

Minutes of the INCORD Midterm-Conference

Tuesday, 28th of June 2005, Keila, Estonia

List of INCORD Participants and Speakers

Bernat, Jolanta	Honajzer, Martin	Parr, Melanie
Brocks, Silke	Huttenloher, Christian	Petrusek, Roman
Bulikowska, Magdalena	Kammler, Martina	Seck, Thomas
Czekaj, Petr	Klaas, Klas	Slivka, Karel
Czerwinski, Krzysztof	Kokser, Ago	Steinmüller, Rolf
Czuday, Holger	Kolder, Milan	Trejbal, Zdenek
Dvorak, Jan	Laskowski, Maciej	Vargas, Aldo
Erdmann, Robert	Losert, Stanislav	Vavrecková, Marketa
Hahne, Prof. Dr. Ulf	Moistus, Tanel	von Michaelis, Ernst Hubert
Hellmer, Franziska	Palicka, Vaclav	Forys, Aneta
Hindov, Eike	Panasiuk, Agnieszka	
plus about 10 external participants		

Symposium on Integrated Regional Development in Central and Eastern Europe

Welcome and Introduction

Christian Huttenloher [German Association for Housing, Urban & Spatial Development (DV)] welcomes all participants to the INCORD Midterm-Conference. He thanks the Mayor of Keila for his kind hospitality. He introduces shortly the agenda and the main objectives of the conference. The conference is divided in three main parts. After a short presentation of the INCORD-project, there are presentations outlining the current challenges and development tendencies that regions in the new member states are facing. In a second part, main actors in regional development, that should address these challenges, are presented. Last but not least, the “new” approach of the integrated regional development concepts is analysed and evaluated whether this instrument is appropriate in the new member states for solving the current development problems.

Ago Kokser [Mayor of Keila] welcomes all participants in Keila. He reflects about the start of the INCORD-project. At the very beginning, they reflected about the main issues that should

be tackled within an INCORD pilot project. The partners from the EGS Schwerin suggested them developing the field of tourism for the Keila river region. Firstly, he has been very sceptical about this approach because the Keila river did not seem to him to be attractive for tourists. But by-and-by, the suggested tourism approach became much clearer so that they took the decision to address this issue within the INCORD-project. They started to contact all municipalities surrounding Keila and which have a border with the Keila river. And some were willing to participate in this project. Now, after more than one year, he strongly believes that the result of the INCORD-project will be excellent and of high value for the Keila region. At the end, Mr. Kokser wishes all participants a successful and interesting conference and much energy for the further INCORD work.

Roman Petrussek [Director of BVLEG, Lead Partner of the INCORD-Project] also warmly welcomes all participants to the INCORD midterm-conference. He expresses his special thank to the hosts who made this conference possible and also thanks all speakers for being there. He states that regional development concepts (RDC), which are in the main focus of the INCORD-project, are of increasing importance in Europe. On this account, the INCORD-project has been set up which has now reached his midterm. The partner regions of the INCORD-project are all cross-border regions which will become more and more important in the future of an enlarging Europe. Mr. Petrussek encourages all INCORD-partners to foster this cross-border exchange of information and experience and which probably leads also to common projects and new business relationships.

Afterwards, Mr. Petrussek shortly outlines the main tasks and function of the Association of the State Development and Real Estate Companies, which has taken over the lead of the INCORD-project. Within this Association, sixteen property-development- and construction-management companies are working closely together. Basically, these companies are “instruments” by the German federal states and the state banks and actors of the structural change in Germany with a high competence in real estate management. At the end, Roman Petrussek wishes the conference a good success, an active exchange as well as target-oriented discussions.

Presentation of the INCORD-Project

Franziska Hellmer [BVLEG, INCORD Lead Partner] shortly presents the INCORD project in terms of partnership, main objectives, different themes of interest as well as project activities and events.

Presentation of the Keila Pilot Project

Tanel Moistus from the City of Keila presents the INCORD-pilot project of his region: an integrated concept for tourism development for the Keila river basin shall be developed. The main objectives are to conduct an analysis of the already existing tourist infrastructure and to analyse the strengths and weaknesses of the region in regard to tourism. General objectives for tourism development and appropriate tourism branches shall be determined and a market strategy and important single projects shall be defined. Another important aim of the pilot-project is to exchange experience and knowledge and to establish partnerships with other regions and institutions.

In the last months a regional vision has been drafted, whose main slogan is “Keila river region – pearl of nature only a stone’s throw away from Tallinn”. The four sub-objectives focus

on the environmental improvement of the Keila river, on the development and improvement of accommodations and offers, on information and marketing and on an improved coordination of information. Five possible branches of tourism are identified in the vision, from which finally different guiding projects will be deduced.

