



# NALAS

## Third Summer School: **Multiannual and Investment Budgeting at Local Level in SEE**



**10-15 July 2016**  
Lake Ohrid, Macedonia

# **Alignment of local strategies, budgets and capital investments and prioritizing long-term investment needs with local government sectoral policies**

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# Smart growth strategies for LGs?

Local governments provide a wide variety of facilities and services.

As budgets tighten, city leaders often struggle with how to reduce the costs of needed facilities and services and/or increase revenues without overburdening residents.



# Smart Growth for LGs

- **Smart Growth** is a term used to describe the urban planning and transportation decisions which cities often make to avoid urban sprawl and in turn advocates transit-orientated modes of transportations, green cities, neighborhood schools, and mixed used development.

# Families Care about How Communities Grow

<b>Do You Favor:</b>	<b>Yes</b>
<b>Requiring All New Housing to have 15% Affordable Homes?</b>	<b>66%</b>
<b>Providing Tax &amp; Loan Incentives to Revitalize Communities?</b>	<b>81%</b>
<b>Increasing Local Coordination on Growth?</b>	<b>85%</b>
<b>Funding Priority to Existing Communities?</b>	<b>81%</b>
<b>Establishing Zones for Green Space &amp; Forests?</b>	<b>83%</b>

# Why Do So Many Families Care?

## **E**nvironment

Air and water pollution are threatening human health and land development is degrading wildlife habitats.

## **E**conomy

For most Americans, transportation and housing costs command over half of household income.

## **E**quity

Families are finding fewer choices in affordable housing, quality neighborhoods, and job opportunities.

## **E**ngagement

People have less and less time for involvement in their children's schools or other civic activities.

# What is Urban Sprawl?

**Sprawl** is irresponsible development that takes taxes collected away from communities and destroys farmland and open space.



# Let's recall Smart Growth

**Smart growth** is well-planned development that protects open space and farmland, revitalizes communities, keeps housing affordable and provides more transportation choices.





# Ten Principles Of Smart Growth

- 1. Mix land uses**
- 2. Take advantage of compact building design**
- 3. Create a range of housing opportunities and choices**
- 4. Create walkable neighborhoods**
- 5. Foster distinctive, attractive communities with a strong sense of place**



# Ten Principles of Smart Growth

- 6. Preserve open space, farmland, natural beauty, and critical environmental areas**
- 7. Strengthen and direct development towards existing communities**
- 8. Provide a variety of transportation choices**
- 9. Make development decisions predictable, fair, and cost effective**
- 10. Encourage community and stakeholder collaboration in development decisions**



