

# IURS

## Teething difficulties of the Accession Countries joining the INTERREG projects

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### **Purpose of this paper**

This observation is written from the point of an NGO organization, whose mission is the to accelerate the reuse of underused and brownfields urban land in the AC. Our organization IURS-Institute for Sustainable development of Settlements also acts as a project initiator/promoter for various projects related to promotion of Brownfields reuse. In trying to promote the local Brownfields issues we have examined a potential of locally generated **INTERREG B** and **INTERREG C** projects, which would address this issue. By attempting to enable such a project amidst the AC institutional and stakeholders we have identified substantial "teething" difficulties in line of commitments and mobilization of potential AC partners as well as with support for project development and it's funding. We want to share some of our experience with those who may be in a position to act on it.

Our main concern here was to enhance the AC abilities to join the INTERREG B/C projects and we were also

concerned with suitability such projects for the AC. This was because we observed, that the projects initiated in other countries of EU do not always addressed fully the needs and problems that exist in AC. We have also identified that the local the abilities to participate on projects preparation and skills to formulate locally useful projects needs to be very substantially enhanced, and that it is not only a matter of co-financing that stops the AC useful participation on these programs.

### **Findings**

Over last number of years EU commission have expended effort and money to build up the AC country abilities to join the INTERREG B/C programs. National Program Secretariats were formulated, their staff trained, and Country Contact Points were instigated. It is however a pity to thing that, despite all the money invested and training given by the commission and by the AC themself, the INTERREG B/C programs would probably fail to provide a fair and even opportunity for the potential AC partners. Additionally this may also course that the AC do not even turn up a useful or sufficient project volume that would justify their overall national contribution to the INTERREG programs themself. In order for the AC countries to reach for their even and fair opportunity share of the INTERREG B/C programs, it is necessary, that they are assisted in wider terms, that is not only in their secretariats building, but also that they are very speedily and effectively assisted in project development terms. This is especially important for projects addressing the common AC issues.

In previous INTERREG B/C calls the participation of AC partners was not financed by the program. An assumption was made, that the AC could access these programs with allocations from the PHARE funding. The PHARE funding was however inherently late and its use has proved administratively nearly totally unworkable. This was for more than one reason, some related to national origins; others were connected to the PHARE program itself. Notwithstanding the reasons, the consequences of this mishap were, that the intended AC partners participation in past INTERREG B/C projects was fairly limited. This has seriously impaired the intended AC partners training and preparation process. Which was intended for them by the Commission to enable their future even and fair participation on international projects or this type. And when despite these difficulties some AC partners were able to participate, then it was their financial insufficiencies, which have generally forced them into a position of a "token partners". As token partners they had no, or a minimum financial project contributions to make generally resulting in their minimum or very

limited project activities. AC partner's main value to various the projects usually then usually was making their data available. This may have benefited the projects, but it did not benefited that much the AC partners and usually it benefited even less the AC countries at large.

One must point out that is not entirely easy for the AC and their potential partners to try to board an INTERREG train that is already running for number of years and a very similar sentiment applies to all number of other programs especially the Research Programs. As explained the EU assistance so far has concentrated mainly onto building up AC program management abilities. But the AC need assistance not only for forming and running their INTERREG National Program Secretariats, **they urgently need assistance with project development.** And what they now need even more urgently is assistance with forming relevant and useful AC focused projects, finance for project development and training and assistance for potential local partners to be able to act. If this does not happen then all the support that the EU Commission put in developing the program management would be in vain. This is because there will otherwise be an insufficient AC partners participations and luck of local participation on projects and luck of locally useful projects. Also what else may apply is that the AC would not be able even to take up the benefits from their national contribution to the INTERREG program. This will in a few years create a bad taste and arguments that may then to late and be difficult to remedy.

Presently the individual AC National Program Secretariats do not yet understand that they are rising program participation and related problems now popping on the horizon. Fact being, that most of the national secretariats are probably still actually unaware of the AC own luck of local project development abilities and of limited abilities that their AC potential partners have to act proactively. (i.e. promote project, get the project preparation finance together, invite other partners, draft and submit the project, manage, guarantee and deliver the project). Also the National Secretariats do not yet possess any past performance statistics, which in a long run could be to relayed on, nor they have any relevant experience that would help them to identify this. Should they be allowed to wait for their statistical evidence or experience build up, than it will become far to late, as by then the whole program may be all over. Therefore it is imperative that the issue is identified and addressed now, because only by addressing it now, the AC countries can achieve a goal of an even and fair opportunity access to the INTERREG B/C projects.

