“Europe” stands for an initiative of the European Parliament, a study program launched by the European Commission and a sample of some 18 cities.

In November 1992, Mr. Bruce Millan, Commissioner responsible for regional policies, has launched 18 studies on the conservation of European cities with a total budget of 1.5 MECU. The allocation was inserted in the Community budget at the request of the European Parliament.

The studies are in Charleroi, Odense, Le Puy-en-Velay, Mühlberg/Elbe, Bautzen, Athens, Thiva, Waterford, Cork, Urbino, Luxembourg, Utrecht, Tomar, Viseu, Valencia, Guadix, Caernarfon and Edinburgh. The Commission was able to support only 18 studies with the available resources.

Commenting on the decision, Mr. Millan said, “It is important to conserve the rich cultural and historic character of European cities and to improve their environment. Historic zones should be reintegrated into the mainstream of the economic and commercial life of the city and region. In doing so it is important that the architectural and historic fabric is respected. This valuable fabric often provides good opportunities for new economic development. I hope that these studies will provide lessons and transferable expertise for other cities in the Community” 1

In the terms of reference it has been stipulated that the studies should satisfy a number of requirements. They should:

• provide a strong emphasis on matching environmental and economic goals;
• involve the local authorities concerned;
• deal with run-down historic parts of cities;
• seek to develop mixed functions and land use within the area covered and develop solutions for resolving problems related to the environmental impact of traffic and improvement of public transport;
• provide a means for reintegration of historic zones into the mainstream of the economic and commercial life of the city and region;
• develop actions which might eventually be incorporated in Community Support

1 Commission of the European Communities, 1992, Regional Policies, 1.5 million ECU for eighteen studies on the conservation of European cities, press release, November 26, Brussels.
Frameworks in the post-1993 period:

- respect the architectural and historic fabric in any solutions adopted;
- bring together other actors within the city in both the public and private sectors eg universities, chambers of commerce, etc.

These terms have been translated into a set of criteria that has served to select the 18 studies from 40 proposals, submitted from all Member States, and to evaluate both the interim and the final reports. In order to guide the 18 cities in their studies, an evaluation framework has been prepared and sent to each of the cities at the outset.

The Commission has received advice and assistance from an independent consultant throughout the implementation of the study program and from a panel of independent experts at the selection stage.

In January 1995, a seminar was held in Brussels to discuss "Lessons from Studies on the Conservation of European Cities". Participating in the seminar were the cities involved, the Commission and a number of outside experts.

Main issues developed by the study and conclusions are presented in section 2.

They refer to 16 of the 18 cities selected. Urbino and Luxembourg are not included because of respectively contractual and deadline problems.

2. Main issues developed by the study and conclusions

To establish the main issues of the conservation of European cities, a typology has been constructed. It rests upon the nature of the conservation task linked to the kind of study area. This typology covers:

- the revitalization of run-down historic centres (A),
- historic centre improvement (B),
- the revitalization of old industrial or commercial areas of historic interest (C),
- small and medium town conservation (D).
the revitalization of run-down historic centres

historic centre improvement

the revitalization of old industrial or commercial areas of historic interest

small and medium town conservation
Type A is represented by Charleroi's "Périmètre de la Place Charles II", the historic centre of Cork and Valencia's "Ciutat Vella". All three of them are located in regions whose economic development is lagging behind (hence their eligibility for Structural Funds under objective 1). The Charleroi region (Hainaut), until 1994, had been classified as a region affected by industrial decline (objective 2).

Examples of further improvement of historic centres that are not run down, are Utrecht's "Museumkwartier" and the Old Town of Edinburgh (both not eligible for Structural Funds). Timely action is needed to prevent historic centres from becoming run-down. This has been a serious threat to the Old Town in the 1980s, but has been prevented so far by an energetic counterattack. Once historic areas are run-down, a much greater effort is required to revitalize them.

Type C applies to Odense's "Glasvej" district, a subarea of the historic Commercial triangle of Athens and the South Quays of Waterford. These examples show that the conservation task is not limited to ancient historic centres. More recent areas can also be of historic interest. Opportunities may exist both in eligible and non-eligible regions.

Since small but also medium-sized town face special problems and constraints, eg a lack of conservation expertise, a special category has been created. There is a large number of examples: Le Puy-en-Velay ("Ville Haute, Cité Episcopale"), Mühlberg/Elbe ("Stadt"), Bautzen ("Altstadt: Rittergasse/Messergasse"), Thiva ("Cadmeia"), Tomar ("Núcleo Histórico"), Viseu ("Centro Histórico e Cava de Viriato"), Guadix (City Centre and Habitat of Caves), Caernarfon (Town Centre).