By Mr. von Michaelis, the question is raised who the tourists in future are. Mr. Moistus replies that his personal wish is that not only foreigners, but also people who live in the region will be attracted by the new tourism offers.

Prof. Hahne asks how many municipalities are involved in the process. Mr. Moistus answers that six out of ten municipalities are involved. Additionally, external experts, private actors as well as politicians are integrated in the RDC-process.

Christian Huttenloher asks the Mayor what he thinks the most important effects and what the difficulties of this INCORD pilot project are. First of all, Mr. Ago Kokser highlights that this project led to newly gained and active friends of neighbouring countries. This is one of the main important effects. Besides, he states that the INCORD-project opened their eyes to think about the potential of the Keila river what they have never seen before. But still, the difficulties are that the river is heavily polluted in some parts and that not many accommodation possibilities are existent. They are looking now for funding possibilities for this project.

1 NEW CHALLENGES FOR REGIONS IN THE NEW MEMBER STATES

Regional Development Tendencies and Challenges in Eastern Europe and their Reflection within the European Spatial Development Perspective (ESDP)

Aldo Vargas from the Polish Institute of Urban Development, International Affairs and European Funds, starts his presentation with a general outline of the current tendencies and challenges for regional development. Then he explains the respective strengths and weaknesses of national, regional and local planning.

Resulting from the tendency of increasing regional disparities, the main objectives of spatial planning in the new member states are to achieve a more balanced regional development through better spread of economic activity, employment and population growth, to develop a dynamic urban and rural structure, to promote stronger and internationally competitive metropolitan areas and to set a national context for regional and local planning policies. The most important demands national and regional planning needs to answer in the following years are the provision of a better framework for local planning based on the strategic context of national and regional planning, the strengthening of the dependence between spatial planning and development planning and finally the allocation of larger resources to planning studies.

Concerning the European Community Mr. Vargas says that the Community's financial commitment indicates a responsibility to prevent counteracting of different policy measures. The need for coordination of spatial development through European Cooperation is under the given circumstances more important in the new member states than in the old member states. For instance, the new member states are heavily affected by the industrial activities of the last years which had negative effects on the air quality etc. Many efforts are needed to regenerate polluted areas. In terms of population, the new member states are also character-

ised by a far lower density of population. Most of the new member states' regions have less than 100 inhabitants per km² which is different from the EU-15. Another example is that the communication links are very inadequate in the new member states. There is only 1/3 of the EU 15 communication links.

The Structural Funds 2007-2013 from the Estonian Perspective

Klas Klaas from the Foreign Financing Department of the Estonian Ministry of Finance gives an outlook on the Estonian perspective regarding the expected Structural Funds from 2007 to 2013. In the beginning of his lecture he stresses that the negotiations about the European Cohesion Policy from 2007 on are still ongoing. Today Estonia receives 3.6 billion Estonian Crowns per year from Structural Funds (which is an important part of the Estonian budget), but for the following programme period they expect even around 7 billion Estonian Crowns per year.

Within the next funding period, the priorities will be firstly to increase employment and to develop human resources, secondly to enhance entrepreneurship and the competitiveness of the economy, thirdly to improve traffic and environmental infrastructure and finally local development. Generally the aims of Lisbon play an important role.

The preparations of the next funding period started in the end of 2004. In May 2005 the European Commission proposed the Community Strategic Guidelines on which basis the national strategic reference framework and the operation programmes will be prepared. It is expected that these documents are ready for negotiations in May 2006.

Potential mayor projects (50 mio Euro minimum) during the next funding period are mainly transport projects like the extension of the tramways, highways and railway bypasses in and around Tallinn. In other areas than Tallinn it is unlikely that there will be such mayor projects of more than 50 mio Euro. Additionally, the plan is also to focus from 2007 on the support of local projects and local communities. There shall be more differentiated and better focused measures.

At the end of his presentation, Mr. Klaas stresses once again that actually nearly everything is still open. The content of the operational programmes is still to be discussed and also the major and local projects are still to be decided. The next steps the state has to undertake are the finalisation of the Operational Programmes and the preparation of the legislation until 2006. In 2007 they have to be ready to open calls for proposals and to finance projects. The municipalities on the other hand have to participate in the preparation of the Structural Funding programmes, to review their local development plans, to plan projects and to ensure sustainability and information.

2 MAIN ACTORS IN REGIONAL DEVELOPMENT

The Role of Regional Development Agencies in the Czech Republic

Petr Czekaj, General Director of the Regional Development Agency (RDA) Ostrava, starts his presentation by reflecting whether RDAs are really the main actors in regional development as it is said in the title of this conference part. He thinks this is difficult to evaluate as so

many actors and organisations are active in the field of regional development. And often it is not so easy to persuade the regional bodies of the potentials of the RDA.

