

## BRNO (CZ)

BACKGROUND INFORMATION	
<b>PROJECT TITLE</b>	Czech title: Integrovaný plán rozvoje statutárního města Brna v problémové obytné zóně města pro programovací období 2007-2013 English title: Integrated urban development plan for a problematic residential area in the city of Brno for the programming period 2007-2013
<b>Beneficiary</b>	Final beneficiaries are public and private bodies receiving ERDF support from the integrated urban development plan (IUDP). They are determined on a project basis and through open calls. Number of final beneficiaries until 31/12/2011: 6. The City of Brno, Department of European funds implementation (Magistrát města Brna, Oddělení implementace evropských fondů MMB, Dominikánské nám. 1, 601 67 Brno) acts as a coordinating body for the implementation of the IUDP (and, for some individual projects, also as a final beneficiary).
<b>Duration of project</b>	01/2008 – 01/2015 (96 months)
<b>Member State</b>	Czech Republic, South Moravian Region
<b>Geographic size</b>	City of Brno: 384 277 inhabitants (2011) Functional urban area: approx. 810 000 inhabitants. IUDP target area: 4 300 inhabitants (estimated 8 000 inhabitants)
<b>Funding</b>	Total budget: €11 607 000 EU co-financing (ERDF): €5 258 220 National co-financing (local public budget from the city of Brno plus private investment): €6 348 780
<b>Operational Programme</b>	Title : 'Integrated Operational Programme under the Convergence and Regional Competitiveness and Employment Objectives, co-funded by the European Regional Development Fund (ERDF) 2007-2013' CCI nr : 2007CZ16UPO002
<b>Managing Authority</b>	The programme's national managing authority is: Ministry for Regional Development Staroměstské náměstí 6, CZ-110 15 Praha 1 Tel.: +420 224 861 365, e-mail.: lumira.kafkova@mnr.cz The Ministry for Regional Development also acts as the National Coordination Authority (NCA), covering all 17 operational programmes in the Czech Republic financed from the EU Structural Funds and the Cohesion Fund. The ministry was also appointed as a central methodological and coordination authority for cohesion policy in the period 2007-2013.
<b>Cohesion Policy Objective</b>	Convergence
<b>Main reason for Highlighting this case</b>	Since 2007, the ERDF regulation has allowed housing interventions only in areas experiencing or threatened by physical deterioration and social exclusion in EU-12. With set financial limits and under the precondition of an integrated urban development plan, expenditure on multi-family housing or apartment buildings designated for low-income households or people with special needs was made possible. The Czech Republic used this possibility and translated it into its 'Integrated Operational Programme (2007-2013)' which cofinances an exemplary housing intervention in Brno. Instead of focussing on one single estate or housing block, the IUDP for Brno covers an entire residential area built in the 19th century. Activities cover not only the physical regeneration of (public

	and private) apartment buildings and their urban environment but also social housing projects to foster social inclusion. Roma communities living in the area are a primary target group of complementary 'soft' projects trying to ensure the long-term sustainability and acceptance of the housing investment.
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## 1. PROJECT DESCRIPTION