Mühlberg/Elbe and Caernarfon have even less than 10 000 inhabitants. Most of the towns belonging to this category are located in objective 1-regions. But they can also be found in regions experiencing serious problems of rural development and structural adjustment as in the case of Le Puy-en-Velay and Caernarfon.

The overall conclusion is that the cities have produced study results that are meeting the terms of reference of the Commission. More specific conclusions to be drawn from the finalized studies focus on two main issues:

- the innovatory character of the studies
- links between conservation and opportunities for new economic development, as a special type of innovatory aspects.

Both types of innovations constitute a demonstration potential, ie the cities in question can provide lessons and transferable expertise to other cities in the Community.
2.1. Innovatory aspects

Apart from opportunities for new economic development, innovatory aspects mainly relate to approaches, integration and project development.

Are there any approaches to be singled out?

Approaches involving new ways of active public participation are particularly illustrative. In Odense, a contact network has been created to cater for public participation. Thanks to this, actors and experts from various sectors have been actively involved in the study. Similarly in Utrecht a large number of actors has participated in shaping the plan and program. A special newspaper has been published and the project has even been awarded a prize for the way in which communication has been handled. Most illustrative of this kind of innovatory aspect, however, is the Charleroi study, because of the socio-economic modelling applied to the conservation issue. A survey of the residents and those working in the study area has provided the basis for a number of projects corresponding to their need. This has been achieved through an iterative process with the help of outside experts.

A completely different innovative element has been produced by Edinburgh. Key strands of future action have been identified based on an impact analysis of tourism and physical environment investment, comprising multipliers and the concept of the economic resource base of the study area. The newness lies in the use of this kind of impact analysis for conservation purposes.

Conservation is often primarily associated with the tangible architectural heritage or monuments, as a cultural concern. What the present studies have achieved is an integration of the restoration concern with relevant functional aspects: environment, access & circulation pattern, housing, social aspects, private business and public activities. This appears as a major innovatory aspect. Integration is later on translated into mixed functions and land use within the area covered. It should also be noted that the studies are about areas instead of just historic buildings.

Two cases provide special instruments for achieving integration. One of them is Charleroi with the socio-economic modelling mentioned before, the other is Utrecht. The latter has presented a sensitivity analysis dealing with the effects of projects on the main goals as well as into the way in which projects depend on each other.

Looking at the terms of reference shows that environmental goals and the environmental impact of traffic play an important part in the conservation studies. Hence, if a city has emphasized these aspects, this could qualify as a contribution to sustainable city development. In conjunction with restoration, this could also qualify as innovatory.

In some cases, both the environment and traffic (access & circulation pattern) have been dealt with in greater detail (notably by Odense, Utrecht, Viseu, Valencia and Guadix). Note that

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2 Ville de Charleroi, 1994, Rénovation du périmètre de la place Charles II à Charleroi, rapport final, les annexes-1, modélisation socio-économique de la Place Charles II.
the Odense study has been a joint project of the municipality and the Ministry of the Environment. Moreover, Viseu was awarded a national prize for some environmental projects presented in the final report. Waterford, Cork and Caernarfon have paid special attention to traffic. And Thiva has proposed a mini-bus system.

Caernarfon has even developed a checklist for sustainable buildings.

Environment, as treated by the conservation studies, also covers the natural environment in and around cities (especially Guadix), public open space or the built environment, and utility infrastructure networks (Guadix, but also Tomar, where networks of infrastructure are a priority intervention underlying all other forms of intervention).

The interpretation of environment accords with the Community Green Paper on the Urban Environment. So does the entire study program on the conservation of European cities. The protection and improvement of this historic heritage of cities is also part of the quest for sustainability.

How about project development? Have the twelve studies brought in something new?
Let us have a closer look at organization, public-private partnership or local synergy, phasing implementation and impact analysis.

Some of the cities have made proposals for a new immaterial infrastructure to support the conservation or revitalization process:
• a supporting infrastructure catering for a constructive participation of the population and an assessment of its needs to develop motivations and capacities (Charleroi),
• a development corporation (Odense),
• the Cork Vision Centre (a centre for the coordination of the regeneration process and the dissemination of information),
• a “one-stop-shop” to provide direct and personal service to local users (Caernarfon).

This kind of initiative can help to turn conservation into a going concern.