# What Smart Growth “Is” And “Is Not”

More transportation choices and less traffic **Not against cars and roads**

Vibrant cities, suburbs and towns

**Not anti-suburban**

Wider variety of housing choices

**Not about telling people where or how to live**

Well-planned growth that improves quality of life

**Not against growth**

# Sprawl Vs. Smart Growth



# Why Does Smart Growth Work Better?

## **E**Environment

**Consumes less land and water, causes less pollution, and preserves farms and wildlife habitats**

## **E**economy

**Succeeds economically and attracts businesses and a skilled workforce**

## **E**quity

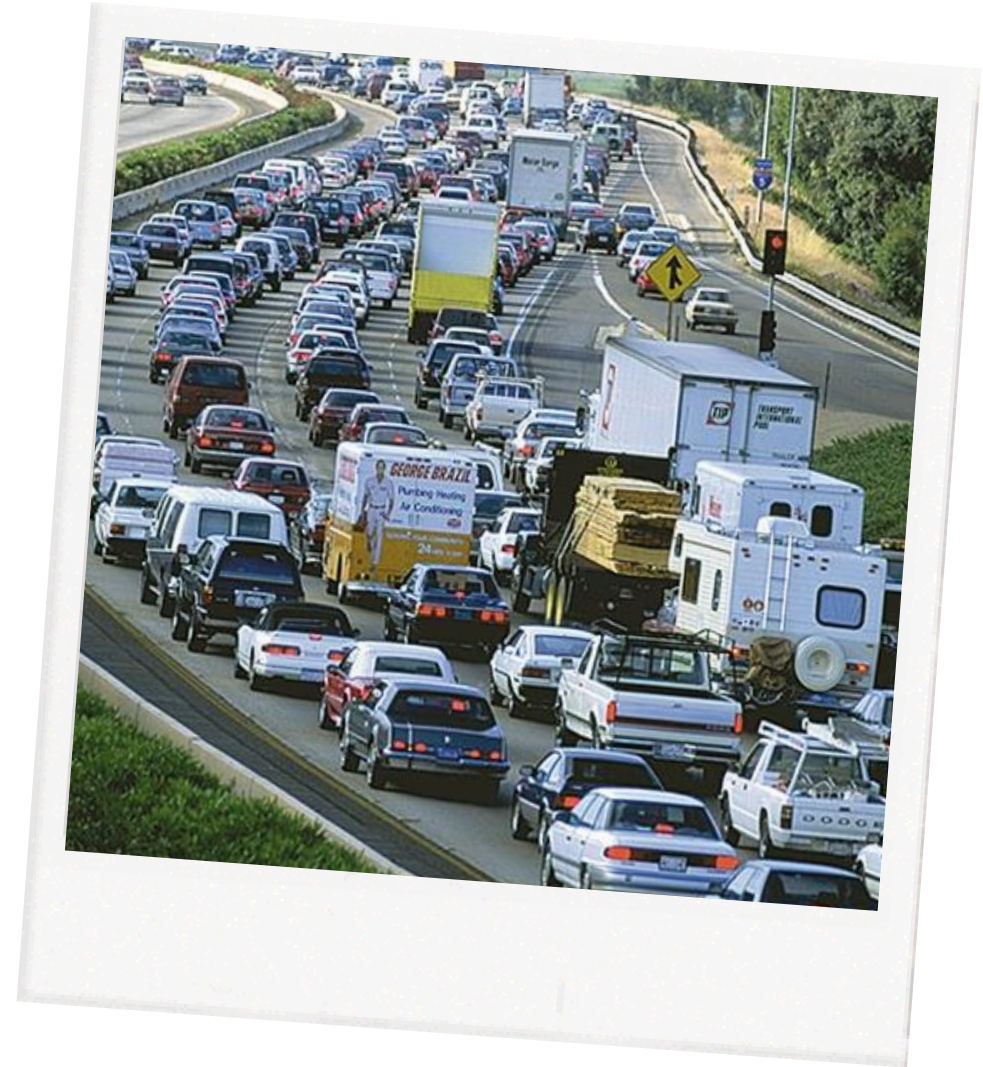
**Creates more choices in transportation, affordable housing, and jobs for all residents**

## **E**ngagement

**Encourages greater participation in community planning and civic life**

# Why Do People Prefer Smart Growth?

Sprawl generates more traffic, longer trips and more dependence on automobiles.



# Why Do People Prefer Smart Growth?

**Smart Growth Provides More Transportation Choices**



# Why Do People Prefer Smart Growth?

**Sprawl  
Provides  
Few Options for  
Pedestrians  
and Cyclists**





# How Do We Make Smart Growth Happen?

- Support **well-designed** developments
- Conduct community **vision** exercises
- Implement participatory regional, citywide, and neighborhood **planning**
- **Build coalitions** that include the entire community: businesses, schools, social equity groups, environmental organizations, elected officials
- Encourage the public to **vote** for Smart Growth and Smart Growth candidates

# So...

- We now have a goal to transform our city into a smart city.
  - But how are we going to manage that?
- We need a plan that includes:
    - Policies
    - Sectoral Priorities
    - Investments
    - Budget



# Steps in Strategic Planning for Local Development



- Beginning the Process
- Community Assessment
- Leadership Engagement
- Setting Goals and Measurable Outcomes
- Strategic Action Planning
- Writing and Communicating the Strategic Plan Draft
- Implementing the Plan

# Or in other words...

- Where are we now?
- Where do we want to be?
- How do we get there?
- How do we know if we got there?



# Strategic Planning = Targeting

- Targeting public investments in areas that will improve competitive position
- Targeting development efforts toward specific programs or activities likely to bring desired results
- Targeting the time, talent, and money of local government and development organizations to get the “biggest bang for the buck.”