<b>Overall objective / goals</b>	<p>The overall objective of the support is to improve the socio-economic living situation in a problematic residential area through the physical regeneration of apartment buildings and their physical surrounding. It also targets the social inclusion of marginalised groups, i.e. Roma communities. Strategic objectives include:</p> <ul style="list-style-type: none"> <li>• Recreating a visually, socially and economically attractive and safe residential area with an up-to-standard housing stock and a sufficient amount of public green space</li> <li>• Improving the accessibility of the area by renovating the road network and technical infrastructure</li> <li>• Contributing to the social inclusion of Roma communities through improved housing conditions and complementary links to social support mechanisms which partly aim to guarantee the sustainability of the action</li> </ul> <p>The long-term aim of the IUDP is to gradually suppress socially 'pathological' phenomena and to reduce the level of social exclusion, which appears as one of the threats to the future development of the city.</p>
<b>Description of activities</b>	<p>In line with the Czech national regulation for IUDPs and the special provisions for housing interventions in the IOP, activities (projects) from three types of interventions are financed:</p> <p>1. Activity A: Revitalisation of public areas</p> <ul style="list-style-type: none"> <li>• Adaptation, restoration or creation of public green space and parks, including the acquisition and rehabilitation of street furniture,</li> <li>• Construction, reconstruction and rehabilitation of transport infrastructure (e.g. parking space, pedestrian areas, sidewalks, bicycle paths, public spaces, construction of noise barriers)</li> <li>• Construction, reconstruction and rehabilitation of technical infrastructure (e.g. sewerage)</li> <li>• Construction or renovation of non-commercial, publically accessible recreational areas, including playgrounds, water areas and other areas for public recreation and sport,</li> <li>• Improvement of public infrastructure within the housing blocks</li> </ul> <p>For activity A, the ERDF co-financing rate amounts to 85% of eligible costs. The national co-financing (15%) comes from the city budget.</p> <p>2. Activity B: Regeneration of residential buildings</p> <ul style="list-style-type: none"> <li>• Rehabilitation and modernisation of existing residential buildings, in particular the renovation of facades, windows and roofs and the replacement or modernisation of loggias and balconies. This part of the project is aimed at rehabilitating the 'outer shell' of buildings while the interior refurbishment needs to be financed from own resources. Buildings are owned by private and public bodies.</li> </ul> <p>For activity B, the co-financing rate (ERDF and city budget) is up to 60% of eligible costs. The national co-financing comes from the owner (private and public).</p>

	<p>3. Activity C: Regeneration of social housing with special focus on Roma communities endangered by social exclusion.</p> <ul style="list-style-type: none"> <li>• Full-scale rehabilitation, reconstruction and modernisation of existing buildings for social housing, including the renovation of facades, roofs and windows of buildings, rehabilitation of selected internal structures, removal of static defects, rehabilitation and repair of foundations and waterproofing substructures; repair and reconstruction of technical infrastructure (such as upgrading of heating and air conditioning, lifts, replacement or modernisation of loggias or balconies), creation of new social housing flats. Buildings are owned by the city of Brno. Calls are however open to public and private bodies.</li> <li>• Activities in this area also try to create links between physical regeneration and social inclusion. Financial investment from the IUDP is however limited to physical investment in social housing, while complementary 'soft projects' are co-financed from other sources, mostly the national OP for Human Resources and Employment (2007-2013) and the regional South-East OP. Complementary soft projects are carried out by social NGOs in the area and contribute to strategic IUDP objectives. The IUDP offers NGOs the possibility to ask for an 'inclusion of the project in the IUDP', giving them – if approved – a 10% benefit in the project application assessment process.</li> </ul> <p>For activity C, the co-financing rate (ERDF and city budget) is up to 60% of eligible costs. The national co-financing comes from the city budget and public housing companies.</p> <p>Overall, the IUDP puts strong financial emphasis on social housing operations, which absorb around 60% of the total budget. The investment foreseen by activity is as follows:</p> <table border="1" data-bbox="523 1048 1420 1193"> <tr> <td>Activity A revitalisation of public space</td> <td>18%</td> </tr> <tr> <td>Activity B regeneration of residential buildings</td> <td>22%</td> </tr> <tr> <td>Activity C regeneration of social housing</td> <td>60%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </table>	Activity A revitalisation of public space	18%	Activity B regeneration of residential buildings	22%	Activity C regeneration of social housing	60%	Total	100%
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<b>Recipients</b>	City of Brno and city districts, private and public owners of buildings, NGOs, local communities and residents (including marginalised Roma communities)								
<b>Mainstreaming of gender equality and non discrimination</b>	<p>The IUDP contains a separate chapter on equal opportunities and non-discrimination and identifies the issues as horizontal topics.</p> <p>Accordingly, actions fostering gender quality and non-discrimination against ethnic groups shall help achieve a balanced social, economic and environmental development of the target area and beyond.</p> <p>Equal opportunities are assessed for each project by evaluating the impact of the benefiting individuals and target groups. As a general rule, projects also need to demonstrate that they do not adversely affect the city's population, especially in terms of potential social exclusion. Social housing operations targeted at Roma communities 'should strive to the contrary, the incorporation of ethnicity into a socially cohesive society'.</p>								
<b>Intended outputs and results</b>	<p>The IUDP has the following intended outputs (output indicators):</p> <p>Revitalised space: 6 240 m<sup>2</sup></p> <p>Revitalised flats: 411</p> <p>Energy savings: 20%</p>								
<b>2. POLITICAL AND STRATEGIC CONTEXT</b>									
<b>National and regional framework for implementing ERDF funded urban development projects</b>	<p>The Czech NSRF sets out, in broad terms, how the Czech authorities are investing €26.3 billion of EU resources in the 2007-2013 period. The government has identified the following priorities for 2007-2013:</p> <ul style="list-style-type: none"> <li>• Boosting competitiveness: reinforcing the business sector by improving its productivity and speeding up sustainable economic</li> </ul>								

