipalities and regions was given to the Swedish Transport Administration. The grant can cover up to 50% of the project costs for infrastructure but does not cover costs for vehicles. This includes for example investments in streets, tracks, docks, and

stops. The national plan for transport systems 2022-2027 allocates SEK 1 billion per year to the urban environment agreements. In 2022 financing is granted to 15 UEAs consisting of 48 different measures and 68 countermeasures, i.e. SEK 2.35 billion in total (Trafikverket, 2022).

### Support for renovations and energy efficiency in vulnerable areas

This government support programme was initiated as a result of a decree (SFS 2016:837) in effect between 2016-2019. Developers and property owners could apply for a grant aimed at reducing rent in apartments buildings where renovations and energy efficiency efforts have been made. Aimed at particularly vulnerable urban areas, the initiative allocated SEK 800 million per year. This was divided into two parts; the first was dedicated to grants for renovations and the second for energy efficiency measures (Riksrevisionen, 2019:25). The renovation grant could cover up to 20% of renovation costs of one object, but SEK 1,000 per square meters at most. The grant should be evenly distributed between apartments as a reduced rent, for seven years following the renovation. The grant to energy efficiency measures was provided to the property owner if the renovation contributed to at least a 20 percent increase of energy efficiency of the building (SFS 2016:837).

The County Administrative Boards (länsstyrelsen) were responsible for allocating the grants and for withdrawing the decision in case the project had not met the requirements when followed-up. The Swedish National Board of Housing, Building and Planning had the administrative responsibility to deliver the funds. One of the reasons to discontinue this initiative, was a lacking interest and low levels of applications. Of the SEK 800 million allocated to the initiative, only SEK 350 million were granted. Furthermore, it was criticised for its high administrative costs (Riksrevisionen 2019:25).

### Visions: in the North (Visioner: i norr)

Visions in the North is an initiative that originates from the Swedish Council for Sustainable Cities (see more information about the Council in Text Box in Appendix on p. 53.). Visions in the North regards the cities of Kiruna, Gällivare, Boden, Luleå, Skellefteå and Umeå and took place between 2021-2022. The background is the large investments in the green transition that takes place in the regions of Västerbotten and Norrbotten regarding green industry, infrastructure and technical development. Those investments also put pressure on local housing demands, attractive and viable living environments and long-term sustainability. Through this initiative, a collaboration emerged between the Swedish National Board of Housing, Building and Planning, ArkDes, Swedish Energy Agency, Formas, Vinnova and the involved municipalities. The main aim is to bring together several creative professions to look at the question: 'How can we create beautiful, inclusive and sustainable communities that we can all be proud of for generations?' (see Boverket 2022a, Rådet för hållbara städer 2022a)

A total of 300,000 SEK has been allocated to *each team*, which is funded jointly by Vinnova and Formas. A total of 11 teams received funding to prepare an idea sketch (swe: idéskiss) which aimed to provide proposals for the future place development in six municipalities. The six municipalities formulated the cases and organised site visits as well as meetings with local stakeholders. Moreover, several of the teams organised their own study visits besides to the ones organised by the municipalities.

The focus in this initiative was on the one hand *Creativity as responses to societal challenges*, and on the other hand *Societal transitions in the North*. The idea sketches prepared by the involved teams may be considered as responses to the challenges of the six municipalities to generate future scenarios and visions that may support the municipalities towards the development of living environments that are beautiful, inclusive and sustainable (see more in the final report, Rådet för Hållbara Städer 2022b).

### Other initiatives: Klimatklivet, Green and Safe Communities

The Climate Leap, ([Klimatklivet](#)), is a funding scheme for local and regional initiatives to enable reducing emissions of hazardous climate and greenhouse gases. Applications for funding are open to all organisations, public and private, (i.e. all but private individuals). There is also separate funding for establishing charging stations for electrical vehicles for which private individuals and other stakeholders can also apply. Initiatives must be locally or regionally based and in line with the climate and energy strategy of the county concerned (Länsstyrelsen n.d.) It is estimated that the initiatives will contribute to a reduction of 1.9 million tons of CO<sub>2</sub> per year over a 16-year period. That makes four kilograms of CO<sub>2</sub> for every SEK that has been granted. Initiatives in waste and transport sectors make up for most of the emission reduction (Swedish Environmental Protection Agency, 2022). Since the programme's inauguration in 2015, 4,549 applications have been granted a total of SEK 10.2 billion (Swedish Environmental Protection Agency, n.d.)<sup>7</sup>.

[Green and safe communities](#) is an initiative by the Swedish National Board of Housing, Building and Planning (Boverket). The programme allocates SEK 255 million to property owners, plot right holders and others with permission to develop outdoor public spaces such as parks, squares and walking trails in vulnerable areas. The aim of this initiative is to develop these areas into more health-promoting and verdant spaces as well as to shape outdoor environments into secure, pleasant and inclusive spaces. This includes the conversion of hard-made surfaces into more verdant greenery, by planting trees and bushes. Initiatives such as improvement of street lighting and barbecue areas have been granted support if these were combined with measures that increase or develop ecosystem services and promote greenery. In 2021 this initiative received approximately 300 project applications, of which 133 were granted support (Boverket, 2022a).

### Iceland

In Iceland, the National Planning Agency may steer local development through an advisory National Planning Strategy, but also support municipalities by assisting, reviewing and approving all plans throughout Iceland. This coherent approach could be viewed as a strength since it gathers all relevant information and knowledge on planning affairs at one institution, promotes continuity in planning across the country and provides essential assistance to municipalities with scarce resources and knowhow.

Icelandic planning legislation allows for voluntary regional plans, which in the case of the capital region have been quite successful in terms of preserving, protecting and developing green urban areas (Lidmo & Bogason, 2020). There has been a limited number of recent national initiative to support planning in Iceland, the only obvious example is the agreement on transportation in the capital region, which impacts its sustainable urban development efforts. Other initiatives are mainly connected to housing and then there some initiatives that are connected to transport and planning in general. Those are however mainly developed at the municipal level but connected to the state as a part of the aforementioned transport agreement.

### Agreement on transport in the capital area - BRT Borgarlína

The state and six municipalities in the capital area, Garðabær, Hafnarfjörður, Kópavogur, Mosfellsbær, Reykjavík and Seltjarnarnes, have signed a landmark agreement on an ambitious development of transport infrastructure and public transport in the capital area. The agreement includes a common vision and overall strategy for the planning area. The aim is to increase safety,

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<sup>7</sup> Note, this figure was accessed on 7 July 2022, and might have been updated when this discussion paper was published or when you read this.



improve transport for all modes of transport and reduce delays, greatly increase public transport and reduce pollution caused by particulate matter and greenhouse gas emissions by promoting a carbon-free society to meet the climate goals of governments and municipalities.

The agreement includes various development projects which are to contribute to a more sustainable transport system in the whole capital area. The largest part of this agreement is what is commonly called *Borgarlína*, a BRT (Bus Rapid Transport) system in Reykjavík area, but there are also other infrastructural constructions included, e.g. the expansion of bicycle paths. The total financing of transport projects in the area during the period is ISK 120 billion. The state will provide 45 billion directly and municipalities 15 billion (Stjórnarráðið, 2019 c). It is assumed that special financing will cover ISK 60 billion which are also the responsibility of the state. This special financing will partly be secured by auditing vehicle and traffic charges in connection with energy transition and/or by direct contributions to the sale of state assets. The road system in Iceland has traditionally been financed by petrol and oil taxes. The proportion of environmentally friendly vehicles is increasing rapidly, and forecasts say that by 2025, revenues from petrol and oil taxes will have fallen sharply. The state's revenue sources for vehicles and fuel for energy exchange are currently being revised. Part of that work is to look into changing tariffs in such a way that they will rely more on traffic charges instead of petrol and oil taxes. The agreement stipulates that the company established for the project is able to collect so-called express and traffic charges, which would be part of a change in the state's tariff. The company's other financing could be in the form of special government contributions or a share in other sources of income related to transport (Stjórnarráðið, 2019 a).