# Strategic Planning Benefits

- Takes a proactive rather than a reactive approach
- Efficiently reallocates resources to meet changing conditions
- Creates a dialogue throughout the community
- Educates stakeholders about the local economy and the importance of certain programs

# Strategic Planning:

## Social Development v Economic Development

### Social Development

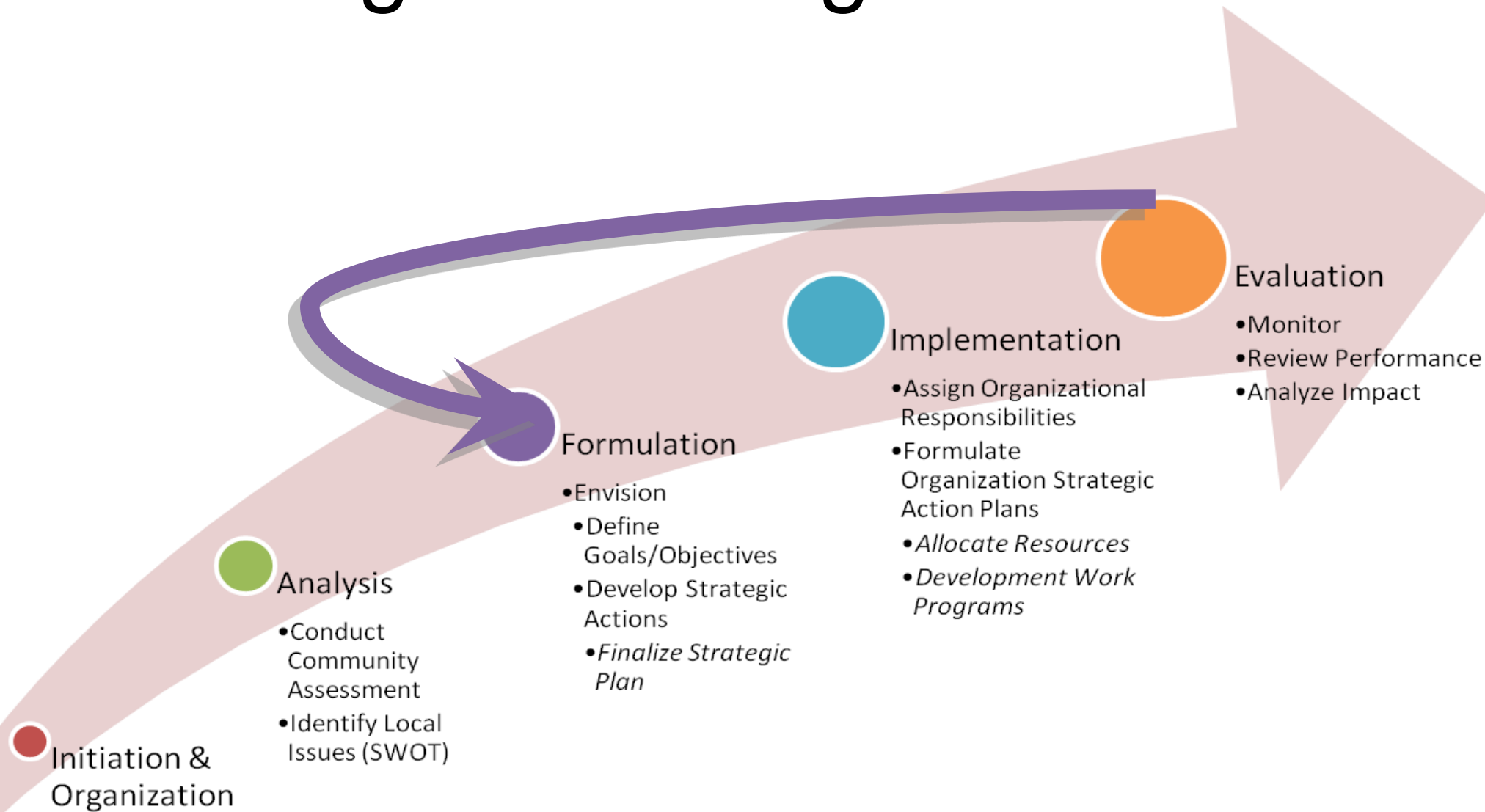
- Focused on improving *quality of life*
- Focused on *residents*
- Concerned with housing, social welfare, education, medical services, etc.

### Economic Development

- Focused on improving *standard of living*
- Focused on *business activity*
- Concerned with business climate, work force, transportation, etc.



