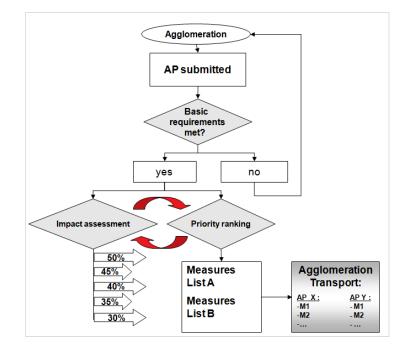
Switzerland today has very dense road and rail networks which are heavily used. Mobility consumption in general is too cheap: car traffic does not pay for its entire costs (externalities) and public transport is heavily subsidised. Moreover, there are deficits in spatial planning. The rate of land use consumption is high and urban sprawl persists. Housing, working places and shopping facilities use up more and more open land. Settlement patterns are often shaped by the motorway and suburban railway systems. There is little incentive for an economical use of land nor the concentration of development in well-suited areas.

Federal initiative

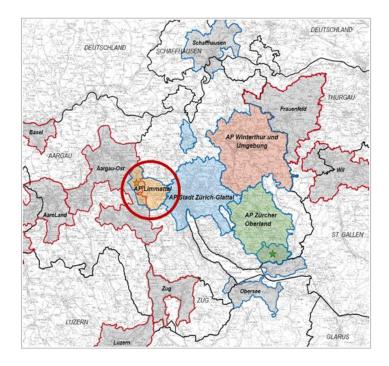
In 2006 the Swiss federal state launched the so-called agglomeration programmes (APs) as a new planning instrument in order to better coordinate transport and land use planning. Transportation infrastructure schemes which significantly contribute to an improvement of traffic, environmental and safety conditions in metropolitan areas are in principle eligible to co-financing by the federal state. In total, some 6 billon CHF of federal money were earmarked for this purpose.

The proposed projects must be part of a coherent programme , i.e. an AP. An AP must demonstrate as to how transportation policy sustains a desired land use development rather than fostering further urban sprawl. Moreover, a stable level of cooperation between the communes and cantons is to be established in order to plan, finance and implement all the projects of an AP. Each AP is assessed according to the procedure shown in the diagram below.

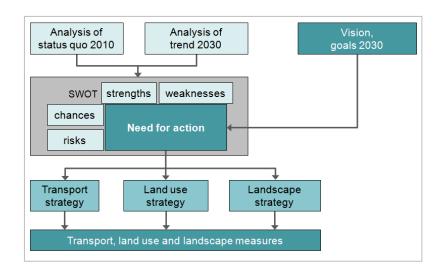


Success factors at programme level

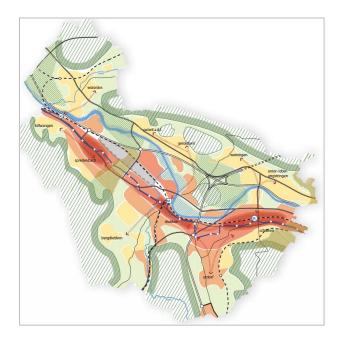
What are the most crucial success factors for an effective AP? This may be illustrated by the AP "Limmattal" which has been jointly submitted by the cantons of Zurich and Aargau within the second call for programmes in 2012. The following map shows the perimeter of the AP amongst various other APs in the Metropolitan Zurich area.



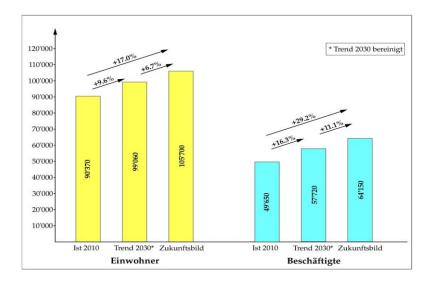
- <u>Binding political decision</u>: All communes (and the two cantons) within the AP perimeter have clearly committed themselves to further pursue and implement the measures proposed in the AP. They have done this individually by formal government decisions in 2012. This, however, remains subject to superior legislative or referendum decisions.
- <u>Consistent planning method:</u> all measures have been devised in a traceable way using a consistent methodology as shown below.



