

Towards Integrated Regeneration Policies and Brownfields Advocacy in the Czech Republic

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1 INTRODUCTION

By the end of the 1990's a majority of Central European countries were faced with growing problems related to brownfields. Unfortunately, there was little understanding of the novelty among policymakers. Some countries were more fortunate than others to obtain assistance on revitalizing their brownfields. The Czech Republic was among those to receive assistance in encouraging brownfield reuse from several independent and outside actors. Until 2003, a majority of local institutions did not address the subject of brownfields and therefore, the size of the problem was unknown and data was nonexistent.¹⁰ In short, brownfields were not a national priority. International programs and assistance has visibly changed this situation and as a result there is now financing to carry out brownfields research and prepare brownfields programs.

Today, brownfield regeneration in the Czech Republic is starting to draw local and international investors' interest. This paper will review the results of programs from 1997 to 2003 by analyzing data published by CzechInvest, a national investment promotion agency. Since 2006 CzechInvest has made its data available to the public, thereby substantially increasing transparency. The CzechInvest data reveal that half of identified brownfield sites are located in small communities below 2000 inhabitants. Since these brownfields are located on the periphery they tend to be superfluous to the market. Small- and medium-sized local authorities need help from regional or district agencies to at least mitigate the threat that brownfields sites pose to the public.

Local communities have the power to deliver a sustainable Urban Agenda. First, local governments need to be empowered and educated on the tools available to them.¹¹ The responsibilities of local authorities can be divided into two categories. The first category consists of a specific set of administrative tasks, as stipulated by the state. In general, the state provides local governments with assistance in compliance. The second category is trickier because they are self-regulated and carried out by the local elected government. The setting of an urban development agenda falls under this category. Unfortunately, for the second category, officials are not required to meet specific qualifications or go for continuing education.

This lack of skills on the part of the local authorities is one of the main barriers to developing a workable urban regeneration strategy. Build up of local capacity (through conferences, educational campaigns, etc) have significantly increased the capacity of local policymakers and planners¹² and have even resulted in policy changes at all levels of government. Unfortunately, this improvement in policy has not yet resulted in the integration of brownfields regeneration into a wider context of Integrated Urban Regeneration. Furthermore, necessary remediation programs are often neglected by structural funding programs, which must, by definition, comply with the Lisbon Strategy's emphasis on economic growth. Therefore, for environmental clean-up programs to take place, the regional or national government need to take responsibility for funding and setting up the management structure. This is not happening and this paper will offer some insight as to why.

EU membership focuses attention on national policymaking and has resulted in an increase in development-orientated policies. Therefore, this paper examines some of the funding programs that are available for brownfields regeneration in the Czech Republic, in particular Structural Funds (SF). We conclude the paper with policy recommendations and an analysis of what is missing in Czech policy.

¹⁰ See Jirina Jackson and Yaakov Garb, "Facilitating brownfield redevelopment in Central Europe: overview and proposals", Institute for Transportation and Development Policy (ITDP), www.itdp.org

¹¹ See the OECD Economic department paper 499/June 2006: "Improving public efficiency in CR regions and municipalities" for a description of the Czech local authorities and their powers.

¹² See for example the last Czech brownfields conference organized by the Czechinvest <http://www.czechinvest.org/web/pwci.nsf/evn/12B293FDF45B123C12571C60052B8FC?OpenDocument>

2 INTERNATIONAL EFFORTS TO RAISE AWARENESS AND INCREASE LOCAL CAPACITY

International actors and international programs have significantly helped to raise awareness of brownfields in the Czech Republic on the national policy level. As early as 2003 brownfields were placed on the National Development Plan 2004-6, a document that sets priorities for structural funding programs.

International efforts to support brownfield reuse were aimed at various beneficiaries. Upon reflection it is clear that not all intervention efforts achieved the same level of success. For instance, initiatives targeting local governments were mostly unsuccessful at changing policy or instigating local action and projects. This was mainly because at the time of intervention, local governments lacked capacity and did not receive help in filling knowledge-gaps. There was also a lack of financial backing to realize projects. In contrast, projects that targeted the national-level development agency and two local NGOs resulted in policy changes and implementation successes.