# Strategic Planning Process





# Step 1: Beginning the Process

- Gather individuals to guide the strategic planning process
- Identify stakeholders and define their participation
- Select an organizational arrangement for the strategic planning process



# Successful Strategic Planning

- A “champion” or unified group of champions is critical
- A “steering committee” keeps everything on track



# Steering Committee

A unified, committed group representative of the community who will take on:

- Finding finance/funds
- Designing the planning process
- Establishing policies and procedures
- Authorizing expenditures
- Monitoring and evaluating progress

# Role of Local Leadership in Strategic Planning

- Visioning
- Identifying and prioritizing key development issues
- Providing continuity
- Giving input on the action agenda
- Fund-raising
- Serving as spokespersons and champions



# Role of Citizens in Strategic Planning

- Providing input into problems
- how economic development “happens”
- Voting for political candidates and referendums
- Getting involved in volunteer efforts



# Step 2: Community Assessment

- What is going on in the local economy?
- What is going on in the national economy?
- What do we consider as our strengths and weaknesses?
- Do we have the organizational structure we need?
- Will the community support a strategic planning process?



# Assessment Surveys

- Survey the leaders of the community (public, religious, sports, art etc.)
- Citizen survey
- Business survey



# Community Assessments

- Information Inventory
- Economic Base Analysis
- S.W.O.T. Analysis





# Economic Base Analysis



- Demographic trends
- Income trends
- Labor force trends
- Employment base
- Retail trends
- Future economic possibilities

# S.W.O.T. Analysis

- Strengths
- Weaknesses
- Opportunities – potential target industries
- Threats:
  - Globalization
  - Knowledge-based economy
  - Economic slowdown
  - Transformation of manufacturing & distribution
  - Skilled labor shortages
  - Etc.

# Step 3: Leadership Engagement



- Visioning
- Setting Priorities

# Have a Leadership Workshop

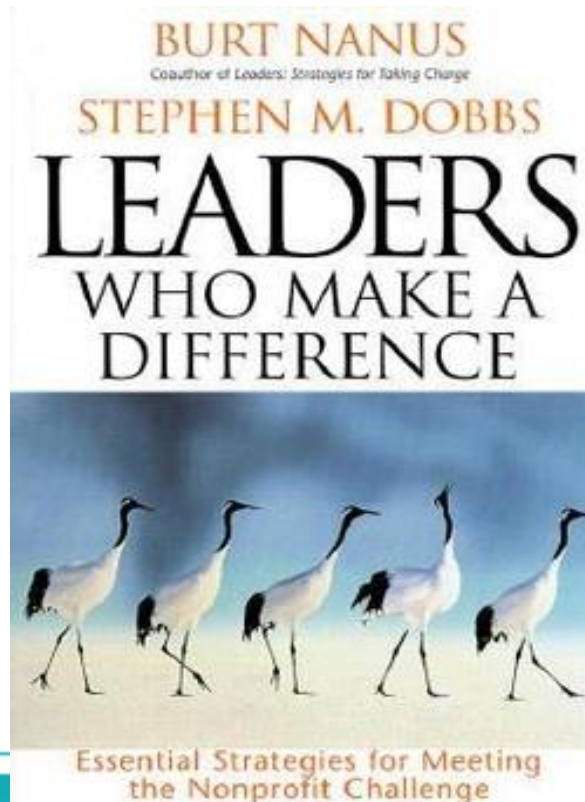
- Introductions
- Ground rules
- Education about major trends
- Results of surveys and assessments
- Visioning process
- Identification of priority issues
- Review of the “path forward”



# Vision

*“There is no more powerful engine driving an organization (or community) toward excellence and long-range success than an attractive, worthwhile, and achievable vision of the future, widely shared.”*

- Burt Nanus, *Visionary Leadership*



# Vision

- Develops as an ideal and unique view of the future
- Comes from leaders' knowledge and experience; inspires others with a sense of purpose
- Gives direction to the actions of the community and its organizations
- Provides a way to measure progress

# An Effective Vision

- Widely shared
- Clearly articulated
- Strongly supported
- Challenging but attainable
- Highly desirable; a substantial improvement on the present
- Concise and memorable



# Vision vs. Priorities

- Vision of a local government
  - what do we want to become?
- Priorities of a local government
  - what must we take care of **now** to get there?



# How do we get to where we want to be?

Set **KEY** priorities  
(strategic planning is focused,  
not comprehensive)



# Key Development Issues



- Problems
- Constraints
- Needs
- Concerns
- Unrealized opportunities and potential

# Prioritizing



- On what issues should the strategic plan be focused to achieve our vision?
- Given our resources and economic realities, what can we and should we attempt to accomplish?