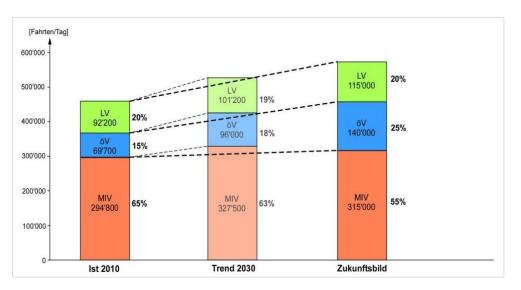
• <u>Picture of 2030:</u> a clear picture of the future ("Zukunftsbild") has been developed involving the various stakeholders. This can be termed as a satellite image of the Limmattal area in 2030. It indicates the desired state of the transport system and the built and unbuilt land use patterns.



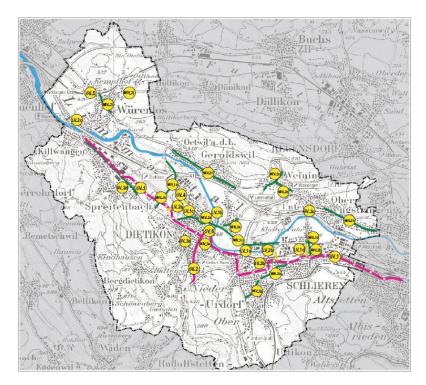
• <u>Levels of population and employment 2030</u>: Since these indicators are crucial for future traffic arising, they needed to be specified in quantitative way. Moreover, it had to be proved that these quantities can be accommodated as regards space and density.



• <u>Modal split targets 2030:</u> Clear targets were developed as to what means of transport (public transport, car, bike and foot) should take what share of the overall transport arising forecasted for 2030. This is important in order to derive and select the right measures.



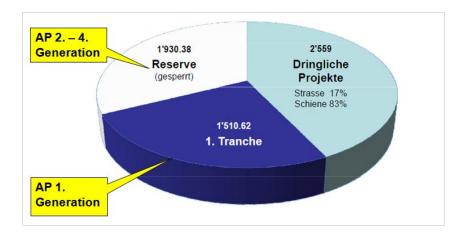
• <u>A bundle of measures:</u> a well-balanced bundle of coordinated measures has been derived aiming to reach the modal split targets as well as the "Zukunftsbild".



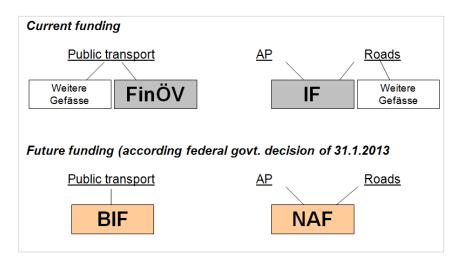
Future challenges

Some 30 APs of the first generation were submitted to the Federal Office for Spatial Development (ARE) in 2007. About 1.5 billon CHF has been granted to the various projects. A large number of these projects are now in a process of detailed planning or implementation. The second generation of APs comprising more than 40 programmes was

submitted in 2012, and two more generations are to follow until 2023. Given an increasing number and increasingly expensive projects (such as light rail systems), however, the remaining 1.9 billion CHF will not suffice as the following diagram illustrates.



Therefore, the federal government is now in the process of devising a new funding regime in order to secure the financial means on a long-term basis, i.e. beyond 2027. The diagram below depicts the current proposition regarding a new system of financing instruments, i.e. funds. However, the most controversial debate in parliament will revolve around the amount of money to be set aside for AP projects.



Conclusion

The APs of the first generation have significantly boosted the cooperation of the communes and cantons in their pursuit to create a transport system that both meets mobility goals and sustains the desired spatial development in the urbanizing areas of Switzerland. This would not have happened to that extent without the federal co-funding. The continuation (and perpetuation) of the established funding regime remains subject to political decision to taken at the federal level in 2014.