Public-private partnership or local synergy, related to conservation, is innovative in character, generally speaking. There are three outstanding cases for different reasons. The case of Caernarfon illustrates how partnership can be built from scratch by setting up a Business Plan. Cork’s Historic Centre Development Trust is an example of using good-practice experience from elsewhere (ie the principles of the City Challenge process in the UK and the structure of the Temple Bar Initiative in Dublin, the latter also being one of the Community’s urban pilot projects). And finally, there are the Edinburgh Old Town Renewal Trust or EOTRT (an agency that manages the regeneration process) and LEEL, the Lothian and Edinburgh Enterprise Limited. These forms of partnership, however, are not a result of the conservation study. They already existed, although the final report contains recommendation to further improve the functioning of EOTRT.

As far as the phasing of implementation is concerned, some cities have proposed interesting ways of experimenting with or testing conservation projects. Charleroi has carried out a simulation exercise with regard to one of the building blocks in the study area. The Bautzen study, focusing on Rittergasse/Messergasse, already is a pilot project. Its implementation will provide an example for similar projects in the redevelopment area. Waterford proposes an integrated demonstration project meant to test feasibility, impact and attractiveness to both shopkeepers and users of a key area of the South Quays. Cork considers demonstration projects concerning living over the shop and managed workspace as "leadership by example" i.e a display of best-practice methods that can act both as exemplars and catalysts to further action.

With regard to impact analysis, two cases are worth mentioning. One is Edinburgh with its economic impact analysis, which has not been applied to concrete projects. However, it could be adapted to that purpose in order to simulate the effects of conservation projects. The other case is Utrecht where an attempt has been made to operationalize the relevant objectives which, together with the proposed planning and control, could provide a basis for monitoring and ex-post evaluation (see the sensitivity analysis mentioned earlier).

A final conclusion relates to the aspect of promotion and marketing. Three outstanding examples are to be reported here: Cork, who has proposed an Action plan promotional campaign, Utrecht, where an integrated marketing strategy has been worked out for the Museum quarter, Le Puy-en-Velay's "Terre d'esprit" concept, a special approach to position the city as a tourist centre.

2.2. Conservation, opportunities for new economic development

The prototype of the conservation project proposed by the finalized studies boils down to an investment in buildings and physical environment (plus operation and activities). Once implemented, the project is going to attract users. They can be residents, as in the case of Cork's living over the shop program or employees or visitors. Their expenditures create a primary cash flow related to stand-alone functions (with the turnover depending on volume and price). But there is also a derived cash flow, due to the functional synergy or the combination of various functions (the turnover being a matter of volume). Those visiting a historic attraction may also go to a restaurant or go shopping in the area and, in doing so, spend money on more than one occasion. Similarly residents and employees, too, spend money on other functions located in the area. Functional synergy depends on the multifunctionality of the spatial investment. That is one reason why...
integration plays such an important part in the approach introduced by the finalized studies. In addition to the primary and derived cash flows, the uniqueness of a project can cause "scarcity" (the turnover being boosted by a higher price). This so-called locational synergy can hardly be estimated without comparing locations citywide, i.e., without referring to an overall urban development perspective and the power of local authorities to steer the development process. Historical elements can have an important symbolic function. That is why historic centres, in principle, provide good opportunities for unique projects. It seems useful to develop study areas as "specialized areas", a concept which has been put forward by Valencia. This threefold assessment of the demand side or economic feasibility of a (conservation) project results in an estimated annual turnover per function. This turnover - combined with the net-turnover margins (before taxes) of lessees, leasers and institutional investors - forms the revenue account. Institutional investors also calculate their return on invested capital.

Project-related cash flows, however, do not cover the full range of economic impacts. As the Edinburgh study has clearly shown, changes in tourist expenditure in the Old Town "multiply", bringing about changes in total output, income and employment. If the effects are felt by those establishments, and their employees, where the tourists spend their money, they are referred to as direct. Indirect effects result from purchases made by the tourist sector from other industries in order to produce its output. Finally, increased income, respent on final goods and services within the local economy, produces the so-called induced effects. Moreover, many visitors to Edinburgh are attracted by the Old Town, but much of their expenditure takes place in establishments (particularly in hotels, restaurants and shops) outside the Old Town. So one should also count the direct, indirect and induced impacts elsewhere in Edinburgh. In the case of Edinburgh, the multiplier effects are triggered by changes in tourist expenditure (initial change, change in level or distribution). The economic chain reaction can also be triggered by changes in resident, employee and other visitor expenditures, depending on the content of the conservation projects. Cork has identified a whole array of special category uses that one is seeking to attract: light industrial use, wholesale distribution, servicing of plant or equipment, international services, computer software businesses, Specialized Business Centres, river-based activities, hotels.