# Local Development Opportunities

## Balancing:

- Leadership concerns
- Business investment concerns
- Community concerns
- Local government concerns



# Priority Identification

As a local government agent, use:

- Past studies
- Assessments
- Employer opinions
- A task force of key leaders
- Focus groups
- Community surveys
- A workshop

# Local Development Priorities

- Provide information to leaders so they can develop a realistic perspective
- Structure a workshop environment to effectively identify priorities for the community
- Rank priorities to determine relative importance of each



# Step 4: Setting Goals and Measurable Outcomes

- Setting goals
- Measuring outcomes



# From Issues to Goals

- *Issues* and *problems* tend to be negative in nature,
- *Goals* tend to be positive statements about the future,
- Start the action development process with problems and their causes.





# Goals

- Stated vision that is more *specific* than the broader vision
- Generally not measured (this is the purpose of *outcomes*)
- Used as a *frame of reference* in decision-making
- Based on *economic reality*
- Stated *clearly, concisely, and explicitly*

SUCCESS

# Goal Example

- *Issue:* The community has no available industrial sites for new business and industry.
- *Goal:* The community has adequate sites in an attractive business park to attract new employers.
- *Action:* The county's Industrial Development Authority will acquire 100 acres suitable for a business/industrial park.

# Goal & Outcome Example

- *Goal:* The organization has enough money to implement its action plan.
- *Outcome:* Within the next 12 months, the executive director and Board will raise \$1 million in public and private sector monies for the organization's funding.
- *Strategic Action:* The Board will appoint a committee to design and implement a one-year fund-raising campaign using local volunteers.

# Outcome-Based Performance

- *Outcomes* -- the results desired
- *Strategic Planning* -- how to achieve the outcomes



# Step 5: Strategic Action Planning

- Develop leadership consensus on the top development issues
- Research those issues and decide what actions to take



# Developing Strategic Actions

- Frequently local leaders tend to stick with familiar ideas
- Think out-of-the-box; new ideas can come from focused facilitation, research, and outside expertise
- Choose issues based on goals, available resources, potential impact on the economy, and leaders' commitment.

# Strategic Actions

- Avoid action words that lack **accountability**, such as:
  - Promote
  - Encourage
  - Focus on
  - Pursue
  - Enhance
  - Review
  - Continue to use
  - Study
  - Collaborate with



# Evaluation of Actions

- Who implements it?
- How much will it cost?
- What resources and staffing will be required?
- What is the timeframe?
- What will be the benefit?
- How will we measure our progress?





# Step 6: Writing and Communicating the Strategic Plan Draft

**WHO  
ARE WE?**

- Community assessment  
(Who are we?)
- Vision statement  
(Who do we want to become?)
- Goals (priority issues)  
(Where do we want to go?)
- Strategies  
(How do we get there?)
- Evaluation and adjustment  
(“what gets measured, gets done”)



# Goals and Actions

The format for the goals and actions should be:

Goal 1:

Measurable Outcome:

Strategic Action 1:

Responsible organization:

Estimated cost: \$

Source of funding:

Timetable:

Benefit to the community:

Performance measure:

# Step 7: Implementing the Plan

- Each strategic action requires a clearly identified organization to take on the implementation
- Each organization in the plan needs to buy in to its role in the implementation
- An overview group is helpful to monitor and coordinate implementation among organizations

# Implementing the Strategic Plan

## STRATEGIC PLAN

- Long-term (3- 5 years)
- Goal-oriented
- General strategies
- Improvement of the competitive position

## WORK PLAN

- One year
- Results-oriented
- Specific strategic actions
- Improvement of the existing situation

