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URBAN MANAGEMENT MODEL IN THE IMPLEMENTATION OF STRATEGIC PROJECTS IN SERBIA

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Abstract: *In the last twenty-five years world cities are using strategic urban projects in the global competition to attract investment and international companies in the promotion of the city as a place for enhanced quality of life. Sometimes these projects trigger the creation of new urban policies that have wider economic and social importance for the cities, but often they are an instrument of implementation of already developed strategies. Additionally, strategic urban projects challenge, and frequently break up conventional planning models of the development of cities through comprehensive urban plans as the only instrument of governance. New models, methods and instruments for transformative action in urban governance, planning and management are needed, which take into consideration both the logic and functioning of property markets on the global competitive level and sustainable, economic and social impacts and benefits for the locality where they originate. We will present the urban management model in the implementation of strategic urban projects on the initiated case of Belgrade waterfront project. We argue that beside many similarities with worldwide cases in the process of planning and management in the realization of strategic projects, namely the private sector initiative, the Serbian case illustrates strong entrepreneurial direction of the public sector, namely the state itself. We also argue based on our methodology and research, in spite of collaborative theorists and practitioners, that it is not necessary to involve general public at large in the participatory process, but instead to focus on fair and just outcomes in the planning and management of such large scale projects, as well as obtaining a broader social support. Practical implications of this research in Serbian context are in the introduction of new models, approaches and instruments at the local government level for responsible, effective, and efficient planning and management of its territory, along with representatives of the private sector and the civil society.*

Key words: Urban management, instruments, implementation, strategic urban projects

INTRODUCTION

Fundamental changes in society in general, such as globalization and the transformation towards the information and network society, as well as transition processes of the socialist centrally planned economy to a market economy in the Serbian context in particular, impose the need for cities and urban regions to get organized in order to further strengthen their competitive position.

Formal national level of governance makes decisions about the development of the territory worldwide usually without involvement of and consultation with local and regional development actors, and how Innes, Booher and Vittorio argue (2010, p. 58), without achieving proper coordination even in the formal public sector, and we evaluate that such a situation stands for Serbia as well. Usually, such style of governance takes place in a bureaucratic way with standard procedures without adjusting to the unique circumstances that the local context with all its diversity within the territory possesses. On the other hand, local governments adopt their urban plans and direct their territorial development often independently from higher levels of government, regardless of the legal conditionality of the implementation of plans from higher to lower level (Radosavljević & Lalović, *Strateško umrežavanje aktera za održivi razvoj turizma Srbije: put do kvalitetnih održivih rešenja*, 2013, pp. 59-60). Also, quite often the case is that there is neither the place nor initiatives in which the actors in the development of a specific territory could work together (Innes, Booher, & Vittorio, 2010, p. 58).

The situation is further complicated and getting more complex since private actors, non-profit and non-governmental organizations, environmental groups and civic organizations also influence the development and the quality of the territory (Innes, Booher, & Vittorio, 2010, p. 58). The need for different forms of governance and urban management is particularly evident when it comes to the topics and aspects which go beyond the narrow jurisdiction of the control of the particular administrative territory, such as the case of large strategic projects, socio-economic development and climate change mitigation for example, in which decisions made at the single administrative territory can have positive and negative effects on their neighborhood.

All this complexity, dynamics and diversity of today's society seem inadequate for the 'one-way' flow between the public and private sector. For these reasons, Berg, Braun and Meer (1997, p. 10) take the view that the concept of public administration and management of the public sector shifted from the domain of public administration towards the broader idea of urban management and governance, in which interactive processes between actors of the public sector and public or private target groups or individuals create a network of interdependence and involvement of all stakeholders. Governance and urban management cannot be seen only as a certain organizational structure or the transformation of formal institutions. Thus Stoker argues that it becomes more important who has the ability to act and achieve goals, rather than who has the power to govern (Stoker, 1995, p. 59).

For all these reasons previously mentioned in the territorial development there has been a shift from the concept of *government* towards the concept of *governance* of the development of cities, towns, villages and regions. This change of the development based on a hierarchical, centralized, top-down and financially safe access of the development, using formal urban and spatial plans as tools, indicates the transition to the bottom-up approach using variety of and integration of different types of policies, programs and actions specific to particular contexts and cultures through the synergy of formal, legal, binding plans and informal plans that are an expression of aspirations, desires and agreement of international, national, regional and local actors which together carries development, be they part of the public sector and administration, private sector and civil society in general and local communities in particular.