Afterwards he gives a short introduction of the region Ostrava. The Moravian-Silesian region consists of 299 municipalities and is the most populous region of the Czech Republic (1,255,910 inhabitants). The capital of the region is the City of Ostrava with 312,254 inhabitants. The region was affected by coal mining and heavy (steel) industry. In the last years a process towards modern economy and ecological restructuring has been started.

The RDA Ostrava was established in 1993 as a pilot project of the EU. Its main objectives are to increase economical performance and employment of the region, to initiate, manage and raise funding for development projects, to promote the region, to contribute to the utilisation of Structural Funds and to provide and use economic data of the region. The two shareholders of the RDA are the Moravian-Silesian Kraj (70%) and the Ministry for Regional Development (30%). The clients are the kraj, the municipalities of the region, entrepreneurs and investors as well as ministries and institutions. The agency works in partnership with several companies.

Significant activities of the agency are for example the development of the International Airport Ostrava, the development of the Science and Technology Park Ostrava and the implementation of different Phare and Structural Funds projects. Furthermore they run the Euro Info Centre and CzechInvest, have a Brownfields Regeneration Unit and provide regional data in the Internet. For more information see www.rdaova.cz.

The Role of State Development Companies in Germany

Ernst Hubert von Michaelis [President of the BVLEG, Director of the WOHNSTADT City Development Company Hessen] presents the main activities and the role of the Wohnstadt City Development Company (which is member of the BVLEG).

Until the 1980s, the German state development companies were mainly engaged in social housing and in infrastructure projects. Nowadays, due to the considerable level of debt of public authorities, the state development companies are more and more privatised. By privatising, their huge real estate property leads to high gains for the public budgets. Nevertheless they can but do not have to take on infrastructural tasks of the state. The Wohnstadt City Development Company is in addition to the housing and infrastructural projects mainly occupied with the revitalisation of former military and industrial areas. One example is the areal "Marbachshöhe", a former military area which became now a new attractive living quarter in Kassel for 2,400 inhabitants. This new quarter is especially attractive for young families and children.

After the two presentations, it can be stated that state development companies in Eastern Europe are more concentrating on the economic regional development, whereas the activities of State Development Companies in Germany are often based on the housing sector.

3 NEW APPROACHES AND INSTRUMENTS FOR REGIONAL DEVELOPMENT

The Importance of Integrated Development Concepts

Prof. Dr. Ulf Hahne, University of Kassel, Institute of Sustainable Regional Development, gives a presentation about the instrument of “integrated regional development concepts (IRDC). He states that alternative ways into the future are needed. Single and unconnected actions are often ending with negative effects. For instance, the experience from the German New Federal States shows that the simple use of well known recipes from abroad such as the establishment of new industrial estates led to failure and in this case to empty grasslands with infrastructure (as often the neighbouring region had the same idea). In contradiction to this, the elaboration of an integrated regional concept (IRDC) is a good way to achieve a sustainable future. An IRDC is a territorial, area based bottom-up approach, which is built on participation and regional partnership. It is a sector-integrating strategy and last but not least a process. There are four factors of success for an IRDC:

1. The territorial approach: The region and its endogenous potentials such as nature and landscape, resources and human potentials (people, firms, know how, experience, creativity, networks) are in the focus. The strengths, weaknesses, opportunities and risks have to be judged and people brought together to produce synergies.
2. The actors – partners for regional development: The constellation of and between actors is vital for regional action. Actors have special capabilities, perceptions and preferences. Actors are for example enterprises, administration, politicians, NGOs, inhabitants. Everyone should take initiative and commit himself. But still it is important to include key persons.
3. Comprehensive concept: It is important to develop a territorial comprehensive concept instead of adding single projects. The concept should consist of an analysis of the regions, visions and objectives, strategies and policies and an action plan with measures. It is important to control the achievements and to always review what is happening. The concept shall remain open and flexible for the future.
4. Process Management: Regional development needs organisational structures in order to organise the process and partnership, to manage knowledge transfer, to create new networks and to continue the strategy.

By means of the “dead-model” Prof. Hahne points out that the traditional model of planning, where decisions and plans are made by an inner circle and then announced and defended to the public is “dead”. Today cooperative working processes are needed with a common discussion of problems and objectives, a common decision and action in partnership. A regional partnership means that all actors are in “one room”, working together with common objectives and agreed upon measures.

An IRDC has intra-regional effects, i.e. it strengthens and bundles the potentials and energies of the region itself, and extra-regional effects, such as clear signals to national and international authorities, acceleration of project realisation and grants, image effects etc.