The state has also supported the operation of public transport in the capital area since 2012 through a 10-year pilot project (Stjórnarráð, 2012). To sum up, within the current transport plan (2020-2034), the state will be investing ISK 62.15 billion in more sustainable transport in the Capital area, 43.4 billion in the development of *Borgarlína*, 5.25 in the development of bicycle paths and 13.5 in the operation of public transport (Stjórnarráðið, 2019 c). As a proportion of the total financing of the development of public transport and necessary infrastructure around that, the state part is just over 85% of the total cost while the municipalities cover around 15%.

### Equity Loans

The Icelandic Equity Loans (*Hlutdeildarlán*) is a governmental remedy that was introduced in 2020 in aid of those who need assistance to be able to enter the real estate property market. One of the justifications for introducing the remedy was also to contribute to a more socially sustainable urban development. Those who qualify are first-time buyers, and those who have not been owners of real estate property during the preceding five years and who are below a certain income limit. The buyer will only have to deposit 5% of the purchase price on the down payment and gets a mortgage for 75% of the purchase price (Reglugerð um hlutdeildarlán, 2020). The Housing and Construction Authority (HMS) lends to the buyer an equity loan for 20% of the purchase price. This arrangement is supposed to support new construction of economical properties and lending is provided only for new builds or properties outside the capital area that have been greatly renovated (HMS, 2020).

While the equity loans are a governmental remedy to be seen as a way of preventing social segregation by allowing more people to stop renting and enter the housing market and contribute to a more socially sustainable urban development (Stjórnarráðið, 2019 b), they have also been criticised. Its only intended for low-income groups and newly built housing at a certain price. This does de facto exclude people that qualify for equity loans to buy property in larger parts of the capital area since new housing in more central and established areas is deemed too expensive to qualify for the equity loans. The remedy therefore pushes those that qualify for the equity loans to the outskirts of the city and those that build housing intended for the equity loan buyers to build in the less expansive land. This can

counteract the purpose of contributing to a more social urban development, rather contribute to buildings in outskirts of urban environments and thereby contribute to more travel to central areas where most schools and a great deal of workplaces are located (interviews).

### Public housing support

The state and local authorities are allowed to provide initial contributions for the construction and purchase of affordable rental apartments, known as public apartments (*stofnframlög fyrir almennar íbúðir*). By supporting the development of affordable housing, the government's capital contributions contribute to lower rental prices in the general rental market. One of the goals is to contribute to a more sustainable urban development, contribute to less segregated neighbourhoods and assist municipalities in securing a balanced socioeconomic mix in their neighbourhoods.

The Housing and Infrastructure Agency and local authorities are authorized to provide start-up contributions to non-profit rental companies as well as municipalities, associations and legal entities that are wholly owned by municipalities. The relevant minister can also authorize the granting of a foundation contribution to legal entities other than those mentioned above, if they are not run for profit and this is in accordance with the purposes and objectives of the Act on public housing. The owner of public apartments shall only allocate them to tenants who are below the income and property limits set in the laws and regulations on public apartments.

### The Green Steps

The Green Plan (*Græna planið*) is Reykjavík City's strategy which sets the scene for finance, investments and green key projects for the next 10 years. It summarizes in one place the main key projects and green investments in the city and is based on sustainable thinking and a clear vision of a carbon-neutral urban society. It involves strong investments in green transport, green infrastructure, green neighbourhoods, green innovation and green jobs which are to contribute to Reykjavík becoming a more sustainable city while also increasing the quality of inhabitants of the city. This initiative is however financed by the municipality itself, while building on and adding to existing plans such as the *Agreement on transport in the capital area* which is largely financed by the state.

The Green Plan sheds light on three dimensions of sustainability; environmentally, socially and economically and was prepared in parallel with the preparation of the budget for the year 2021, the five-year plan 2021–2025 and points the way forward to the year 2030. It was seen as a necessary reaction to a global pandemic, where a vibrant and diverse urban economy was viewed as the best way out of a recession. On the basis of the Green Plan, the City of Reykjavík will strive for a powerful infrastructure investment in extensive cooperation with a plan to building a city of opportunity. In the coming years, green emphases and green steps will be the city's guiding light in all areas (Reykjavík, 2020).

### The 20-minute neighbourhood

According to the Icelandic Planning Act a collective zoning plan shall be prepared for the municipalities that belong to the capital area (Planning Act, 2010). They are the only actors that are obligated to hand in such a plan for the collective planning of the Capital region. This is a governmental obligation put on the Association of municipalities in the Capital area which is to contribute to the sustainable urban development of the region as a whole. However, there is no obvious forum, other than National Planning Strategy, to present a vision and integrate a policy on the development of settlements in the work and service area of the capital area, which covers a much larger area, e.g. over Reykjanes, east of Hellisheiði and north of Hvalfjörður (regions that are approximately within a 45 minute radius of Reykjavík by car). However, it is appropriate to maintain regional planning for a larger whole than the capital area is possible on the basis of planning law.

Various interests lie beneath this. There is reason to look closely at the housing and transport costs of families and aim to ensure that the development of living and transport patterns in this most populous area of the country supports future climate goals.

The regional plan for the capital area, which was confirmed in 2015, aims for the urban area to be shaped by the criteria of the 20-minute district. The goal is for settlements and the environment to be shaped based on human needs and criteria that are in line with the landscape and support communication and outdoor life. The plan describes the 20-minute neighbourhood so that within it there is a good supply of diverse housing options and all the main services. It will be assumed that residents will have no further access to the central core than a 20-minute walk. Local services are spread so that the residents of each district have access to the most necessary services such as kindergartens, primary schools, sports and leisure activities and a grocery store within a 5–10-minute walk. The focus of the town's 20 minutes reduces the need for travel and should enable as many people as possible to go on their errands on foot or by bicycle.

Whitin the new additions to the National Policy Strategy a proposal is made for an assessment and scenario analysis of the development of housing and transport patterns in the work area and service area of the capital region. This is said to be a possible basis for a future policy on planning issues in the Capital region with regard to the opportunities and possibilities that increased remote and teleworking will bring along (Skipulagsstofnun, 2020). This has also been put into context with the 20-minute neighbourhood, which with increased remote working will become even more relevant. It is however also a prerequisite for the 20-minute neighbourhood to be a realistic possibility that an efficient public transport system which the municipalities in the capital region will come into effect.

## Discussion

The Nordic Region has a vision to become the most integrated and sustainable in the world by 2030. Efforts toward this vision are, as this discussion paper have shown, largely reflected in the various national support initiatives across the Nordic countries.

To reach the national ambitions and objectives for inclusive and green sustainable development in the Nordics, whether they are specific to a sector, or thematically cross-cutting, involvement of the spatial planning system remains a central element. As seen in the national support initiatives such as Urban Growth Agreements and MAL-agreements in Norway and Finland respectively, for instance, these directly interact with land-use planning, often with long term consequences for local urban development. It should be added that national support initiatives, or central government funding in planning, are not new concepts. In general, we see that traditionally there are three ways the national level influence local planning, namely through planning legislation or that of other sectors, financial mechanisms, as well as recommendations and guidelines (Figure 1 on page 9).