Partnership approach in governance and urban management provides added value in this respect, moving from the formal arrangements and agreements towards the notion of partnership culture, in which a milieu is created both for public and semi-public administrative structures and for representatives of the private sector that directly or indirectly influence urban development. Organizing capacity refers to the urban management in terms of strategic networks, understood in this context "as patterns of interaction between mutually dependent actors that evolve around policy problems or projects" (Berg, Braun, & Meer, 1997, p. 11).

It should be noted that this approach is different from the traditional model in which coalitions work together to achieve common interest, as a rule by lobbying decision makers of the public sector. Instead, new forms of urban management engage a much wider range of groups and public agencies, with different although interdependent interests when it comes to public issues and to a large extent in a decentralized manner. Modern governance and urban management are responding in such a way to the complexity which can hardly be managed by the public sector alone, and require building new connections and relations among independent organizations and developing their capacity to act beyond their formal authority and mandate in order to adapt to the particular situation and territories (Innes, Booher, & Vittorio, 2010, p. 59).

The concept of urban management and a network of public, semi-public and private actors, each of them with own interests, objectives and perception, and more importantly, each of them depending for the realization of own objectives on the realization of others goals, is not new. What is new is that a strategic approach to urban management and networking highlights the complementary element to formal administrative structures in the form of informal relationships that may have a crucial role in the achievement of the objectives of all stakeholders and coming to a win-win situation for all parties (Berg, Braun, & Meer, 1997, p. 11). Broad support can be created through urban management for achieving political goals, such as quality of life, the competitive position of the cities and destinations, ensuring the implementation of policies, plans and solutions of the public sector, but it can also ensure equal participation of the private and civil sector in the

governance process. With support from the stakeholders, the process for developing the vision may be initiated in order to include diverse interests in a participatory process using established networks in urban management (Radosavljević, 2008, p. 82).

In this sense, the modern trend in governance and planning is polarized between the approaches advocated among theorists and practitioners of paradigm of just city on the one hand and theorists of collaborative-communicative paradigm on the other hand, where latter believe that the process of planning with the unfair outcomes is not successful unless it is opened or if participants in the process are not adequately informed due to disrupted communication, starting from the assumption that participants know their interests, or that they will discover them during the process of communication which will successfully transform their judgment. Fainstein, as a representative of the paradigm of just city, criticize collaborative-communicative model, considering that individuals are prisoners of existing social relations, institutions and ideologies that prevent them from accepting projects and programs which are opposed to their long-term interests, especially when the dominant elite control the media (Fainstein, 2010, p. 31). Collaborative planning theorists reject the possibility of autocratic and bureaucratic way of producing policy, without participatory decision making, can bring desired positive and equitable outcomes (Fainstein, 2010, p. 32).

We accept the views of theorists of just city, who believe that the planning and building the city for the benefit of non-elite groups requires strengthening those social groups which are excluded not only from the discussion and communicative planning process, but also from structural positions that allow them the real influence and that the possibility of participation is only one way to gain power for excluded social groups, and that there must be other ways, such as the approach to expertise and financial funds, effective organization and media coverage (Fainstein, 2000, p. 461).

On the other hand, urban planning has abandoned the overall strategic approach in the development of cities in Europe during the 1980s and moves in direction of large strategic projects of regeneration and transformation of parts of cities, with the excuse that the previous period was locked in urban plans (Healey, 2004, p. 45). At the end of the 20th century strategic plans are reentering the stage again, for several important reasons: coordination of public policy in specific locations, competitiveness of urban regions and introduction of the concept of sustainable development. Decentralization process and context of multi-level government is equally important reason, because of the possibility access to financial resources from higher levels of government such as national, European and world level (Radosavljević, 2008, p. 82).

Strategic focus and approach refers to the definition of priorities in the development of the city with a long term perspective. Strategic planning and strategic urban projects apply the concept of collaboration with a range of stakeholders in society, considering that large projects have an impact on the community as a whole, both in terms of benefits and in terms of undesirable effects. Being concerned about the impacts, strategic planning seeks for the performance as the outcome in planning and implementation. Davidson (1996, p. 456) defines integration, process and outcomes as key aspects of the strategic planning of the city through a participatory process for the realization of the strategic objectives defined by the key actors in the city through a combination of physical, financial and institutional aspects.