It is interesting to note that the EU financed programs had very limited national policy impact until the Czech government promulgated Decree 1100 in mid-2005. Decree 1100 required a National Brownfields Strategy to be delivered by the Ministry of Industry (MPO). By then the MPO had already had some experience with brownfields regeneration and was implementing a national and EU funded programs supporting industrial use brownfields regeneration. After some initial uncertainty, the MPO realized that in order to deliver such a strategy it would have to follow the recommendation of the PHARE project and that they would need the following:

- Data
- Sectoral and stakeholder cooperation and input
- Institution that can execute the preparing and delivering of the strategy.

CzechInvest (www.czechinvest.org) was appointed to be the executing agency. The long awaited brownfields strategy (by now more than one year late) is expected to be unveiled in Summer 2007 as a part of the CzechInvest project Brownfields 3000. Brownfields inventory data that were gathered by the CzechInvest over the year 2006 will help not only to support this Brownfields strategy formulation, but also to publicize the subject and support absorption of brownfields projects financed from the various structural funds. CzechInvest chose data parameters that would help to highlight the country's larger brownfields sites that fall under an Objective 1 in Czech Republic's 13 Regions. In each of these regions now more than 200 brownfields were identified and registered. The entry parameters for each site were stipulated to be a minimum of 2 Ha and a minimum of 500 m² for each building. Over 3000 brownfields were identified, hence the title, Project Brownfield 3000 (see Box 1).

BOX 1 – Project Brownfields 3000

CzechInvest was appointed to prepare and deliver a nationally supported brownfields reuse support action. This is why the CzechInvest introduced the project „Brownfields 3000“.

Project „Brownfields 3000“ was developed as a response to a study on inventorying brownfields that was carried out by CzechInvest in 2006. The main goals of this project are first, to guarantee a supply of successful projects; second, to guarantee public co-funding for projects; third, to initiate suitable amends to legal framework; and forth, to initiate and assist preparation of realizable projects.

The study on inventorying provided data on 3096 brownfield sites which cover 11 060 Ha and a build up area of 22 609 Ha. The study found that 40% of brownfields sites were previously used for agriculture, 30% were used for industry, 10% for state-owned buildings, 6% for the military, 4% for housing, and 10% for other.

Demographic analyses of the brownfield sites reveal that smaller communities often have the most brownfield sites. The Brownfields 3000 study specifically found that 51% of the communities have up to 2000 inhabitants, 27% of the communities have between 2 000 and 10 000 inhabitants, 13% of the communities have between 10 000 and 50 000 inhabitants, and 9% of the communities have more than 50 000 inhabitants.

Environmental damage is also a grave problem for many of the communities studied. Brownfields 3000 revealed that 40% of the brownfield sites can be assumed to be contaminated, 6% of the sites have confirmed

environmental damage, 53% of the sites have no damage, and in 1% of the sites it is undetermined whether there is damage.

The outcome of this project is a comprehensive Czech Strategy for regeneration of brownfields and the setting up of an implementation system that would enable its deliverance. The main goal of such a strategy is to support brownfield reuse and prevent sites from turning into brownfields.

*Prepared from information provided by the CzechInvest, www.czechinvest.org

2.1 Locally driven efforts to drive brownfields regeneration

Various international initiatives have gradually improved Czech stakeholders' ability to understand the importance of the brownfield issue. Unfortunately, this increased understanding has not yet resulted in concrete brownfield reuse. For example the Czech Ministry of Environment (MZP) have been lucky enough to have the same leadership for 8 years, which is a quite unusual for a Czech national institution. In 2003-4, on the grounds of promoting sustainable development, the MZP took the initiative and attempted to bring together all stakeholders with knowledge and a stake in brownfield development. The MZP financed its first ever research on brownfields and set up a coordinating working party with other ministries. Unfortunately, the Working Party remained inactive due to lack of political will. On the positive side, the research paper and MZP's initiative have resulted in research funding for brownfields related priorities not only at the MZP but also at the brand new research program of the Ministry of Regional Development (MMR).