As observed in Sweden, comprehensive programmes such as Viable Cities under the Strategic Innovation Programme reflect the shifting levels of ambition and need to develop cities and local communities in ways that respond and adapt to a changing climate and a future where social and environmental sustainability outlooks are often compromised. This is consistent in almost all the Nordic national support initiatives, where it can be argued that the 17 global Sustainable Development Goals (SDGs) and the Agenda 2030 framework have leveraged the support for sustainable solutions to societal challenges as strategically important.

To conclude, there are different funding mechanisms that target green and inclusive urban development in each of the Nordic Countries. Some are better integrated with spatial planning and spatial planning systems than others. At this point it is uncertain whether well-integrated national support initiatives with spatial planning systems depends on the national support initiative per se, the planning systems or other factors. In addition, the spatial planning systems are different in the Nordic Countries (see Appendix). Even though the Nordic countries' planning systems may be considered relatively similar in an international context, the differences between the spatial planning systems lie in the statutory planning instruments at the national level, but also in the institutional systems and interaction between the levels of governance and involved actors (see e.g. Schmitt & Smas, 2019). In sum the spatial planning systems themselves also give the central states different mandates to influence local urban development priorities. Even though all Nordic countries have decentralized planning systems, Norway and Denmark have available tools within their planning systems to more directly influence local level planning priorities, which also is connected to sustainability targets.

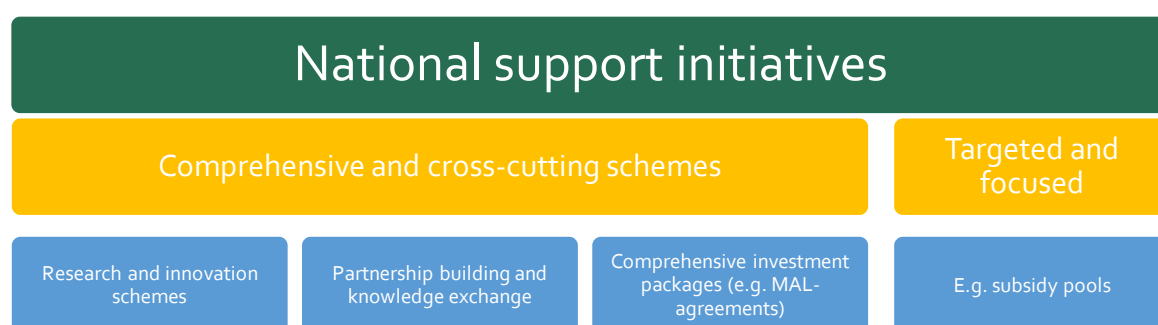


Figure 3. Sub-categories of what national support initiatives in the Nordics can consist of.

When it comes to funding mechanisms, our discussion paper indicates a variety of existing or recently finalized initiatives that target sustainable urban development in various ways (see Figure 3). In the Nordic countries, many different funding or grants exist with specific and narrow focus, whilst others are broader and target land-use development and spatial planning issues in a broader sense. The former refers, for instance, to different subsidy pools (for example in Denmark). They are often more targeted and do not explicitly fund large sustainability projects in cities but may still be important to achieve significant changes to fulfil the sustainability targets (for example energy efficiency measures of buildings). The latter refers to broader investment schemes that tackle a diversity of sustainable urban development issues, of which many are cross-cutting schemes. These include more innovation and research funding schemes where cities and municipalities participate in collaboration projects which includes pilot projects and similar, but also agreement-based approaches where the state co-funds large infrastructure and housing development projects in cities (such as MAL-agreements in Finland). Other national support initiatives identified in our study revolves around partnership building such as Partnership for viable city centers in Denmark. All in all, there are different types of national support initiatives that all fulfils different purposes. Some are more directly linked to spatial planning and spatial planning systems, whilst others are complementary in order to achieve different sustainability targets in the Nordic countries. In sum, most of the national support initiatives may to some extent be considered as national examples of spatial planning 'for' Europe (Böhme and Waterhout 2008 cited in Dühr et al. 2010:360), that operates alongside as complementary or integrated with their national spatial planning systems. The linkages between spatial planning systems and how well-integrated these national support initiatives are with the local project work and the local spatial planning practices, are still underexplored. There is a further need to examine the varied planning work that originates from national support initiatives in the Nordic countries. This will be further explored in the coming phases of this project.

A few things are clear though. Local level planning is usually organised in project work. The same applies for the approved funding from national support initiatives, when funding is allocated to municipalities or other involved stakeholders to implement such projects. The linkages between project work that originates from national support initiatives funding and the overarching municipal strategic spatial planning yet needs to be further explored. Particularly in regards to how green and socially inclusive urban development projects are being prepared and integrated into local level strategic planning. Such planning work involves an array of stakeholders through collaboration in different multi-level governance constellations, where the state or national-wide stakeholders cooperates with local level municipalities in order to govern and support the local urban development towards the set sustainability targets. This will also be explored further in the coming phases of this research project.

A key focus of this project in considering green and inclusive Nordic initiatives so far has been to explore the implications on the respective spatial planning systems. However, it is increasingly relevant for decision-makers and practitioners involved to gain a broader and more comprehensive understanding of what makes national support initiatives successful or not. Multilevel collaboration and funding cycles and mechanisms have emerged as important factors in the governance of sustainable urban development in the Nordic countries.

Below are criteria suggestions for the selection of case studies in the project's upcoming phase. These are based on the mapping in this discussion paper. These criteria include:

- A variety of different types of national support initiatives, to provide Nordic added value through learning examples

- Project funding that encourages multi-level governance and multi-level cooperation, in local spatial planning and/or local sustainable urban development
- Funding: must include national level involvement, but can be a joint initiative with other stakeholders (size TBD)
- Clear aim targeting **green sustainable urban development** (i.e. excluding programmes addressed in the project: "[Planning for socially mixed and inclusive neighbourhoods](#)")
- Organisational model: **what type of collaboration and constellation of stakeholders** are involved? (Related to the criteria above, consider models that have worked well)

In addition to the criteria, the case studies will consider the following:

- If the selected national support initiative is complementing or challenging to the spatial planning system at the local level?
- Methods/uptake: Stories **demonstrating obstacles and successes at the national and local level**

The next steps will include addressing the key challenges and knowledge gaps between national targets and objectives for local planning initiatives. Projects selected should include a thematic range, but it will be of importance to consider the ways these projects may affect spatial planning at the local level, so attention will still be dedicated to this area, e.g. through questions such as how has land-use been thought through, or consultation with local level planners have taken place, before the funding programmes were initiated?

The goal is to enhance knowledge of Nordic counterparts, which means that a variation of different national support initiatives will be selected rather than similar initiatives from all countries. The overall objective is to share lessons learned across countries which is significant as these may serve as inspiration or be adopted, either at the national or the local level.