THE DEFAULT SETTING OF URBAN MANAGEMENT MODEL IN THE IMPLEMENTATION OF STRATEGIC PROJECTS

Based on the literature review of theoretical works in the field of urban governance, planning and management we will present our model and methodology on the case of initiated strategic urban *Belgrade Waterfront* project.

Urban management of strategic urban projects we formulate as a specific combination of instruments of urban governance and planning in the development of the city, but also as a process of inclusion, networking and organizing various stakeholders with often conflicting interests, values and goals, as well as a examination a range of the effects that their decisions have on the space, society and the economy. Urban management means that all mechanisms and instruments are allowed, but their use depends equally on the particular circumstances and the

context, and therefore on the values and goals towards which they are directed. New instruments are used when they are needed, for example only urban plans, and instruments such as incentives to attract private sector in the form of tax relief when the situation depends on the supply and demand.

Urban management of large strategic projects is one of the basic preconditions for their successful implementation. In this sense, urban management in this paper refers to how actors of the public and private sector: 1) regulate their relations through different organizational arrangements and partnerships; 2) which requirements they have and what rules they set in initiating partnerships and in the process of implementation; 3) which organizational, planning and policy instruments they use for initiating projects and instruments for citizen involvement; 4) which the tools and resources they use, such as land, financial resources, knowledge; 5) which entrepreneurial actions, obligations and responsibilities are taken; 6) which risks are taken; and 7) what results are accomplished and what benefits are achieved for social and individual interests.

All these individual aspects we analyze since we argue that relations between actors, rules and actions that are undertaken together have a crucial role in the realization of large strategic urban projects, rather than the institutional and legal rules, even though they represent a context and determine the framework in which these actions and decisions are made.

THE CASE OF THE STRATEGIC URBAN BELGRADE WATERFRONT PROJECT

LOCATION AND POSITION IN THE BELGRADE GENERAL PLAN 2021

Large strategic urban *Belgrade Waterfront* project is foreseen in a central city location in the very city center, at the base of the Sava amphitheater and part of New Belgrade, at the riverside in Belgrade. The Belgrade General Plan 2021 (hereinafter GP Belgrade 2021) treats the location of the Sava amphitheater as one of the most important urban complexes in the central area of the old Belgrade as a new center of town at the Sava river and recognizes large projects as an instrument of implementation of the plan (Službeni list grada Beograda, 2003, p. 1003). For these reasons, taking advantage of the strategic potential of this area in the context of European integration and the new image and the modern spirit of Belgrade and Serbia in the competition for a better position in competition with other European and world cities represent an imperative, but also an obligation for all actors who make decisions about the future development and the appearance and character of the area.

LAUNCHING OF THE BELGRADE WATERFRONT PROJECT

Several Serbian media announced in April 2012 as breaking news that the candidate of the Serbian Progressive Party (hereinafter SNS) for the mayor of Belgrade presented the *Belgrade Waterfront* project, by which the neglected riverside will be rebuilt and transformed into “a combination of business complexes, luxury hotels, housing blocks, cultural and art facilities and facilities for sports and recreation, with large green areas” (Tanjug, 2012). Thus, potentials for Serbian and Belgrade's economy and the fight against unemployment and social and economic problems were announced in the spring of 2012. Announcements of the SNS candidate for the mayor of Belgrade at that time, and current Prime Minister of the Serbian government, were also referred for the potential interest of investors who are interested in participating in the project “but there cannot be any talk about it because everyone will have to go through the tender procedure [...] and at least 200,000 people will be included in the construction and operation stages in this project. That would largely solve the problem of unemployment in the city, and would make a great tourist attraction from Belgrade, not only for the Balkans, but also for the entire South East Europe. This would triple revenues from tourism” (Tanjug, 2012).

According to these first announcements, SNS candidate for the mayor of Belgrade at that time had pointed out “that, according to the project, the city would benefit on taxes on building land with 451 million Euros and that [...] the project is profitable and does not require borrowing of Belgrade. [...]

We want to offer our resources, which are attractive location, land and construction of communal infrastructure, and for that reason we are looking for money from investors. Investors invest money, we don't borrow from anyone, we employ people, and at the same time we earn money and meet the needs of our city" (Tanjug, 2012). Analyses of the spatial development, problems and approaches to urban development and strategic projects have significantly changed with the formation of the new Government of the Republic of Serbia on the Serbian political scene in 2013. These announcements and attitudes of key Serbian politicians show that the issues and access to the regeneration of the central city of quarters at the national and city levels Belgrade seen primarily as a problem of lack of private sector investment.