The lack of sectoral cooperation and a lack of understanding have meant that research projects are often redundant and have incompatible methodologies for the inventorying of brownfields. Although, some of these inventories successfully produced analyzable data on the actual state of brownfields in a given administrative area. These activities have also pushed the MPO/CzechInvest to hold onto the leadership of brownfield issues.

The first research results available in late 2005 were interesting mainly because they confirmed estimates of findings that were included in the closing report of a PHARE-financed project. In that report it was hypothesized that a majority of brownfields in the Czech Republic are not former industrial sites. Brownfields in the Czech Republic are a much broader socio-economic issue that requires wider access to public funds. The reason, as explained above, is that a lot of brownfields are not strategically located, and therefore, public intervention is needed to either revitalize them or to provide for environmental clean-up.

Data collections efforts have revealed that in smaller communities it is misleading to ignore plots less than ½ hectare. For instance, when all the known brownfields were identified in the Votice administrative district of Czech Republic, out of ca. 80 brownfields, only one was of an industrial origin. Around 50% of identified brownfields were smaller than ½ Ha. Furthermore, the smaller these brownfields were, the more infrastructure was built on the site. As Box 2 shows, in smaller communities even a small brownfield can pose a threat to the public.

BOX 2 Catastrophe driven brownfield demolition program

In the Czech Republic the issues of mitigation program for brownfields have did not come up until the 2007. In early 2007 some local thieves were helping themselves to metal from a brownfields site which stood in a middle of a small community. Unfortunately after having its structural supports sufficiently impaired the building collapsed on the thieves, spilling over onto the pavement. One of the thieves lost its life. Public outcry against the danger to the public from the dilapidated brownfields sites has reverberated throughout the media. The following week at another location a similar scenario occurred. This time two thieves died. Community leaders protested and regions complained that they did not have any funds to provide for public safety. Government acted swiftly and all the regions were promised ca. 300 000 euro each to deal with public danger and emergency issues on brownfields properties.

3 EU STRUCTURAL FUNDS AS A CATALYST

European Union programs have served as a substantial catalyst national level policy reform. Several policies were developed in line with particular Structural Fund (SF) demands. These policies have not only given the framework for future programs, but also pressured the Czech government to accept a new way of making

policy and delivering strategies¹³. These various development-orientated policies have paved the way for urban regeneration and brownfield regeneration.

To have correct policies, strategies and priorities at national, regional or even at the local level is not all that is needed. It is also necessary for the actual brownfields revitalization to occur. Policymakers in the Czech Republic realized this during the first wave of structural programming 2004-2006. The ability of local beneficiaries to absorb the available programs benefits was another matter. This will be dealt with in a later section of this paper.

3.1 The EU initiative for the urban agenda

The EU's broadening of the scope of Objective 1 to include the urban dimension have allowed the brownfields issue to be moved from a singular, disconnected subject (where it lingered for a number of years) to be integrated into the wider context of urban regeneration. Within this context of urban regeneration, there is more room for the issue of brownfields to be integrated with other issues and into broad partnerships across sectors. Reusing or cleaning up a single brownfield cannot significantly impact the social or economic situation of a locality. Therefore, programs on integrated urban regeneration should emphasize partnerships, support of private businesses initiatives. Only within the broader integrated urban regeneration approaches can all the aspect of brownfields regeneration be properly achieved. The Integrated urban regeneration programs for Czech cities above 50.000 inhabitants are part of the 7 Regional Operation Programs for the period of 2006-13. Only time will tell if these programs actually hit their targets.

Although the authors believe that it would be more effective to embed the brownfield issue directly into the EU drive for urban regeneration, as stipulated in Objective 1, we do have some concerns that moving brownfields under the exclusive domain of urban regeneration would result in the issue being neglected at the Czech national level. Furthermore, urban development is currently the responsibility of local authorities and it is unlikely they would willingly give up their authority to national level actors. We are also concerned that the national level currently lacks understanding of urban regeneration and does not yet know how to provide support to local authorities. Only by giving local authorities the proper training can Czech local authorities compete at the EU-level for funds to conduct urban regeneration.