Currently we propose to investigate the following initiatives in each Nordic country:

Country	Proposed case studies	Themes
<b>Norway</b>	Futurebuilt	Multistakeholder involvement, spatial planning, building sector, circular economy, partnership network
<b>Denmark</b>	Tættere på II	Multistakeholder involvement, housing, social mixing, inclusive cities
<b>Iceland</b>	Borgalina (and its connection to the Green Steps and 20-minute neighbourhood)	Spatial planning, transport planning, climate mitigation, sustainable development
<b>Finland</b>	Sustainable City Programme	Sustainable urban focus, spatial planning
<b>Sweden</b>	Or Visions: in the North	Sustainable urban focus, multistakeholder involvement

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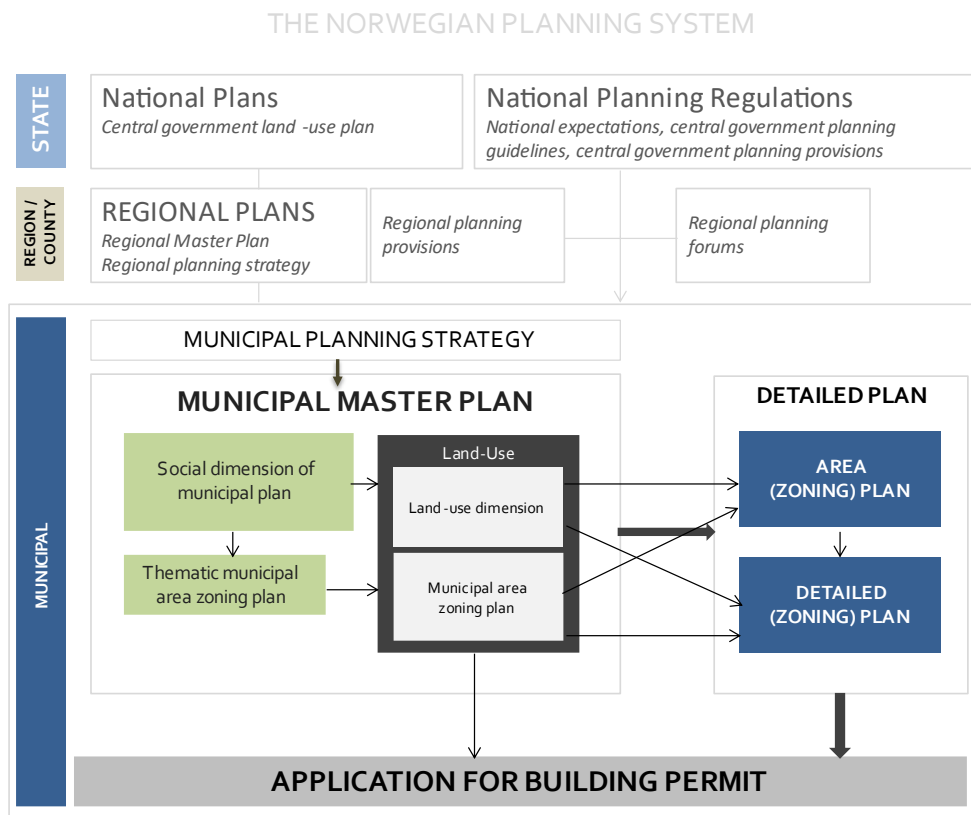
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## Appendix

### Overview of the Nordic spatial planning systems

#### Norway



**Figure 4.** The Norwegian Planning System

In Norway, spatial planning is formally governed on three levels; state (central), regional, and municipal (local). Planning in Norway follows the legislative framework outlined in the Planning and Building Act (*Plan- og bygningsloven*), along with other regulations and statutory instruments. The law allows the state, region (county municipality) and municipality to regulate land use within their area of responsibility. Previously, the Ministry of the Environment (now Ministry of Climate and the Environment) was responsible for spatial planning, but this mandate changed in 2013 to the Ministry of Local Government and Regional Development (formerly the Ministry of Local Government and Modernisation when the mandate transferred in 2019).

The use and development of legally binding plans takes place regionally and locally. The regional and municipal planning authorities play an important role in leading these processes. The municipalities have an obligation to control local urban development by creating municipal master plans (*kommuneplan*) covering all geographical areas within the municipality, in addition to area zoning plans (*områdeplan*) and detailed zoning plans (*detaljregulering*). The municipal plan consists of a strategic social part (*samfunnsplan*) and a legally binding land use part (*arealplan*). The zoning plan is legally binding and sets out guidelines for land use within a smaller geographical area, and is used if required in the municipal master plan. The detailed zoning plan can be produced either as an area regulation or as a detailed regulation (KMD, 2021, see also Fredricsson and Smas, 2013). Detailed terms of land usage in a small geographical area, often consisting of just a few pieces of real estate.

The county municipality may, at the regional level, establish legally binding planning provisions in the regional plan. Regional planning forums, regional planning strategy and inter-municipal planning collaborations are other available regional planning instruments.

The regional and municipal plans must report on how they consider municipal, regional and national goals. In addition, the regional planning forums will function as a platform where state, regional and municipal interests are clarified and thus seek coordination in connection with the work with the regional and municipal plans.

At the national level, there are four different planning instruments: national expectations regarding regional and municipal planning (*nasjonale forventninger til regional og kommunal planlegging*), central government planning guidelines (*statlige planretningslinjer*), central government planning provisions (*statlige planbestemmelser*) and a government land-use plan (*statlig arealplan*). The national expectations are presented every fourth year and include the Government's guidelines on the appropriate focus for counties and municipalities in their local planning (with respect to national policies of importance). Central government planning guidelines also aim to guide regional and local plans and to draw attention to and propose issues of national importance. The central government's planning provisions can be used to clarify national expectations for planning and to highlight national policies in key areas of planning. The Government may also draft a national land-use plan, if this becomes necessary, to implement a project that is of national interest. The central government's land-use plan can be established either as a detailed zone plan or as part of a municipal plan.

## Denmark

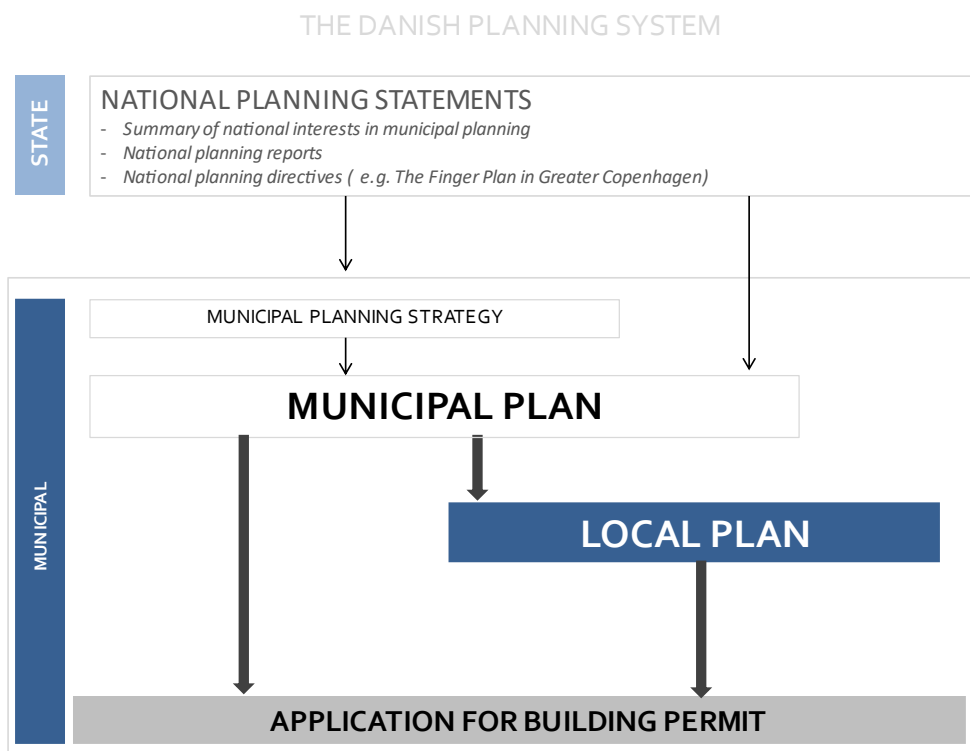


Figure 5. The Danish Planning System

The planning system in Denmark has changed significantly since 2000, becoming increasingly strategic and growth oriented. Some of the key objectives for the development in policies and legislation have been to simplify the spatial planning process and to decentralise decision-making authorities while establishing a clear division of responsibilities. Regional level planning gradually disappeared along with a major municipal reform enacted in 2007, when the country's 275 municipalities merged into 98 larger geographical units and assumed several planning assignments from the regional level (Galland 2020).