Finally, large strategic urban project *Belgrade Waterfront* at the Sava amphitheater location was launched through announcements in several Serbian media¹ in the form of the first version of the Master Plan in the second half of 2013. What is unusual and different from the large number of international cases is that the public sector dominantly represents the national level of the state, not the local city government, and the similarity with the world cases is that the private sector is a major international financial company: *Eagle Hills*. Also, the initial process is characterized by low transparency of negotiations, the basic outline of several variants of initial visual representation of the project, as well as a number of other aspects which we will introduce in the analysis of the case study of large strategic urban project: *Belgrade Waterfront*.

CHANGES OF NATIONAL LEGISLATION, PLANNING DOCUMENTS AND URBAN REGULATIONS FOR STRATEGIC BELGRADE WATERFRONT PROJECT

Since the initiative started with the republican government, the solution to formally and legally start the project directly from the national level was found in the proclamation of the project on the Government of the Republic of Serbia with the status of the project of special importance and interest for the state of Serbia and Belgrade in May 2014 as an area with significant tourism potential.

One of the changes of the city's regulations for the possibility of realization of the project of *Belgrade Waterfront* project, in the relation to the proposed high-rise buildings in the Master Plan Belgrade Waterfront, was the abolition of the Study of high-rise buildings, the decision taken by the Temporary authority of the City of Belgrade on 17 April 2014 (Službeni list grada Beograda, 2014b, p. 22). Abolished Study determined the possibilities of construction of high rise buildings in the territory of Belgrade, and the location of Sava amphitheater was not one of them.

The next step in terms of changes to urban regulations for the possibility of realization of the *Belgrade Waterfront* project were related to changes of GP Belgrade 2021. Proposed and adopted amendments in GP Belgrade 2021 from 18 September 2014 (Službeni list grada Beograda, 2014a) have been carried out without substantial participation of professional and general public, except for the formal conducted public review. A number of remarks to the amendments of GP Belgrade 2021, which were submitted by professional associations, particularly the Association of Serbian Architects and The Association of Belgrade Architects (Udruženje arhitekata Srbije i Društvo arhitekata Beograda, 2014), and individual citizens, were generally not accepted, except for a small number of remarks that were partially accepted by the Commission for plans of the city of Belgrade and adopted by the Assembly of Belgrade. Remarks that were partially accepted were concerning the obligation of making competition rules, subdivisions of parcels of public use, and additional criteria for location of high-rise buildings as a contribution to the protection of views and cultural and historical heritage. Substantial changes of GP Belgrade 2021 were related to the previous obligation of the announcement an international competition for the regeneration of the Sava amphitheater, which was previously aimed at a unified approach to the formation of a new center the Sava river and the arrangement of both banks of the Sava for the logical visual and contextual relationship between stripes of public spaces on Belgrade's and New Belgrade' side,

¹ Novosti, Mondo.rs (2013) *PROJEKAT: Beograd na vodi, san koji će postati realnost?!*, 2 August. Kurir.rs, [Online], Available: <http://www.kurir.rs/projekat-beograd-na-vodi-san-koji-ce-postati-realnost-clanak-921175> [4 July 2014].

regardless to the different possibilities and future independent stages of implementation and particular competitions in two parts of the future center.

THE INSTITUTIONAL FRAMEWORK AND THE CREATION OF THE NEW ORGANIZATION

The broader legal framework that enabled the initiation of the *Belgrade Waterfront* project was Agreement on Cooperation signed between the Government of the Republic of Serbia and the Government of the United Arab Emirates in February 2013 and ratified by the National Assembly on 15 March 2013. In this way it is possible not to apply the *Law on Public-private partnerships and concessions*, if the partnership is based on international agreements for the joint implementation or use of the project (Vlada RS, 2011, pp. Article 3, paragraph 2). The Government has also established a *Limited Liability Company Belgrade Waterfront* (hereinafter *Belgrade Waterfront Ltd.*), which is the main contractor of the regeneration on the Sava riverbanks for the *Belgrade Waterfront* project. The institutional framework is established and identification of the participants for the implementation of the *Belgrade Waterfront* project are recognized in the draft Spatial Plan of Belgrade Waterfront, namely the *Belgrade Waterfront Ltd.*, City of Belgrade through the authority of the City Administration, Public Enterprise Serbian Railways AD, Public enterprises founded by the Republic of Serbia and the City of Belgrade.