Historic areas do not necessarily live by tourism alone. There is room for innovations in economic content. Odense's networking centre may create an urban tourist attraction. But the House of computers, television producer education and the video workshop, in fact provide linkages with existing enterprises in Glasvej. The entrepreneurial centre, another project proposed by Odense, involves the active use of income transfers and public job-creation funds.

Project-related cash flows and multiplier effects relate to economic impacts. But the local economy cannot be reduced to economic impacts, especially not in the case of conservation. The concept of the local economy needs to be extended to include social or public-good benefits and social costs. Conservation is also about historicocultural values, i.e., effects on non-
users related to the symbolic value of a public capital good. This includes eg:
• artistic value,
• historical memory,
• representativeness for a given style period,
• integration of different style periods and with external environment,
• visual beauty of exterior of monument,
• age (period of first construction) 9.

There is still another reason why “integration” ie multifunctional or mixed uses are preferable to monofunctional ones. They allow of marrying the collective-good character of heritage projects with functions that produce market effects. The latter can serve to cofinance public facilities by way of compensation. How this is done, depends on the modalities of public-private partnership. This is of special importance at a time marked by a stringency of public resources or budget cuts that first affect the alleged “less productive” or “soft” sectors of society such as the historical and architectural heritage.

Conservation can not only produce public-good benefits, but also social costs. This is a risk involved in attempts to boost the number of tourist visiting historical attractions. Apart from potential physical damage, the biggest problem caused by tourism is the environmental damage of traffic. Therefore it has been stipulated in the terms of reference that the studies on the conservation of European cities should “develop solutions for resolving problems related to the environmental impact of traffic and improvement of public transport.” The costs of resolving these problems should be internalized, ie incorporated in the project budget.

Finally, there is still another way in which investment in buildings and physical environment might contribute to the economic functioning and well-being of a city—according to the Edinburgh study 10.

“There is a generally accepted view, based on research of historic centres in Europe, that improvements to the physical environment can influence economic regeneration by enhancing images of the area. Consequently it is important to place the completed and programmed investment in the Old Town in a wider non-monetary context. Even in what initially appear to be unpromising locations image has been used to promote inward investment” To illustrate the enhancement hypothesis, examples from the UK and from the United States are quoted: Wigan, Telford, New Lanark and Lowell. “Much of this is subjective and very difficult to quantify, particularly in the shorter term”, but certainly worthwhile exploring, especially in cities that are located in objective regions with images of “grey skies” and industrial decline (like Lanarkshire) or poor physical conditions.

The relation between conservation and urban economic development is expressed schematically in the figure that follows.

10 EDAW CR. Planning and Surrey Research Group, op.cit., pp. 53-54.
Opportunities for new economic development, generally speaking, do not imply radical interventions in historic zones that require major demolition or expropriation, not only because of excessive costs. As underlined by the Athens project team in its plea for “mild interventions,” radical interventions would put at risk the area’s urban character, its desired land uses and its existing productive tissue (commercial), established through a long historic process. Similarly, Guadix opts for “a planning operation of sustainable development” focusing on the tertiary sector, infrastructure, urban and natural environment, and boosting the economy and relating it to centres of commercial activity.
2.3. Next steps

Some specific recommendations can be made with regard to next steps. They are about further research, conservation projects and the demonstration potential.

As some aspects of conservation have not yet been fully developed by the finalized studies, further research is needed. One can shortlist the following topics:

- links between conservation and opportunities for new economic development, preferably incorporated in an explicit urban economic development strategy,
- contribution of conservation to the development of the region in which the city is located,
- assessment of economic feasibility of conservation projects and the elaboration of a revenue account with special emphasis on multifunctional projects,
- modalities of public-private partnership (given the poor state of the art of this kind of partnership in some Member States), emphasizing compensations for public goods and financial and other risks,
- impact analysis of conservation projects, covering economic and other functional aspects (including eg image enhancement),
- use of good or best-practice experience,
- cost of conservation and how to finance it.