Mr. Hahne introduces three examples of IRDCs and concludes his presentation with the main advantages and challenges of IRDCs. Main advantages are that the strategy is appropriate for the region, the participation process leads to acceptance, to activation and cooperation of multipliers and actors and to a common definition of objectives and measures, fi-

nally clear signals are produced for the region and for people and institutions outside the region. The main challenges lie in adjustments during the process, in its complexity, the management capacity, participation and transactions costs, integration in other policies and in the time-horizon.

INCORD Experiences – Recommendations and Hints for the Elaboration of Integrated Regional Development Concepts

At the end of the conference, *Silke Brocks* [German Association for Housing, Urban & Spatial Development (DV)], thematic coordinator of the INCORD-Project and the pilot project leaders *Melanie Parr* [EGS] and *Holger Czuday* [LEG Thuringia] give an insight in the experiences that the INCORD-partners gained so far within their pilot projects and also highlight some recommendations for the elaboration of integrated regional development concepts (RDC).

Silke Brocks, Holger Czuday and Melanie Parr start their presentation with the INCORD project's definition of RDCs. Silke Brocks outlines the methodical approach of the project according to which there is a mutual relation between the theoretical base and the five pilot projects: The theory was used to provide recommendations for the pilot project and the practical experience of those gave on the other hand practical input into the theory. But those recommendations have to be adapted to the specific circumstances of each region, because there cannot be "the right way" to develop a RDC which is applicable for all regions.

They give a short presentation of the five pilot projects, their thematic focus and main aims and continue with four theses that have been developed from the experience of the INCORD pilot projects. The first thesis presented concerns the integrated approach and reads as follows: "Parallels are seen between the Eastern German and Eastern European countries, e.g. in terms of historical, political and economic development. In this regard, RDCs are a right answer to the increasing demand of cooperative, participative and integrative approaches in the new member states". Hereby, the INCORD partners state that they see parallels in the development of Eastern German and Eastern European regions. After the reunification of Germany, the Eastern German regions suffered under a huge transformation process. They faced huge problems in terms of economy, physical regeneration, housing estates etc. Now, the new member states' regions are also facing similar structural challenges. In this context, the instrument of RDC showed being successful to address the problems in Eastern Germany. Therefore, the INCORD partners think that also in Eastern Europe the instrument of RDC can be appropriate. Holger Czuday backs up this thesis by comparing the concrete problems the region of Thuringia and their partner region Olomouc are facing. He especially names the problem with the conversion of former military areas.

By a second thesis the INCORD partners underline that it is very important to activate as many regional actors and inhabitants as possible to participate in a RDC process. A RDC process can only be successful, when the concept ideas are backed up by many persons. But even more important than the number of actors is the fact involving a strong "driving force" in the RDC process. If such a person, like a political leader or another decision maker or person with large networks, is involved in the process, the process is far easier and the chance of implementation of the RDC ideas can be increased. Melanie Parr backs up this thesis by outlining the situation in the pilot region Drawsko. There, the vice marshal is strongly involved in the pilot project which facilitates the whole process.

The third thesis says “The RDC process is as important as the final outcome (planning document) because this instrument can increase motivation, mobilisation and integration of several regional actors and strengthen the culture of codetermination of the inhabitants. Win-win-situations have to be created between all regional actors.” The term “win-win-situation” describes a situation where all regional actors, even with different opinions and backgrounds, see a common benefit in one action and where all actors even increase their own benefit by acting cooperatively. Melanie Parr gives an example of the Keila river project, where the tourism development is one common objective which leads to common benefits for the whole region. Besides, before the INCORD-project, there was no cooperation structure in the region. The partnership and contacts gained during the process can now be also used for other projects. This is one of the main outcomes of the INCORD-project.

The fourth thesis concerns the implementation and its main statement is that the projects should be realistic and implementation oriented but on the same time flexible. Projects imbedded in an integrated strategy are easier to implement, thus RDCs guarantee a more efficient use of EU-means; e.g. in the new draft EU-Community Strategic Guidelines for the next Structural Funds Period it is written that it is essential for regions to elaborate integrated development strategies which are based on a cooperative process of key stakeholders of the region. Holger Czuday gives an example of the Ostrava region where an important aspect during the development process of projects was the implementation. Prof. Hahne adds that it is important to maintain the cooperation process which has been initiated by the RDC and to secure that it runs further. The cooperation is an important fundament for forth-coming processes and for the implementation of the concept ideas.

All presentations are available on the website: www.incord.org (internal area)

*Minutes by Silke Brocks, German Association for Housing, Urban and Spatial Development,
08.08.05*