COMMUNICATION CAMPAIGN AND THE PROMOTION OF THE PROJECT

The Master Plan *Belgrade Waterfront* project was presented at the opening of one of the largest real estate exhibitions in the world in Cannes in March 2014, where it had a world premiere at the stand of *Eagle Hills* from Abu Dhabi, which will build the project in Belgrade. The project was presented by the President of the Temporary Council of Belgrade, who stated to journalists the impression that the project was 'hit' on the most important international exhibition of real estate (Politika online, 2014). Scale model of strategic *Belgrade Waterfront* project is exposed to the general public in Belgrade Cooperative building from the end of June 2014.

DRAFT PLAN FOR THE BELGRADE'S RIVERFRONT FOR THE BELGRADE WATERFRONT PROJECT

All this preparatory institutional, organizational and promotional activities of the Government of the Republic of Serbia and Belgrade City served to initiate preparation of the Draft Spatial Plan of special-purpose planning act for the regeneration of part of Belgrade's riverfront – part of riverfront of Sava river for the *Belgrade Waterfront* project (hereinafter: *Spatial plan Belgrade Waterfront*) (RAPP, 2014).

The legal framework for the *Spatial Plan Belgrade Waterfront* was the decision of the Government of the Republic of Serbia from 03 June 2014 (Službeni glasnik RS, 2014), and the Planning Institute of Belgrade was selected as a consulting agency to conduct the plan via the Republic Agency for Spatial Planning. One of the priorities for the initiation and implementation of the *Belgrade Waterfront* project, which is incorporated in the Draft *Spatial Plan Belgrade Waterfront* (RAPP, 2014), refers to the land clearance and the relocation of the existing bus station BAS and Lasta, and the railway station with accompanying tracks and plants.

Basic predominant land uses are housing and commercial activities - 45%. The total area covered by the plan is approximately 177ha, land area on the right bank of the Sava river is about 116 ha, the land area on the left bank of the Sava river is about 27 ha, and the waters of the river basin about 34 ha. The implementation of strategic urban *Belgrade Waterfront* project has started even before the decision was made to conduct the *Spatial Plan Belgrade Waterfront* and before the plan was adopted (currently in the approval process). The work on the first phase of the *Belgrade Waterfront* project began on March 8. 2014 with the relocation of rail tracks from the Railway Station area near the Gazela Bridge, and it is planned that this phase should be completed in the next three years - the construction of the *Tower of Belgrade*².

² (Politika online, 2014)

DISCUSSION AND RESEARCH RESULTS: MAIN ELEMENTS OF THE URBAN MANAGEMENT MODEL IN THE IMPLEMENTATION OF STRATEGIC PROJECTS

PHYSICAL, SOCIAL AND ECONOMIC CONTEXT OF STRATEGIC PROJECTS

The new Government of the Republic of Serbia from 2013 recognized the potential that a strategic city location in the Sava amphitheater offers in terms of the possibilities for Belgrade and the entire Serbian economy in terms of attracting capital investment from the private sector, primarily international financial capital, and announced major construction activities of the domestic economy. The aim of such entrepreneurial action at the state level refers to the transformation of unfavorable conditions to potentials and, at least according to announcements by politicians, the wider fight against unemployment and socio-economic circumstances in Belgrade and throughout Serbia. Lack of financial resources of the public sector from the national and city level for financing large strategic urban regeneration projects contributed to seeking partners in the form of the Government of the United Arab Emirates and the private sector, large international company *Eagle Hills*. In line with these objectives, the public sector from the national level tries to activate a strategic location in the center of Belgrade, through the creation of mainly supply of office space and an exclusive housing. On the other hand, the demand for commercial and residential space in Belgrade in the last few years has been steadily declining. For these reasons, the question is for which new residents and business companies is large strategic *Belgrade Waterfront* project planned for the realization in such a scope? The essential risks associated with large-scale strategic projects, which are also present in Serbian case, refer to the fact that the success of the project depends on the uncertainties and trends of the real estate market and the broader global financial movements.