The last of the topics is vital as it relates to the affordability of the conservation of European cities. Some of the cities have introduced partial solutions. Take for example Charleroi’s zone of privileged initiative, Cork’s revolving fund programme or Viseu’s copartnership. Note that Guadix has proposed special actions with regard to urban development and land values. Moreover, the assessment of economic feasibility and public-private partnership also refer to affordability. But its order of magnitude is such that it needs to be investigated at a larger scale. A recent study from the Netherlands, by the National Investment Bank is particularly illustrative, even if it deals only with the restoration of state monuments ¹¹

It is also possible to study these topics by implementing the proposed conservation projects, hence learning by doing.

The study program launched by the Commission has certainly raised expectations among the participating cities regarding a subsequent implementation of the proposed conservation projects (see the overview) and their financing. Different sources of financing or cofinancing need to be explored: local, regional, national, public and private, and European. Of course, the feasibility of the proposed projects must be established first, a matter subject to a critical ex-ante evaluation.

As far as European cofinancing is concerned, the cities are referred to the various Community activities in urban matters or to the Structural Funds innovatory measures ¹².

Among the various Community initiatives, two are of special importance to conservation or urban revitalization, not only as sources of cofinancing, but also as sources of inspiration. One are the so-called urban pilot projects. There were 32 of them in 1993 based around four themes:
- economic development in areas with social problems,
- environmental action linked to economic goals,
- revitalization of historic centers,
- exploitation of the technological assets of cities.

Of course, the revitalization of historic centers (in Berlin, Thessaloniki, Dublin, Cork, Genoa, Lisbon, Porto) are closest to our topic. But as the themes are overlapping, the other three themes can also be of interest concerning both innovatory aspects and opportunities for new economic development.13

The relevant program is called Urban. It deals with the integrated revitalization of urban problem areas. Valencia’s “Velluters” project can serve as an example as it has been submitted under this program and selected by the Commission.

Finally, use should be made of the existing demonstration potential so that lessons can be transferred to other cities. This requires not only an adequate dissemination of the study results, but also effective networking. Three regional workshops (organized by Edinburgh, Odense and Cork) and the Brussels seminar have already provided opportunities for disseminating the study results.

It is the Commission that could help to provide means for networking. It can be imagined as a combination of a regional and a thematic exchange of experience as illustrated, on one hand, by the regional workshops and by the four types or themes of conservation, on the other. Such a network, of course, not only serves the exchange of experience among the 18 cities, but

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<thead>
<tr>
<th>Conservation projects - an overview / Key-elements</th>
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<tbody>
<tr>
<td>CHARLEROI</td>
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<tr>
<td>ODENSE</td>
</tr>
<tr>
<td>LE PUY-EN-VELAY</td>
</tr>
<tr>
<td>MÜHLBERG/ELBE</td>
</tr>
<tr>
<td>BAUTZEN</td>
</tr>
<tr>
<td>ATHENS</td>
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<td>THIVA</td>
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<td>WATERFORD</td>
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<td>CORK</td>
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<td>UTRECHT</td>
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<td>TOMAR</td>
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<td>VALENCIA</td>
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<td>GUADIX</td>
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<td>EDINBURGH</td>
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also the transfer of lessons to other cities in the Community or elsewhere, in Central and Eastern Europe. Le Puy-en-Velay has proposed the creation of an "Institut Européen des Centres Anciens" as a potential network of old town centres.

In order to turn the conservation of European cities into a going concern, best practice awards can be an important tool. A national example is given by the British Urban Regeneration Association (BURA). Best practice, in line with the study results, reads successful projects of integrated revitalization of different types of historic areas.

2.4. The European interest

With the ongoing economic and political integration of Europe, the identity of a country, region or city will increasingly depend on culture. An important part of the cultural identity is language-specific, but there are also more tangible cultural aspects like townscape (town plan, building forms and land use) and landscapes. Changes in urban form result primarily from changing land values related to long waves in the economy and the adoption of innovations, but some variations in urban form, say, variations in the height and types of buildings are also attributable to cultural factors. The preservation of the cultural identity, embodied in townscape and landscapes, is constantly jeopardized by a certain ideology of modernity. This ideology tends to homogenize urban form, repeating as it seems the North-American model. However, the weight of existing (historic) urban centres of European cities is not to be underestimated. What is at stake here is the cultural identity or genius loci of European cities. But a future shaped by short-term economic concerns threatens the intrinsic historicocultural values. What is needed instead is a more balanced, long-term development strategy of coping successfully with economic-technological change, but also respecting both the historicocultural heritage and environmental limits to urban growth as well as achieving, at least, less distributive injustice. These are exacting directions for the future of cities in Europe 14