The Danish Planning Act, enacted in 2017 and currently undergoing revision as of 2021 (a process that has been delayed due to the Covid-19 pandemic), regulates planning at different levels throughout Denmark (Danish Business Authority, 2021). According to the Planning Act, plans are implemented at two administrative levels: national, and municipal. The Planning Act outlines the hierarchy of the planning system (see Figure 5). Legally binding local plans must comply with legally binding municipal plans, and municipal plans must comply with national planning directives and national interests. Even if there are several planning instruments at the national level in Denmark, most of the planning work and the most important planning instruments to regulate local land use, is the municipal and local plans, prepared by the Danish municipalities. In addition, Denmark is divided into zones: urban zones, holiday home zones and rural zones

Denmark is primarily reserved for use according to the zone they are situated in. At the national level, there are different instruments which the government apply in different capacities to ensure planning/territorial interests are met across the country. These include *Oversigt over nationale interesser i kommuneplanlægning* (summary of national interests in municipal planning) and *landsplandirektiver* (national planning directives), an example of the latter is *Fingerplanen*, which establishes the overall framework for spatial planning in the capital region, including 34 surrounding municipalities. *Landsplanredogørelse* (national planning report) outlines the policies for the local

levels. In addition, there are national targets for the local level known as *statslige kommuneplantillæg*, where the state in rare instances assume responsibility for a municipal plan and/or additional areas therein. (*summary of national interests in municipal planning*)

Every four years, the Danish Housing and Planning authority<sup>8</sup> publishes an overview of the national interests that municipalities must consider in local spatial planning.<sup>9</sup> Along with the updated Planning Act from June 2017, the national interests as of March 2018 have focused on four key areas. These are:

1. Growth and business development, e.g. retention of large manufacturing companies;
2. Nature and environmental protection;
3. Cultural heritage and landscape conservation, e.g. conservation of salt marshes, manor landscapes and river valleys;
4. Considerations for national and regional facilities, e.g. key transport corridors.

The ministry responsible for planning issues has a role to ensure that planning directives and state interests have been fulfilled and adequately incorporated into municipal plans. In practice, it is nowadays done by this mandate lies with the Danish Housing and Planning Authority. The relevant ministry reserves the right to intervene in the planning process if proposed plans do not fulfil national interests outlined across the four areas and related sub-topics. The minister responsible for spatial planning The ministry/national authority has the right to decide if several national interests collide, and the general idea is to solve most of these issues when preparing the municipal plan. When preparing the local plans, all ministers/ministries formally have the right to use its veto.

#### *Denmarks' national interests in municipal planning*

In the national interests (2018) document, each of the four key areas contains several sub-topics which are clearly addressed as objectives anchored in relevant legislation, sector policies, action plans, national planning directives and general agreements between authorities or in other political agreements between the government and Denmark's regional association (KL). For instance, under nature and environmental protection, the topic covering coastal protection and climate adaptation, primarily overseen by *Kystdirektoratet*, is one of four areas identified as national priority and must be taken into account in municipal planning. *Miljøstyrelsen* is primarily responsible for the remaining three, which are groundwater and nature conservation, in addition to afforestation, the latter which *Miljøstyrelsen* together with *Vejdirektoratet* and *Energistyrelsen* in some instances hold joint authority. The national interests underscore the responsibilities municipalities have for ensuring that there will not be more areas dedicated to urban growth than strictly necessary during the upcoming 12-year planning period, and therefore not highlighted as a topic in the current 2018 guidelines as such (KMD, 2018).

Specific groups of stakeholders are not listed in detail in terms of participation, but the national interests (2018) emphasise the importance of maintaining dialogues between the state and municipalities in order to developing a common understanding of how national interests should be reflected in the municipalities' physical planning and the context in which a plan is developed. In practice, such dialogue often concerns technical matters where ambiguities in the proposal and/or

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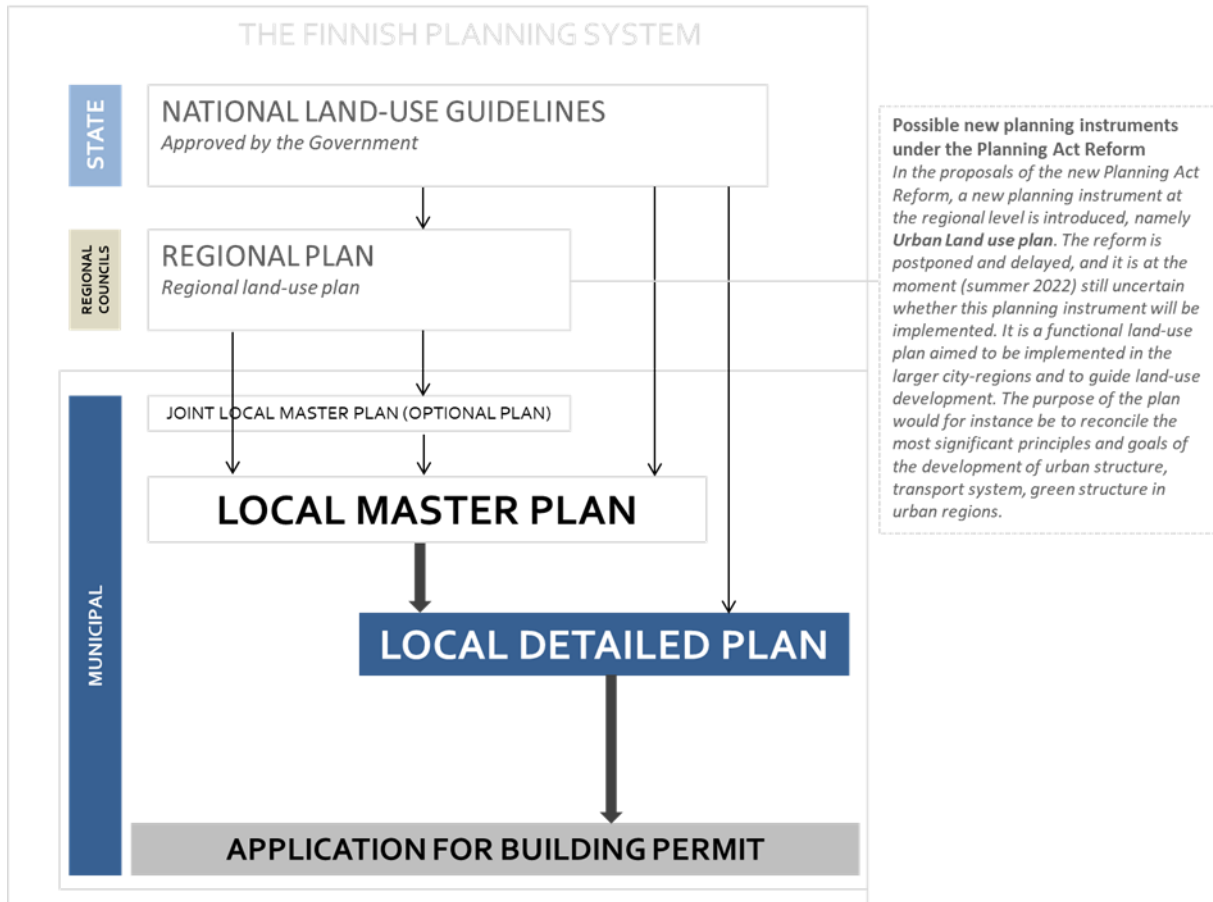
<sup>8</sup> Formally, it is the Minister responsible for planning issues, and the Planning Act still (in 2022) explicitly refers to the Minister of Business and Industry: "Erhvervsministeren"