INSTITUTIONAL AND ORGANIZATIONAL INSTRUMENTS AND AGENCIES

The formation of the organization *Belgrade Waterfront Ltd.* opened the possibility from the very beginning of the strategic planning process of the *Belgrade Waterfront* project for cooperation with the private sector. On the other hand, such an approach placed a new created organization on a higher level of decision making and action, while the administration of Belgrade was assigned a service role in providing planning documents, and local municipalities Savski venac and New Belgrade were completely left out of the institutional framework for the possibility of deciding on the development of own territory. This role and relatively small importance of the city is confirmed by the words of president of City Assembly of Belgrade, who stated that “[...] decisions could not be taken at the session of the City Assembly, because it is not a city’s project but a project of national importance [...] and the City Assembly has only a part of the jurisdiction concerning urbanism.” (Tanjug, 2014). In such a context, creating a single agency with a specific purpose exceeds the limits of existing procedures and instruments of planning and changes legislative and organizational framework which thus adapts to the individual project.

GOVERNANCE, NETWORKING OF ACTORS AND PARTNERSHIPS

National level in Serbia took over the role of local government in entrepreneurial urban governance in finding new ways, strategies and instruments of urban management for the creation of favorable environment for the local economic development and for increasing employment.

Serbian case shows that authority of the public sector in Serbia still plays a dominant role in the planning and governance in the hierarchical centralized top-down form from the national level to the local level of Belgrade. Therefore, we cannot talk about the elements of modern urban governance at the local level, since the local government of municipalities and Authority of Belgrade, at least in the initial phase were used only as a tool and service for the realization of the objectives of the national level and large international capital.

From the very beginning of the initiation of strategic urban *Belgrade Waterfront* project, a process is characterized by low public transparency of negotiations between the partners in this project,

which are essentially the Government of the Republic of Serbia and the Government of the United Arab Emirates, and formally *Belgrade Waterfront Ltd.* and the company *Eagle Hills*. Additionally a series of alleviations and subsidies are announced, at least according to the announcement, to be made for the private sector represented by the company *Eagle Hills*, in the form of donating land to a foreign investor and the exemption of local taxes and fees. It remains to be seen in the future if and what kind of public-private partnerships would be established.

INITIATIVE, ENTREPRENEURIAL ACTIONS AND LEADERSHIP

We have emphasized in the introductory part of the paper that instead of asking who governs, the basic question becomes who has the ability to act, i.e. the ability of collective action and achievement of objectives.

In this sense, we can say that the Government of the Republic of Serbia has shown the ability to act and achieve goals through the identification of potentials and opportunities for Belgrade and the Serbian economy in terms of attracting capital investment from the private sector and announced major construction activities of the domestic economy. However, as we have previously shown, all actors and stakeholders were not included in a collective action in the process of initiating a strategic urban *Belgrade Waterfront* project.

In implementing these entrepreneurial actions, the national level in Serbia has shown the initiative and leadership, but it has also took over the role of local government in entrepreneurial urban governance in finding new ways, strategies and instruments of urban management for the creation of a favorable environment for local economic development and increasing employment.

INTERESTS, DECISION-MAKING AND POLITICAL SUPPORT

Political support from the national and the Belgrade level for strategic urban *Belgrade Waterfront* project was formally made available through the same political option at both levels, while substantially the support is related with the hierarchical centralized way in top-down governing from the central government to the local authorities which we assessed previously. The decision making process in such a centralized and hierarchical context flows quite efficiently, but it is not sustainable for the whole city and the community in the long run, especially due to the non-transparent way of decision making which excludes both experts and the general public.

In particular, the question that arises is to consider to the last extents the possibility of defining and implementing public interest for all citizens in *Belgrade Waterfront* project. What is unusual about this case is that the public interest was declared in the form of the construction of commercial and residential buildings, which is essentially aimed at satisfying the private interests of elitist groups, primarily the international financial capital of the private sector. Public interest and expropriation in Serbia can be realized only for public purposes, such as traffic and infrastructure areas, parks, public services in the competence of the public sector, and so on.

Entrepreneurial initiatives and actions of the public sector in Serbia at the national level and at the level of Belgrade occurs in such a way that politicians and bureaucrats do not take neutral attitude in cooperation with the private sector, but, on the contrary, indulge and give assent to business interests, for the sake of realization of public interest in an indirect way. Implementation of public interest, at least according to the politicians' announcements may be expected indirectly through taxes from the sale of apartments, taxes on salaries for office buildings and commercial centers after *Belgrade Waterfront* project implementation.

INSTRUMENTS OF FORMAL AND INFORMAL PLANS, VISIONS AND MECHANISMS

The Government of the Republic of Serbia made a decision to declare the area of the Sava amphitheater as an area with significant tourism potential and *Belgrade Waterfront* project as a project with the interest for the state, within an urban area in the center of Belgrade. Also, decision was made that the *Spatial plan Belgrade Waterfront* should be prepared for the *Belgrade Waterfront* project, and not regulatory detailed urban plan which would essentially define the basic characteristics of regulation of space, and therefore the public and private interest.