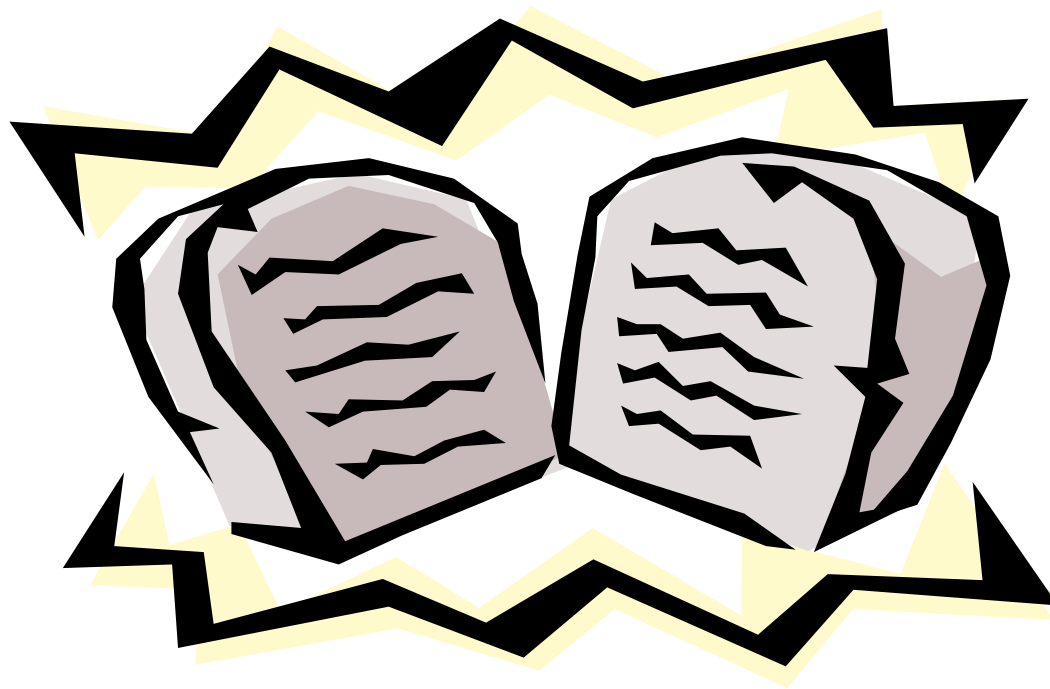
# Adjusting the Plan



- Reassessing priorities
- Reallocating resources
- Changing procedures
- Modifying the basic program or plan

# The Strategic Plan

The *strategic plan* should never be “written in stone!”

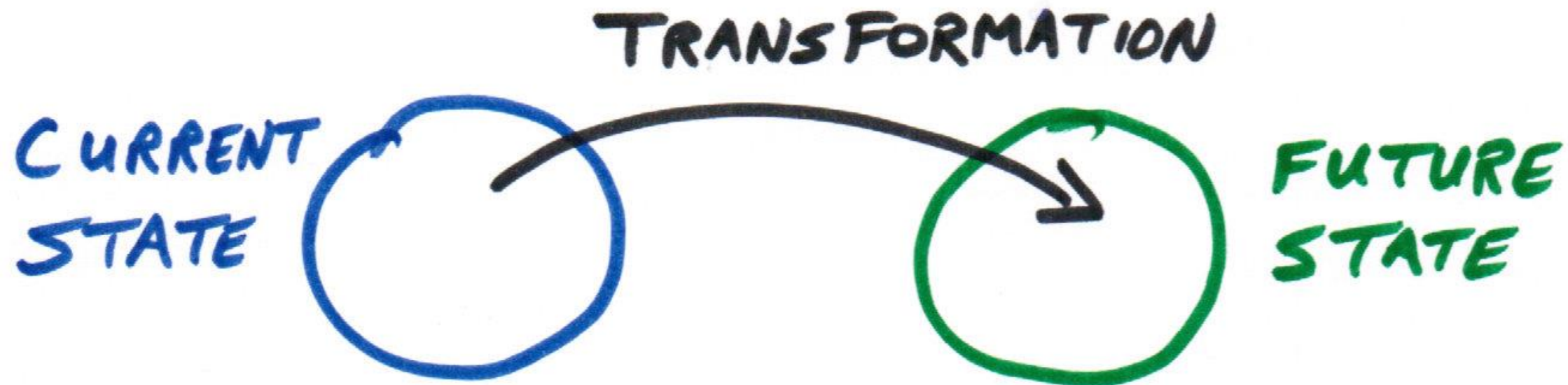


# Successful Strategic Planning

- Successful completion of process
  - Moving efficiently through all steps
  - Timing -- 6 to 9 months
  - Reasonable costs
  - Local participation maximized
- Meaningful involvement of leaders/stakeholders
- Recruitment of leaders to champion the process
- Careful selection of Steering Committee
- Use of local coordinator to keep process moving
- Judicious use of outside facilitators
- Periodic review of progress and appropriate adjustment

# Always Remember...

“It is the successful transformation of the community that is ultimately important; not the successful implementation of the plan.”