To this extend it is also necessary **to enable local AC partners to develop and to submit projects that would be of relevance and use to AC countries.** Perhaps a best way to address this is to provide a TA - technical assistance directly to project partners for their project development. Especially important will be to developed AC lead partners, as these are usually the promoters of regionally useful AC orientated project. One can argue that AC countries should have their own project development resources and it is to be agreed that they should. However, fact of life is that presently they do not have them. Several years back when the EU Commission financed and enabled the formation of the AC National Program Secretariats to run INTERREG programs, nobody seem to mentioned to them that the mechanisms for supporting local project development and project development finance will also be needed. And even if the EU Commission mentioned this to the AC, it was could not be stressed as strongly enough as the formation of the secretariats.

Prove of it being, that there are better or worst functioning secretariats in all the AC countries, but in general, the AC compiled project development abilities are a at their utmost infancy. And the issue is popping up only now, when the potential AC partners actually can take full advantage of the INTERREG B/C programs. Problem is that now, they will not have their fair and even opportunity and chance to do it. They really need "to fly" now, but presently they are only "learning to walk" and "some of their walking lessons were cancelled".

Even those few AC partners who are actually trying to develop project locally or those just joining project developed and promoted by others are facing substantial difficulties. Such **difficulties mainly due to AC partner's relative inexperience often seem insurmountable.** After all what was said about the low activities of the potential AC partners it is good to know, that there are at least some of the AC who are acting and preparing some projects. But as they are being presented with much larger difficulties that might be encountered by their EU partners, which therefore substantially hampers their fair and even opportunity join the INTERREG B/C program.

## Possible Solution

A natural solution to this problem could be, to assist the AC, so that they can formulate their own projects and then look to match their needs with already existing EU expertise by inviting suitable EU partners to coach them. However such and any other technical assistance need to be pretty fast in coming as the next calls are not to far away. And the time is of an essence because to negotiate a project with mostly AC partners takes due to their inexperience much large amount of

time, that is spend on explaining, translating and commenting on inevitable. This project development process is also then overall more costly, less productive a much more risky to deliver results. AC partners are often for the reasons described above very badly equipped to take up their partnership roles and often are finding it difficult for more than one reason to adopt such a role. In general they lack:

- international team work experience
- experience how to initiate and promote projects
- know how to draft and compile the project
- finance to develop the project
- initiative and language abilities
- strong enough institutional bases able to act and take an active partners roles
- often also matching finance (applicable to all partners on all other than strictly commercial levels)
- institutional executive and approval decision making abilities

Additionally, securing project development finance from inexperienced AC partners is next to impossible irrespective how small or big such a sum may be. No institutional partners actually yet plans for such situation and they in general do not have administrative and executive guidelines to cope with it. As already indicated, development project finance is necessary mainly due to the fact that the whole project **development cost are much higher on account of partners inexperience and also partners active pre-project participation is much more difficult to obtain.** This all represents an insurmountable problem for the AC because if the AC's useful projects cannot be initiated by the AC themselves, then even the next years of the INTERREG B/C funding will again not be used to the AC best advantage. One could than easily thing, that the program could for the AC be missing its aims entirely. See the enclosure A diagram to explain this.

The next question that is coming up as a substantial barrier to fully using the advantages of the INTERREG programs is the question of co-financing. With the exception of some private business partners, NGOs supported by membership and educational institutions all other local partners do have problems with providing their particularly financial project contribution. There are now some national commitments to program that can help a little, but as a rule local project co-financing is not an easy thing to find. There are also some legal difficulties in committing to longer than one year co-financing. This is related to the communities, regions and organizational budgets. Most of the AC organization works on one year budgeting, that is approved by the statutory body and concept of project

financial commitment for more than a year still represents substantial difficulties.