The implementation of strategic project is based on the use of legal, formal instruments of development, which in this case are substantially modified, such as the urban plan GP Belgrade 2021 and new as a draft *Spatial plan Belgrade Waterfront* for the sake of the realization of strategic project.

This approach shows on the conducted research on the case of the *Belgrade Waterfront* project, that the conventional planning instruments of formal plans are formally obeyed in Serbia, but that authorities are skillfully finding ways in order to change national and local urban legislation. Additional instrument is the creation of a new organization of *Belgrade Waterfront Ltd.*, which was established by the Government of the Republic of Serbia, representing a powerful mechanism for the implementation of the project with special powers and responsibilities for decision making and actions, particularly the power of controlling the development and land ownership.

INSTRUMENTS FOR INCLUSION AND OBTAINING THE SUPPORT OF CITIZENS

Participation of all stakeholders in the design and planning of strategic urban project have been carried out without substantial participation of professional and general public, except formally conducted public review during the presentation of amendments GP Belgrade 2021 and the *Spatial plan Belgrade Waterfront*. Media and the marketing campaign that the public sector of the national level conducted for the *Belgrade Waterfront* project related mainly to promotional activities from the very beginning, through the appearance of the default display of the basic outline of several variants of initial visual representation of the project, presentation of several variants of the *Belgrade Waterfront* project and in the form of the models in the building of the Belgrade Cooperative, as through presentations at real estate fairs.

In this way, the priorities of what should be a public interest in the *Belgrade Waterfront* project were more oriented towards the business elite of international big business, and less towards democratic and the participatory ways of decision making of local communities and citizens of Belgrade. On the other hand, regardless of formal citizen participation, we believe that if the strategies and instruments for planning and management of major strategic urban projects are focusing on fair and equitable outcomes it can lead to broad social support for the entire project and the support from municipalities and various organizations from the local level.

URBAN MANAGEMENT: QUALITY OF SOLUTIONS, EFFICIENCY AND EFFECTIVENESS

Besides many similarities with the world's cases in the planning and management in the implementation of strategic projects, mainly the private sector initiatives, Serbian case shows a strong entrepreneurial direction that the public sector has taken, at the national level and not at the city level, as it is often the case in the world. The approach chosen by the Government of the Republic of Serbia for initiating and implementing strategic urban *Belgrade Waterfront* project is a combination of entrepreneurial approaches of urban government of developed countries in liberal capitalism and the national state incentives and changes within the legislative system.

It remains unknown currently who will own the land in Sava amphitheater, since it is not yet clear how this valuable resource in the central city location will be used due to unknown negotiations and agreements between major stakeholders.

In such a political and institutional context, the newly formed organization *Belgrade Waterfront Ltd.* which is the main contractor on the project, the Government of the Republic of Serbia and Belgrade administrations potentially provides subsidies to the private sector, either indirectly through land clearance and population resettlement, relocation of the railway and bus stations, promotional marketing for the project, and directly through the announced donation of the land to a foreign investor and exemption from local fees and taxes, as well as the public investments in planned communal and transport infrastructure.

In addition, changes of GP Belgrade 2021 and the process of conducting *Spatial plan Belgrade Waterfront*, as well as the fast planning procedure with a formal public review, enabled the entire decision-making process to be fast, efficient, and most importantly, effective and attractive for the private sector, at least from the perspective of the public sector in Serbia from the national and

significantly less from the city level given its service role, and presumably under the criteria of the private sector company *Eagle Hills*.

How much the process itself will be effective in terms of wider socio-economic benefits, such as job creation, revenues to the city budget, new social and affordable housing, as well as costs of the project, and commitments for the citizens of Belgrade and Serbia we leave to the judgment of time. Such provisions and analysis are not mentioned in the *Spatial plan Belgrade Waterfront*, but we've got such announcements on several occasions by politicians and executives, city manager and city architect, during the initiation of the project in a few steps, in the form of *Master Plan Belgrade Waterfront*, project promotion - models of *Belgrade Waterfront*, the *Spatial plan Belgrade Waterfront* and in a series of promotional activities from Dubai to Cannes.

One thing is certain: if it comes to the implementation of strategic urban *Belgrade Waterfront* project, the brand and the image of Belgrade at the global level will change. As well as this part of Savamala.