# Example: Istanbul Metropolitan Municipality Strategic Plan 2015-2019



## Priorities:

- Disaster Management
- Environment and Energy
- Construction
- Urban and Community Regulations
- Culture
- Health
- Social Services
- **Transportation**

# Committees

Name of Specialized Committee	Working Groups as Subcommittees	Participants
<b>Transportation Services Management</b>	Road and Sea Systems Group	36
	Rail Systems Group	20
	Mass Transportation Systems Group	17
	Traffic Management Group	20

# What transportation services management committee suggested

- Extending the rail system network in the city

2004	2015	2019	2030
45 km	129 km	430 km	776 km

# How to put the strategic plan into practice

İSTANBUL BÜYÜKŞEHİR BELEDİYESİ  
**2016 YILI YATIRIM  
VE HİZMET PROGRAMI**

**Investment Program  
of Istanbul  
Metropolitan  
Municipality**

# Investment Program of Istanbul Metropolitan Municipality 2016

	Project Budget	Starting Year	Completion Year	2019 anticipated loan utilization
Yenikapi-Airport-Halkali Metro Line 226 Rolling Stock Acquisition	USD 450 million	2016	2020	USD 1 thousand
Cekmekoy-Sancaktepe-Sultanbeyli Metro Line	USD 950 million	2016	2019	USD 80 million
Altunizade-Camlica Metro Line	USD 120 million	2016	2019	USD 35 thousand
Atakoy-Ikitelli Metro Line	USD 600 million	2015	2019	USD 60 million
Bagcilar-Kucukcekmece Metro Line	USD 390 million	2015	2019	USD 39 million

# Strong Mayor vs Weak Mayor

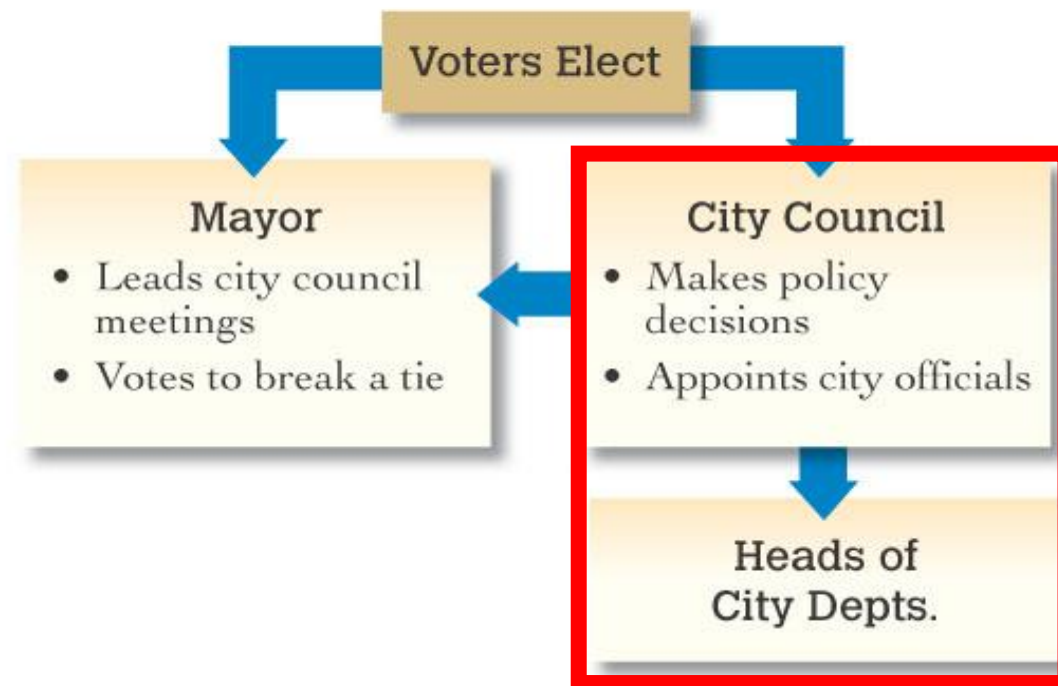
## Strong-Mayor and Weak-Mayor Systems

### Strong-Mayor System



Executive & Legislative Power

### Weak-Mayor System



Executive & Legislative Power



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