<sup>9</sup> Formally, it is the Minister responsible for planning issues, and the Planning Act still (in 2022) explicitly refers to the Minister of Business and Industry: "Erhvervsministeren"

legislation need to be explained further. When such instances occur, the Danish Housing and Planning Authority will initiate an early dialogue as possible with the relevant ministry and municipality/stakeholders to clarify questions of doubt concerning the protection of national interests in ongoing proposals.



Finland



**Figure 6.** The Finnish Planning System, including the potential new planning instrument after the reform of the Land Use and Building Act.

In Finland, there is currently a large reform of the planning legislation underway which may lead to introduction of one new planning instrument (see more below). The planning system in Finland is mainly framed by the Land Use and Building Act (Finland’s planning legislation), and the Finnish planning system strongly follows a hierarchical system. In Finland, national planning guidance is mainly found in the national land-use guidelines, which are designed to ensure that issues of national importance are considered in regional and municipal land-use planning. In accordance with the Land Use and Building Act, the guidelines must be taken into account, and their implementation must be promoted in regional planning, municipal land-use planning and the activities of the state authorities.

The national land-use guidelines are similar to national interests (DK) and national expectations (NO) in the way that they are prepared by the national planning authorities and published in a planning document. Unlike the Danish and Norwegian national planning instruments, the Finnish national land-use guidelines are not revised or updated each election period to reflect the new government coalition’s planning priorities of the time. Instead, the Finnish land-use guidelines are prepared to persist over several mandate periods. The current national land-use guidelines were enforced in 2017 (see Lidmo, Huynh and Stjernberg 2020). The previous version had been in place since the latest reform of the planning legislation in 2000, with some revisions of the national land-use guidelines in 2008. The previous version (including the revisions) was in 2016 considered not to be up to date with the major planning challenges of the time, such as considering the Paris-Agreement from 2015 or United Nation’s Agenda 2030. New land-use guidelines were therefore implemented in 2017, where international conventions relevant to be implemented in Finnish spatial planning were taken into

account. At the same time, the number of goals in the national land-use guidelines were reduced from about 100 in 2000, to 17 goals in 2017 (Lidmo, Huyhn and Stjernberg 2020).

At the regional and local levels, there are three key planning instruments: regional land-use plans (maakuntakaava/landskapsplan), local master plans (yleiskaava/generalplan) and local detailed plans (asemakaava/stadsplan). The regional land-use plan is legally binding and guides national and regional land-use goals at the local level. At the regional level, the regional councils (made up of all the municipalities in each region) are responsible for developing regional land-use plans; these guide local-level plans and policies. In accordance with an amendment in the Land Use and Building Act, regional land-use plans do not need to be approved by the Ministry of the Environment since January 2016.

The local master plan is primarily a land-use plan allocating areas for different land-use purposes, such as housing, traffic, services and recreation. The local master plan should comply with the principal land-use guidelines outlined in the regional land-use plan. Local detailed plans, which conform to the local master plan, regulate what can be built and the functions of buildings. It is also possible for two or more municipalities to draft a joint master plan, but this must be approved by a joint municipal organ.

#### *The Finnish Land Use and Building Act Reform*

The reform of the Land Use and Building Act was supposed to be implemented in 2022, but has been postponed and delayed due to the feedback the reform received in the autumn of 2021. It is still uncertain exactly when it will be implemented, but the most updated timeline is to submit a Governmental proposition to the Finnish Parliament in the beginning of the autumn 2022, and that the new law will be enforced 1 January 2024 (see Finnish Ministry of the Environment 2022).

The overall objective of the reform is, in accordance with the current government programme, a climate-neutral society and to safeguard biodiversity as well as improve the quality of construction and promote digitalisation. The reform also aims to make the planning process smoother, strengthen the municipalities' land policy, and improve people's opportunities to participate etc. (see more Ministry of Justice 2022).

Some of the reform's proposals were presented by officials from the Ministry of the Environment at a meeting in the Nordic Thematic Group for Green and Inclusive Urban Development in September 2021. Some of the proposals in the reform may have changed after the received feedback, but we will here outline some of the proposals in the reform relevant for the planning system. Initially the reform aimed to clarify the planning system and the role of the planning levels. Perhaps most important is to align the planning legislation to better meet the goals of creating a carbon neutral society, including strengthening biodiversity, improving the quality of constructions and to promote digitalisation. There is emphasis on land-use planning to promote climate change mitigation, especially in urban areas. For example, by primary locating urban development alongside existing public transportation infrastructure corridors. Further, climate adaptation measures are expected to get more attention in the planning legislation after the reform.

Even though the roles of the planning levels are expected to be clarified and simplified, municipal spatial planning will be maintained within the current planning hierarchy, but the municipal land-use policies are expected to be strengthened. The national land-use guidelines are expected to remain as the sole national planning instrument and will remain in its current form; similar suggestions exist for the municipal level plans: the master plans and the local detailed plans will remain. However, there are proposals to make a few changes to spatial planning at the regional level. First, the regional land-