CONCLUSIONS

In this paper, we touched and set in relation few fundamental values such as equality and fairness, democracy and diversity in a similar way as Fainstein (Fainstein, 2010) defines them on the one hand, and outcomes related to the planning and implementation of strategic urban projects, urban management and governance on the other. Such an observation prism largely determined the formation of the model of urban management in the implementation of strategic projects, its validation through the evaluation of the socio-economic context and influenced the analysis of Serbian context and specific case of initiated *Belgrade Waterfront* project.

Entrepreneurial urban governance and implementation of strategic projects are risky, carry significant consequences for cities and residents, rather than creating the improvement of conditions in the entire administrative territory as political and economic goals (Harvey, 1989, p. 8). Investment, stimulation of local economic development and creation of specific places can be attracted through public-private partnerships.

In contrast to the neo-liberal urban administrations in developed countries in which for the implementation of strategic urban projects and the wider processes of urban governance mainly organizational measures, negotiations, agreements and the contracts between actors are used in the so called 'rules of the game', and in which the legislative measures and institutional rules are the framework in which they act, the so called 'the game under the rules', Serbian case shows a mixture of both approaches.

We have shown in this paper that despite many similarities with the world's cases in the process of planning and urban management in the implementation of strategic projects, similarities mainly in the initiatives of the private sector, the Serbian case shows a strong entrepreneurial direction that the public sector has taken, especially as direct leadership, facilitation and the active role at the national level and not at the city level, as is usually the case in the world.

The national level of government in Serbian conditions with entrepreneurial actions enables the legislative, political and economic framework for the implementation of strategic projects, while taking over the role of local government and in such a way individually performs realization of de facto integration with the private sector in attracting (potential) direct investment and new sources of employment.

Leadership, initiative and the ability to act through entrepreneurial actions are closely associated with the concepts of governance and urban management. In this respect, leadership and entrepreneurial spirit of key persons, persons and / or institutions becomes important for the successful design, development and implementation of strategic urban projects. Leadership is necessary, depending on the specific competencies, as well as places in the hierarchy, financial capabilities, knowledge or other powers of public or private entities with charisma which can successfully lead project forward (Berg, Braun, & Meer, 1997, p. 12).

The power relations of actors and the interests in urban development and the strategic urban projects have to be taken into account, and therefore it is not possible only through democracy and participation to look for answers, because it is almost impossible to take the all interests into account, especially at the city level, because, according to Fainstein, ordinary people do not know their short-term or long-term interests and often work in opposition to them (Fainstein, 2000).

Obtaining political support is an important element of a successful urban management and the strategies themselves. Support can come from higher levels of government - supranational, national, regional - or the local level - local politicians in local and regional councils - or all together. It can create the positive cooperation of actors and obtain wider social support, ensuring the participation of the private sector in the implementation of projects in the city, and not least, funds from higher levels of government could also be accessed.

The entire process of creating strategic urban projects should be transparent and communicate with the public, in order to obtain broad social support. On the other hand, target groups of stakeholders should be identified at the beginning and part of the communication strategy should be directed towards them. Actors who are directly involved in project, or are interested in it, such as business companies, interest groups, local residents can contribute to the creation and implementation the project (Berg, Braun, & Meer, 1997, p. 13), either through the use of own resources and knowledge or through the provision of support. Providing broader social support is possible through forums and public discussions, project presentations and via the web, etc. (Radosavljević, 2008, p. 82). On the other hand, based on our research, model and practical methodology, we conclude that, despite the attitudes of collaborative theoreticians and practitioners, it is not necessary to include the general public in a participatory process at the city level, but focus strategies and instruments to fair and equitable outcomes in the planning and management of large strategic urban projects, as well as obtaining a broader social support.

In this sense, the question of urban management and evaluation of the quality and performance of solutions of implemented strategic urban projects directly depends on the socio-economic and political context and the value system which exists within them, and hence goals that each actor individually or collectively defines. On the other hand, the key factors for the success of large strategic projects despite the best designed policies, strategies and projects, as well as the instruments of planning and urban management, often depend on the developments and changes in the real estate market in terms of supply and demand. In such a context, setting of quality solutions, effectiveness and efficiency, a better understanding of the relation of urban management, governance and strategic projects on the one hand and the functioning of real estate markets on the other hand can contribute to a better understanding of the ways in which particular instruments of urban management individually and combined affect the achievement of the socio-economic objectives and outcomes, such as sustainability, equality, social justice, and so on.

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