growth. Increasing the relatively low share of expenditure on research and development (R&D), 1.42% of GDP in 2005, is a priority, as is combating any 'brain drain'. Promoting tourism in the regions, which can help to create new jobs, is also high on the agenda;

- Developing an open, flexible, cohesive society: support for developing a diverse, socially aware and cohesive society, open to new opportunities. The aim is to create a modern educational system that will become the driving force behind an efficient, flexible labour market. The authorities also plan to cut red tape for businesses by at least 20%;
- Improving the environment: improving the quality of the environment and access to transport networks, and raising the proportion of railway transport, as well as developing combined transport;
- Balanced development: support for economic growth and employment tailored to local potential and varying local conditions (natural, economic, social and cultural). In rural areas, the authorities will promote new economic activities.

The Czech Republic's strategic planning for the 2007-13 period is implemented through 17 operational programmes (OPs) of which 14 are co-funded by the European Regional Development Fund (ERDF):

- 4 sectoral operational programmes (Convergence objective)
- 7 regional operational programmes (Convergence objective)
- 1 operational programme Prague (Regional Competitiveness and Employment objective)
- 2 multi-objective operational programmes (Convergence and Regional Competitiveness and Employment objectives), including the 'integrated operational programme'.

#### **Urban Dimension**

All seven Czech regional OPs and the 'integrated' OP include urban development as a topic – either through a specific urban priority axis or through a mixed axis that also includes regional and/or rural development. Urban development in regional centres is compulsorily carried out on the basis of an integrated urban development plan which may address two types of zones in cities: deprived zones and zones with high growth potential.

The Czech Government has issued a resolution (no. 883 of 13 August 2007) on guidelines for preparation, approval and evaluation of integrated urban development plans to be funded through Structural Fund programmes, including all Czech ERDF programmes. The resolution defines the concept of integrated urban development plans (IUDPs), clarifies their structure and contents, sets out the procedure for the approval of IUDPs and provides guidance on their implementation. It is the conceptual basis for the IUDP described in this case study.

As pointed out by a study on the urban dimension in five European cities (ECORYS 2010), the Czech Republic uses the term 'IUDP' exclusively in the context of the Structural Funds and refers to an application document linking a package of projects for ERDF funding under a single Operational Programme. Although such plans 'integrate' ERDF-funded projects under the OP in question and explain how this package of projects 'sits' within the broader development strategy of the city, there is no requirement to explain the links to other development actions supported by other financing streams. This includes links to projects supported by other local, regional or national funding sources or those supported by other ERDF OPs or European Social Fund (ESF) programmes.