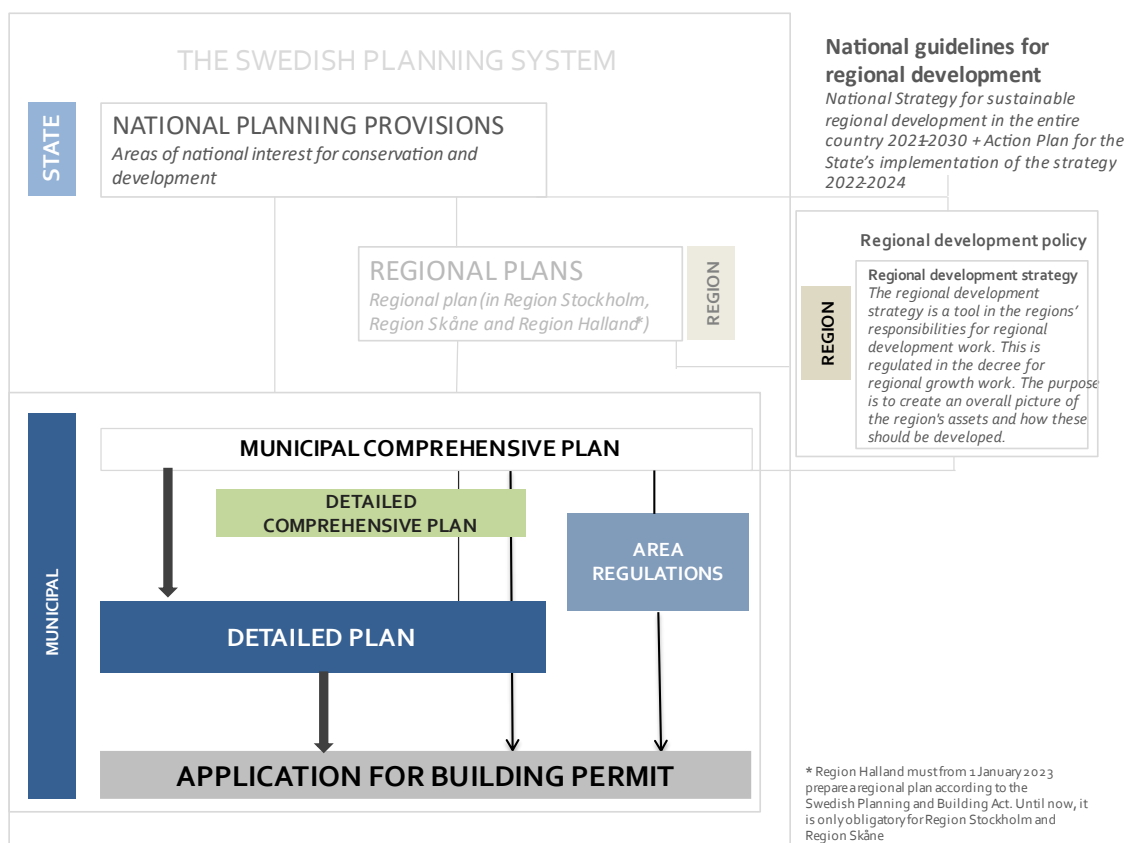
use plan is expected to undergo a few changes. The major change is that the regional land-use plan is proposed to have a more limited role in guiding other land-use plans (on municipal level) than it has prior the reform. However, the regional land-use plan is expected to remain as a planning instrument at the regional level, but should focus more on defining the targeted long-term development in the region, and create preconditions for sustainable land-use development of the regional structure. This means more attention towards the development of regional and national transportation systems as well as the green structures of the region.

In addition to the regional land-use plan, a new planning instrument, named Urban Land Use Plan, is expected to be introduced at the city-regional level. This planning instrument should not be legally binding, but rather guide and coordinate efforts on the city-regional level. However, this planning instrument has received quite a remarkably criticism, already prior the reform was sent out for feedback. It is therefore unclear when writing this up (spring and summer 2022) whether this new planning instrument will be introduced. The initial intentions with introducing a new planning instrument at the city-regional level, which would be obligatory in all city-regions in Finland with a MAL-agreement (Land use, housing and transport agreements), are for example the following:

- to make municipalities of one city-region to work effectively together towards common goals, such as climate mitigation, urbanization, growth etc.
- aim to reconcile the most significant principles and goals of the development of urban structure, transport system, green structure in urban regions.
- To increase citizen engagement in urban development because participation and interaction would be similar as in land use plans.

By making this planning instrument obligatory in city-regions with MAL-agreements can be understood as one way to improve the integration of important national support funding initiatives (in this case MAL-agreements) with spatial planning, in order to prepare overarching objectives for land-use and urban structures in the city-region with the available funding in the MAL-agreements. Whether this coordination of planning instruments with national support initiatives will be implemented, and whether it will be a good example to coordinate efforts, is at the moment impossible to assess – it remains to be seen.

Sweden



**Figure 7.** The Swedish Planning System. Note that Region Halland only from 1 January 2023 will have the planning competence to prepare regional plans according to the planning system.

In Sweden, the responsibility for spatial planning is highly decentralised and lies within the municipalities. At the national level, the Swedish National Board of Housing, Building and Planning (NBHBP) is the Swedish national planning agency with the overall responsibility for spatial planning issues, but with limited power to influence local level spatial planning priorities. The only available planning instrument at the national level is *areas of national interests for conservation and development* where NBHBP is responsible for coordinating the national interests that are formulated in the Environmental Code. The areas of national interests do have some implications on the land-use at the local level, and could thus be considered regulative, even if they in many aspects are relatively vague. Compared to all other Nordic countries, Sweden lacks a coherent national regional plan strategy for spatial planning, land use or similar, including national guidelines for such issues.

However, in recent years it has been an increased interest from the national level to oversee the role of the state in coordinating spatial planning issues, at least in urban areas. For example, in 2017 the Council for Sustainable Cities (Rådet för hållbara städer) was established by the Swedish Government (see more in text box below). It has also been recent government assignment to NBHBP related to a framework for national spatial planning. The final report and its proposal were launched in the spring 2022. It is for instances proposed to establish a *Council for spatial planning*. In connection to that, it is proposed to establish an *Arena of collaboration between state agencies* and a *Forum for dialogue between different planning actors* (including public, private and civil society actors at all planning levels) (see Boverket 2022b). It remains to be seen whether any of these proposals will be implemented.

**Text box: The Swedish Council for Sustainable Cities**

The council acts a forum for cooperation between 11 national agencies<sup>10</sup>, the Swedish Association of Local Authorities and Regions and the County Administrative Boards (Boverket 2021). The initial assignment from the Swedish Government to the council was to strengthen the municipal preconditions to develop viable and sustainable cities and communities by departing from SDG 11, the “Strategy for viable cities – policy for a sustainable urban development” (authors’ translation), and the proposition “Politics for a designed living environment” (authors’ translation). In brief, the council has collected experiences and relevant knowledge within sustainable urban development with the aim to conduct dialogue, collaborate and involve relevant stakeholders on national, regional and local level, in order to facilitate new forms of cooperation (see Boverket 2021). The Council for Sustainable Cities was supposed to finalize its tasks by the end of May 2022, but in March 2022 the Swedish Government decided to revise and extend the council’s tasks to 31 December 2030. The Public Health Agency of Sweden will from now on also support the Council for Sustainable Cities (see Finansdepartementet 2022). The council is for instance not any longer tasked with preparing a joint list of measures or to propose any issues for further investigation. However, the council should continue with the remaining of its original tasks. In addition, it should

- focus on creating better conditions for cooperation among the 11 Swedish Agencies so that SDG 11 can be achieved,
- establish the website [www.hallbarstad.se](http://www.hallbarstad.se) as a platform for relevant and up-to-date information about knowledge support and possibilities for funding to develop sustainable cities, but also funding to maintain these areas.
- support municipalities in Norrbotten and Västerbotten that are exposed to establishment of large industries or large expansions of existing industries. The support regards sustainable urban development and designed living environments. (see more Finansdepartementet 2022)

At the regional level, there are currently only two regions (Skåne and Stockholm) where it is compulsory according to the Planning and Building Act to prepare a regional plan, and from 1 January 2023, Region Halland will become the third region where this is compulsory. Even though it is a regional land-use plan, it is not legally binding. In recent years it has been possible for the regions in Sweden to apply to become a regional planning authority, but some (e.g. Östergötland) have decided not to become a regional planning authority and will continue its tasks within the current system. Informal regional spatial planning is ongoing in most (if not all) of the Swedish regions. Some regions have prepared spatial strategies, often named as structure pictures (strukturbild), in order to concretize its *regional development strategies* with a spatial dimension (see e.g. Smas and Lidmo 2018). The *regional development strategies* on the other hand are mandatory for all regions with a responsibility for regional growth issues. Those strategies are not formally part of the planning system. They are part of the regions’ work with regional development and growth issues, governed by The Regional Growth Ordinance (SFS 2017:583). From the national level, it is National Strategy for sustainable regional development in the entire country 2021–2030 (Regeringskansliet 2021) that guides regional development work. In the current strategy, spatial planning (in terms of