3.1.1 Initial efforts to use Structural Funding for brownfields (2004- 2006)

As explained above the pro-brownfields policies and priorities in the Structural Operational Program in the Czech Republic enabled various brownfields regeneration projects. Some pilot brownfields regeneration projects were even funded by PHARE and ISPA. But these projects were few and far between and the capacity to lead such projects were often lacking. Projects often suffered from false assumptions about project preparation timing and underestimation of technical complexities. All these knowledge-gaps backfired and reduced the effectiveness of structural funding programs carried from 2004-2006. In hindsight it is clear that had substantial technical assistance, education and project preparation support been offered as early as 2003, there would have been much more brownfields revitalization.

The failure to use the structural funds for regeneration of brownfields properly was most obvious in the implementation of operational program for Prague, the JPD2. The JPD2 was an Objective 2 program and allowed for broad urban regeneration activities. Brownfields were excellently stated as a priority and sufficient funds were allocated. However due to an absolute lack of capacity on the part of local authorities, the project has failed to result in the revitalization of brownfields. Fortunately, the real estate market in Prague is buoyant and on-the-rise, and so brownfield revitalization in Prague will probably be paid for through market forces.

3.1.2 The 2007- 2013 Structural Funding programs and their brownfields priorities

During 2007-2013 twenty-five operational programs were prepared in the Czech Republic (double what they were in the previous period). Apart from the expense extravagance of having 25 managing and 25 monitoring agencies, Structural Funding Operational Programs are also burdened with too many priorities. With an average of 4 main goals per program and 4 priorities to each of the goals, there are at least 400 various priorities (although some of these priorities are location-specific). There are 15 Operational

¹³ See also the OECD report requested by the Czech government „Organizing the Central State Administration Policy and Instruments“ OECD 2006, www.oecd.org, Czech Republic country page

Programs to consider with a minimum of 60 main goals and around 250 priorities to choose from. Although this will prove difficult for applicants, there are positive ramifications for brownfields since brownfield revitalization is applicable to many of the priorities. Apart from sectoral programs, which have useful brownfield priorities, the Czech Republic has 7 Regional Operational programs (ROP) at the levels of NUTS¹⁴ and 2. The need for brownfield regeneration for each of the regions varies considerably.

The absorption initiatives for the Industry Operational Program (OP) have already started with the inventorying and promotional activities carried out by CzechInvest. This time most of the programs also include project preparation funding. The other brownfields regeneration possibilities are, as already stated, embedded in the 7 Regional Operation Programs and also in the Rural Development Program (financed from the EAFRD fund). There are possible brownfield-orientated programs also in the Operational Program Environment and at the national and regional level. Capacity Building programs at the national level are missing. Until now, these types of programs have only been regional-driven, thereby hindering a coordinated dissemination of such knowledge. Therefore, it is likely that the long-awaited “Brownfields Strategy” will stress more capacity-building issues.

4 CONCLUSION

This paper shows that sustainable land use needs to be addressed in broader terms in urban regeneration policies. To bring brownfield sites back into productive use the Czech Republic needs to make brownfields a cross-cutting theme that links across all land use-related policy areas. For properties where revitalization is not possible, at the very least it is necessary to enact mitigation measures so that threats to the environment and society are reduced. The topic of brownfield should not belong to one ministry, or to one-single level of government, be it local, regional, or national. For sustainable land use policies and urban regeneration to take place, coordination between all actors, across all sectors and policy levels, needs to occur.

5 POLICY SUGGESTIONS

- Shift the policy approach away from solving individual brownfield problems to integrating brownfields into the broader theme of integrated urban/regional regeneration;
- Assist regions and local authorities to understand their brownfields problems, especially issues related to environmental mitigation measures;
- Provide additional assistance to stakeholders and local authorities in building capacity and assisting them to gain skills so that they will be able to deliver an integrated urban approach;
- Address the astounding reality that 78 % of identified brownfields are located in communities below 10 000 inhabitants and that these communities generally will not have the experience or administrative capacities to provide technical assistance to the owners (72% of these properties are privately owned. Most of these properties are located in less attractive locations, making it unlikely that the market will demand urban revitalization.)
- Support urban development educational programs focused mainly on local authorities.

¹⁴ NUTS stands for “Nomenclature of territorial units for statistics”