#### **'Integrated Operational Programme' (IOP)**

The multi-objective programme seeks to strengthen the Czech Republic's central and local public administration while increasing the quality and

	<p>availability of public services. It has a total budget of around €1.86 billion. ERDF support through the European Regional Development Fund (ERDF) amounts to €1.58 billion, which represents approximately 5.9% of the total EU investment earmarked for the Czech Republic under the Cohesion Policy for 2007-13.</p> <p><b>Integrated Urban Development Plans (IUDP)</b></p> <p>Priority 6 of the OP (National support for territorial development – Convergence Objective), with 26.6% of the total budget, includes housing and urban development as eligible topics and calls for the use of IUDPs. Operations are targeted at the newly occurring and increasing concentration of socially vulnerable groups in housing estates and residential areas. They have to be part of the integrated urban development plans (IUDPs) of larger towns for their residential zones. IUDPs cover these types of interventions:</p> <ul style="list-style-type: none"> <li>• revitalisation of public areas</li> <li>• regeneration of apartment houses</li> <li>• ‘pilot projects’ focused on integrating Roma communities endangered by social exclusion</li> </ul> <p>The proposed aid in the form of subsidy will be provided to owners who modernise or refurbish their housing or change a non-residential building into a residential one with social dwellings. The subsidy can be provided to all owners of buildings located in the problematic areas of bigger Czech cities (municipalities, housing cooperatives and condominiums, other legal or natural persons) (CEDOCAS 2008).</p> <p>IUDPs under the IOP must meet two central eligibility criteria: First, they must target a geographically defined residential area which is part of a city and which shows a high concentration of negative socio-economic developments (e.g. high unemployment, crime, social exclusion). Secondly, the target area must be part of a city larger than 20 000 inhabitants and has to include at least 500 housing units.</p> <p>Furthermore, the target areas (deprived residential areas) must meet at least three of the following criteria – two of which must be the criteria listed under points a) to h):</p> <ol style="list-style-type: none"> <li>a) high level of poverty and social exclusion</li> <li>b) high rate of unemployment</li> <li>c) negative demographic trends</li> <li>d) low level of education, significant skills deficiencies and a large number of students leaving school early</li> <li>e) high level of crime and delinquency;</li> <li>f) particularly rundown physical environment</li> <li>g) low level of economic activity</li> <li>h) high proportion of immigrants, ethnic and minority groups, or refugees</li> <li>i) relatively low housing values</li> <li>j) negative energy performance of buildings</li> </ol> <p>As the only Czech IUDP financed from the IOP, the city of Brno is rehabilitating a historical residential area rather than a single housing estate.</p>
The planning context	<p>Brno is the Czech Republic’s second-largest city and has a population of around 380 000 people. The city enjoys a favourable location in Central Europe, with Vienna, Prague and Bratislava all lying within a 200-kilometre radius and accessible via an extensive road and rail network. It has traditionally good relations with bordering Austrian cities and regions.</p> <p>Brno’s economic development has been fuelled over the past few decades by its textiles and mechanical engineering industries. Today the city has shifted its focus towards other drivers of economic growth. Research and development projects and sectors with high added value, such as</p>

biotechnology and biomedicine, are playing an increasingly important role in the city's economy.

The city also acts as a major education centre and is home to 13 universities with more than 90 000 students. Much of the city's development pipeline is focused on this sector. Projects under way include the development of a supra-regional science hub, the Central European Institute of Technology, and a new International Clinical Research Centre.

As the Czech Republic's largest city falling under the Convergence objective, the city makes extensive use of EU Structural Funds. In addition to the investment from the South-East Convergence ROP, the city receives funding from several thematic ERDF OPs. In 2010 alone, the city received around 1.0 billion CZK from the EU Structural Funds (Brno City Activity Report for 2010).

In total, the city of Brno manages three IUDPs, two financed from the South-East Convergence ROP and one from the IOP. While the two 'regionally' allocated IUDPs focus on the city centre (tourism) and the city-wide quality of services, the IUDP from the IOP explicitly addresses a 'problem area'.

#### **The target area**

The selected 'problematic residential zone' and IUDP target area is located close to Brno's historical city centre – city districts Brno-střed (Brno Centre) and Brno-sever (Brno North) – and covers an area of 19.5 ha. The selected IUDP target area includes part of following streets: Bratislavská, Cejl, Francouzská, Körnerova, Přadlácká, Stará, Hvězdová, Spolková and Soudní. The area has 157 houses, including 129 residential and 28 commercial. Of the 157 buildings, 57 houses are owned by the city of Brno; the remaining 100 are private property. Official statistics identify 1 497 housing units.