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<sup>10</sup> The Swedish National Board of Housing, Building and Planning, Formas, The Swedish Agency for Participation, The Swedish Environmental Protection Agency, The Swedish Centre for Architecture and Design (ArkDes), Swedish Energy Agency, The Swedish Agency for Economic and Regional Growth, The Swedish Transport Administration, Vinnova - the Swedish Agency for Innovation Systems, The Swedish National Heritage Board, and Public Art Agency Sweden

samhällsplanering) is noted to be an important tool to cope with the territorial aspects of the national regional development policy. Good spatial planning is one of the strategy's priorities in order to meet the strategic thematic area "Equal possibilities to residence, job and welfare in the entire country". In its action plan (see Näringsdepartementet 2022), several measures are listed to fulfil that priority, such as the extension and revised tasks for the Council for Sustainable Cities (see text box), and to provide specific spatial planning support to the municipalities with huge planning challenges due to the expansion and establishment of large industries in Norrbotten and Västerbotten.

The responsibility for spatial planning lies foremost with the municipalities, and there are two key planning instruments applicable at the local level: the municipality's comprehensive plan (översiktsplan) and the detailed plan (detaljplan). The comprehensive plan is not a legally binding plan but should include guidance on future land-use development and should describe long-term strategic developments within the municipality. The comprehensive plan should be co-ordinated with national and regional goals and should take into account national interests, such as national environmental quality goals. In addition, the comprehensive plan guides the legally binding detailed plans that regulate the use of land and water areas.

Iceland

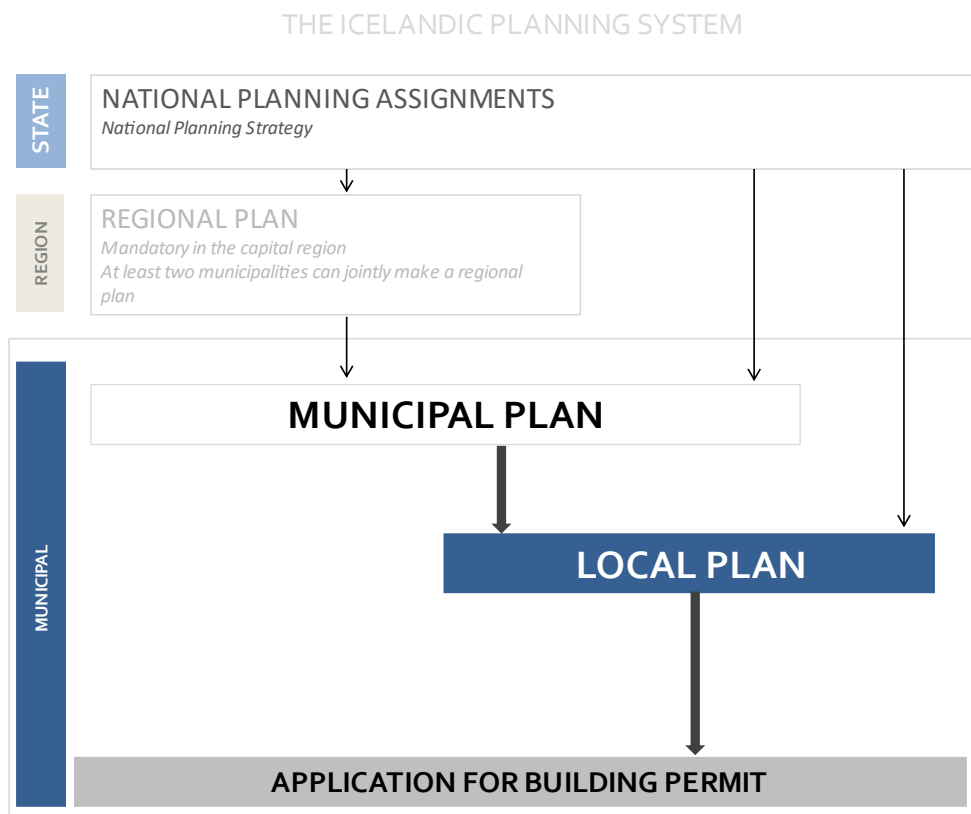


Figure 8. The Icelandic Planning System.

The planning system in Iceland is governed on two levels, state and municipal level. At national level, the Icelandic National Planning Agency (*Skipulagsstofnun*) is the state authority, under the aegis of the Ministry of Infrastructure. Until late 2021 the agency was under the Ministry for the Environment and Natural Resources but after the elections in the autumn of 2021 the new Ministry of Infrastructure was created, which among other things is responsible for transport affairs, local government, housing as well as regional affairs. One main purpose of creating a new ministry is merging projects related to housing and planning under one roof which prior were topics that were the responsibility of a few ministries. The Ministry of Infrastructure also has the tasks of transport and local affairs which are seen to have direct linkages with planning. Expectations are that this will increase the efficiency of the whole planning system and simplify procedures in the future.

The institutional role of the National Planning Agency (NPA) is the more or less unchanged after the governmental reform. It is responsible for the administration and implementation of the Planning Act, the Environmental Impact Assessment Act (EIA) and the Strategic Environmental Assessment Act (SEA) while also having responsibility for the National Planning Strategy. Additionally, the NPA coordinates national sectoral plans and is also responsible for assisting and advising local authorities in preparing and reviewing spatial plans, including the approval of municipal plans drafted by local authorities (Lidmo, Bogason & Turunen, 2020).

**The planning system includes four main instruments:** The National Planning Strategy (*Landsskipulagsstefna*), regional plans, municipal plans, and local plans. Since there is no administrative regional level existing in Iceland, the planning system is mainly governed at the municipal level. Municipalities are responsible for developing a municipal plan that should include a land-use strategy. They are also expected to take the current national planning strategy into account

in the preparation of those plans as it is the main policy instrument, guiding the future development of planning in the country. Icelandic municipalities also have the option to voluntarily develop what will then become a legally binding regional plan across municipal boundaries. Such plans require the approval of the respective municipalities, as well the National Planning Agency.

Therefore, an optional regional level is present, where two or more municipalities can conduct a plan collectively (Planning Act, 2010). Such plans normally form a single geographical, economic or social entity and currently the capital area is the only region where it is compulsory to make a regional plan. Such plans, which municipalities or associations of municipalities have made collectively, have none the less become more common in recent years (Lidmo, Bogason & Turunen, 2020). In the new Agreement on the Platform for the Coalition Government formed in late 2021, it is both stated that the number of regional councils shall be increased as well as clarifying the legal status of these regional associations of municipalities (Stjórnarráðið, 2021). The policy in Iceland is therefore to strengthen the regional associations without creating a formal administrative regional governance level. At the state level, a new ministry was also formed after the elections in the fall of 2021. This meant that a new ministry of infrastructure was created, fostering policy areas such as planning, housing, transport, regional and municipal affairs under one roof. The different but related topics were before the change the responsibility of various ministries and institutions. Merging them under one ministry was meant to lead simplify tasks, optimise communication channels and lead to overall greater efficiency for the good of the relevant topic areas.