### Learning project leadership

The most problematic case also arises with a notion, that there should be an AC lead project – that is a local submitting partner. But for a selected large private partners, usually of a foreign origin, there is generally not a mechanism in the AC that would enable a publicly owned authority to take on the total project lead and submitting partner responsibility, which also means providing a guarantee for the entire project for number of years. So far this is something entirely insurmountable for the potential AC partners especially for the regionally based ones. This will likely remain a problem during the continuation of this program. One of the reasons being that the regional finance is in most AC is not yet stable and regional priorities are all mostly short financed on short-term budgets. This prevents directly possibility of submitting AC interests generated projects.

The lack of language abilities is prevailing across all the regional and local administrations, and those who can master languages are already connected to other more or less useful projects. Therefore the language abilities of non-abilities actually funnel the AC partner's participation on projects. When their language capabilities are already committed to prior project, for example to projects of a much lesser direct benefit to them, than even the best and locally most useful new project does not have a chance. The other difficulty that we foresee specifically with the INTERREG C programs is, that these programs are geared mainly onto regions exchanging their best practises. Should the AC regions overcome their difficulties discussed in the above § and actually join a project, they will be faced with this one.

Problem here arising is due to the type of partner that can enter the INTERREG C project. For the AC countries to get benefit from the transfer of the best practises, it would be also beneficial that relevant national institutions are present as a project partners. This is because a number of issues rising in the INTERREG C projects would touch on availability of certain national instruments that may exist only in the EU but which are very absent in the AC. Absence of similar suitable instruments in the AC rises mainly from their unsuitable legal framework, insufficient national strategies and insufficient know-how that could lead to production of such useful instruments. If the national institution can be present than the entire know-how transfer is much quicker and easier to be communicated. Also one has to consider a continuing relative shines of regions to initiating legal framework

amendments, as this represents work and regions are in their newness all heavily overworked.

This is not to say that during the years of accession due to EU pressure on putting AC local legislation in line with EU directives, that certain AC policies and legal framework were not substantially enhanced. This however happened in fields, such as environment, safety, security, customs union or aspects of economic development or local governance. But it did not that much applied in respect of spatial planning and strategic development. These areas of policies are not as strongly regulated by the EU and are more country based and therefore often remain unattached by the EU countries trends. Also for developing these areas there was very little EU technical assistance offered from PHARE generation programs. But these are especially the very issues for which a locally initiated INTERREG project can be of most use. We say this is in a light of the fact that the INTERREG programs concern themselves especially with the issues of balanced spatial and economic development.

For AC it is important, very important in deed to use the INTERREG B/C program potential well. This would apply especially that for the spatial development issues, as for these presently there are not many other alternatives for useful know-how transfer possibilities. **This is because the spatial development issues and related research projects are difficult to come by even within the EU systems are missing from the Objective 1, and of were dropped by the 6th research framework all together.** The AC effective entry into the ESPON program that theoretically comes under the INTERREG programs is extremely doubtful and the program priorities, that were set up back in early nineties, are of little relevance to AC needs. Further more, program is now functioning for a number of years and may appear to be an insular intellectual close shop to which the "hairy scientists" from AC can perhaps provide data but in which they would experience some difficulties to participate as equals or introduce subjects of research that would be of use to AC.

Lastly the AC National Program Secretariats may **have set their program priorities and these priorities may not represent the actual countries needs.** This can be explained on an issue of brownfields land in Slovakia that initially had not made it into National Development Program priorities or the individual Operational Program priorities and therefore it is difficult to expect that it may become the program priority as seen by the local secretariat. This be as bizarre as may, manifest itself in a fact that a useful INTERREG that does not fall within the national program priorities can actually be turned down by the

country secretariat despite that it is of extreme national relevance and importance.

## Conclusion

**To conclude we repeat yet again that in our opinion without urgent assistance offer to the AC partners enhancing their project development know-how and project preparation participation, INTERREG program aims will not be fully realized for the AC and the AC partners will not have their even and fair opportunities in taking their benefits from the INTERREG B/C programs.**

# IURS

*IURS is a non-profit advocacy, research and project implementation organization, working to forward sustainable development practices. IURS aims to foster broad coalitions that enhance the competitiveness of accessible city centre development and redevelopment (retail, residential, and other)*

*relative to out-of-town “greenfield” developments, which tend to be sprawling, car-based, and wasteful of resources that undermine city centre vitality. The NGO is strongly focused on issues of underused urban land and the containment of sprawl in the Czech Republic and Poland. IURS members are local and international experts in various fields touching upon the urban land reuse agenda.*

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