The target area is a traditional housing area with a compact urban block structure. A substantial part of the apartment buildings were built for workers at the turn of the 19th century in connection with nearby industrial textile production. Its residents mostly stemmed from the Jewish and German-speaking communities – both of which were expelled from the city in the 1930s and 1940s. From the 1950s on, the area was used to 'relocate' Roma communities which had to become 'settled' citizens in the Communist era. Today, around 50% of the area's inhabitants stem from Roma communities.

The most recent investment in the housing stock dates back to the 1940s and 1950s, leaving the entire area in a depressing and seriously deprived state. Crumbling facades, courtyards used as rubbish dumps, no public green space and damaged roads are but a few of the signs of severe physical deprivation. In social terms, the area has one of the highest proportions of low-income households in the Czech Republic. With an unemployment rate of over 80%, most of the population depends on social transfers. In a downward spiral, the entire area is unattractive for investors – both for the renovation of buildings and for setting up local businesses. In addition, a certain lack of local political commitment to address this (social inclusion) issue seems to have contributed to the poor situation of the area.

There are no exact figures on the population in the area. Official statistics give a number of around 4 300 inhabitants. Estimates by the city however indicate some 8 000 people living in overcrowded and very poorly equipped flats.

#### **Strategic planning documents**

Breaking a downward spiral like in Brno is a topic of discussion throughout the Czech Republic. The neglected maintenance of apartment blocks and other dwellings has reduced the quality of life of the population in some housing estates and led to deteriorating social and economic structures. Therefore, the housing-focussed IUDP in Brno aims to contribute to social inclusion (mostly of Roma communities) and to improve the housing situation

	<p>in the target area. Overall, it is less linked to economic growth and environmental aspects.</p> <p>Overall, the IUDP refers to a large number of strategic documents from different levels and places the (geographically small-scale) intervention in a wider context:</p> <ul style="list-style-type: none"> <li>• National level: National Development Plan, Czech NSRF, Sustainable Development Strategy, Economic Growth Strategy, National Strategy Report on Social Protection and Social Inclusion 2006–2008, Resolution No. 393 of 2006: Principles of long-term concept of Roma integration by 2025, Integrated OP</li> <li>• Regional level: Regional Development Strategy for the years 2007–2013, development plan of the South Moravian region</li> <li>• Local level: ‘Strategy for Brno’, General Plan Housing Brno, Community Plan of Social Services City of Brno in the year 2009, regional plan for the city of Brno</li> </ul>
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### 3. IMPLEMENTATION

<p><b>3.1. PROJECT DESIGN AND PLANNING</b></p>	<p><b>Project idea</b></p> <p>The idea of intervening in the selected target area comes mainly from the national Ministry of Social Affairs which – in the preparatory analysis for 2007-2013 social cohesion operations targeted at Roma communities – identified the area as one of the most deprived in the Czech Republic. The 2006 document ‘Analysis of socially excluded Roma localities and the absorption capacity of entities operating in this area’ (<i>Analýza sociálně vyloučených romských lokalit a absorpční kapacity subjektů působících v této oblasti, Praha 2006</i>) includes an analysis of:</p> <ul style="list-style-type: none"> <li>• the situation of socially excluded Roma communities in locations across the Czech Republic aiming to identify appropriate financial resources in the programming period from 2007 to 2013;</li> <li>• possible operations and the absorption capacity for setting up and operating services in the field.</li> </ul> <p>At the same time the city’s ongoing monitoring of social inclusion gave the impulse for proposing the area for funding.</p> <p><b>Needs assessment and analysis</b></p> <p>An exhaustive analysis of the target area’s socio-economic needs and development is included in the IUDP document. It highlights the following aspects requiring special attention in the implementation of the IUDP:</p> <ul style="list-style-type: none"> <li>• Low economic activity: The renovation of structurally and technically unsuitable housing should help local construction businesses and lead to an increase in apartment prices and higher profits for local property owners.</li> <li>• High level of social exclusion: The area shows signs of social exclusion, also associated with criminal activity and delinquency. Special activities for the Roma should facilitate their integration into the labour market.</li> <li>• Run-down physical and natural environment: Investing in public spaces should not only increase the physical attractiveness of the area but also increase public safety and extend the supply of leisure activities.</li> </ul> <p><b>Selection by the managing authority</b></p> <p>The project selection procedure was based on the Czech guidelines for establishing IUDPs and on the implementing provisions for the Czech IOP (see also section 2).</p>
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After the managing authority for the IOP had opened a nationwide public call for IUDP proposals, the city of Brno indicated a suitable target area. Although according to procedures the city had to indicate the target area itself, the idea of intervening in the selected target area comes mainly from the national Ministry of Social Affairs which – in the preparatory analysis for 2007-2013 social cohesion operations targeted at Roma communities – identified the area as one of the most deprived in the Czech Republic. After identifying the target area, the city of Brno launched a call for expressions of interest. In this call, public and private bodies were asked to present possible projects which could later form elements of the IUDP. Based on a list of possible projects and after developing a strategy for the area, the city submitted the IUDP proposal to the managing authority. The authority then approved the IUDP as a ‘framework’ for interventions in the area, including a list of possible projects.

Once approved by the managing authority, the city of Brno launched a call for projects. At this stage, project promoters had to submit detailed project applications to the city which acts as a coordinating body for the IUDP. The project proposals were subsequently reviewed by the city authority. An internal, city-led IUDP steering group then approved a list of projects.

In a next step, this list, including the detailed project proposals, was submitted to the managing authority which took the final approval decision on the individual projects and their final beneficiaries. Only after this step did projects receive a grant agreement indicating a maximum amount of ERDF funding.

#### **Consideration of risks**

A risk assessment was carried out as part of the IUDP application process and identifies potential risks for the different phases of the IUDP. The risk analysis is included in the IUDP document.

Risks in preparation IUDP: In the preparatory phase, emphasis was placed on the analysis of socio-economic developments and on the identification of strengths and weaknesses at city level of suitable projects. In doing so, the city tried to limit the risk of failure of individual (potential) projects in order to meet overall IUDP objectives.

Risks in the implementation phase IUDP: The most serious risk identified was the possible non-fulfilment of mandatory performance due to failing projects – and possible loss of ERDF co-financing. To reduce the risks, the city put emphasis on assessing the projects’ strategic planning and compliance, their readiness for implementation, their overall vision and the quality of project promoters.

Risks for the sustainability of action: The risk analysis included a screening of the projects’ relevant target groups, the social settings of their activities, potential failure to secure funding for subsequent operation or routine maintenance. The city therefore included specific project evaluation criteria for ensuring the sustainability of the projects (technically, financially and in terms of personnel). In addition, the ‘usefulness’ of activities was assessed for each project.

#### **Consideration of the project’s sustainability, results exploitation and transferability**

The sustainability of the ERDF project has been taken into account and was assessed at IUDP and project level (see section on risk analysis above).

The exploitation and transfer of results was not (originally) foreseen in the project design phase.

#### **Consideration of energy efficiency**

Improving the energy efficiency of public and private buildings is one of the main objectives of the IUDP. According to the IUDP document, a reduction of 20% in energy consumption is envisaged.

	<p><b>Role of EU support</b></p> <p>The ERDF project played a decisive role in targeting the chosen area. Several interviewees mentioned that selecting an area known for its social problems and Roma population went against mainstream local politics. Overall, the high aid intensity for the area and explicit focus on social inclusion would probably not have happened without available ERDF support and an 'external' impulse for action (from the national level).</p> <p><b>Other EU funds</b></p> <p>N/A. The IUDP is solely financed from the ERDF.</p>
<p><b>3.2. MANAGEMENT, MONITORING AND EVALUATION SYSTEM</b></p>	<p><b>Selection of project manager</b></p> <p>The project manager (for the IUDP) was appointed by the city administration.</p> <p><b>Management structure</b></p> <p>The preparation and implementation of the IUDP is managed by the city of Brno, department for the implementation of EU funds. Within the municipal department, a special project manager oversees the public and private projects in the target area. He also manages the relations with the public concerning the physical rehabilitation of the area. In addition, the housing department acts as a contact point for individuals benefiting from social housing.</p> <p>The implementation is supervised by the IUDP steering committee (see below) which acts in close co-operation with the IOP managing authority.</p> <p>At the same time, the implementation of the IUDP is subject to local political bodies, including the city's General Assembly and the city council.</p> <p>The General Assembly discusses and approves the structure and co-financing for the IUDP and takes final decisions for the IUDP. The city council discusses and approves the IUDP guidelines, appoints and dismisses members of the IUDP steering committee and approves its statute.</p> <p>Throughout the implementation period of the ERDF project, an estimated full-time equivalent of 13 persons is working on the implementation of the IUDP and its projects. Of these, one person is responsible for the day-to-day management of the IUDP in the city council.</p> <p><b>Steering group</b></p> <p>The city of Brno has established a special steering committee which supervises the implementation of the IUDP. Its main tasks include the overall management and coordination of the Integrated Development Plan and the pre-approval of individual projects. It also ensures the effective coordination between the political level and the administrative implementation of activities. The steering committee is composed of:</p> <ul style="list-style-type: none"> <li>• four political representatives of the city council</li> <li>• chairman of the Committee for National Minorities of the General Assembly</li> <li>• Head of Department for the implementation of European funds, city of Brno</li> <li>• Head of Department for Housing, City of Brno</li> <li>• representatives of the concerned city districts</li> </ul> <p>Where appropriate, local NGOs and community representatives also take part in the meetings (with no voting rights).</p> <p>Steering committee meetings are convened by the Head of Department for the implementation of European funds, city of Brno, as needed. In the preparation phase of the IUDP, the steering committee met at least once a month.</p>

	<p><b>Monitoring</b></p> <p>The work progress of the IUDP is closely monitored, both by the steering committee and by the IOP managing authority.</p> <p>The monitoring by the managing authority is ensured by informal progress meetings (every three months) and by annual monitoring reports which include detailed financial information and updates on indicators. For the ‘pilot project’ part of the IUDP, separate progress reports have to be submitted by the city.</p> <p><b>Evaluation</b></p> <p>No evaluation of the project and its impact has yet been conducted. An evaluation is foreseen for 2015 once all projects are completed.</p> <p><b>Quantified targets, performance indicators</b></p> <p>The IUDP contains three core indicators (renovated space, number of renovated flats, energy savings) which are included in the periodic reporting and monitoring reports.</p> <p>Apart from initial figures on the socio-economic situation of the area, there is no ongoing monitoring of the socio-economic impact of actions in the target area. Partly, this is however captured by the city’s overall social development monitoring.</p> <p>An ex-post evaluation of impacts is foreseen for 2015 when the city will report socio-economic indicators to the managing authority.</p> <p><b>Overcoming obstacles</b></p> <ul style="list-style-type: none"> <li>• Changing currency exchange rates: As the grant agreement between the IOP managing authority and the city of Brno had been done in euros, and owing to the comparative devaluation of the Czech crown since 2008, the city has in the meantime ‘lost’ around 30 million CSK (approx. €1.16 million). This equals the cost for the renovation of an entire apartment building which can therefore not be rehabilitated within the IUDP.</li> <li>• Commitment of private investors: The IUDP includes a comparatively strict set of performance indicators which will determine the final payment at the end of the IUDP. The ‘predictability’ of private investment appears as a special challenge in this context. The city therefore puts heavy emphasis on assessing the certainty of private investment in the project preparation phase (see section on risk assessment).</li> <li>• In addition to these two rather systematic problems, the work in a difficult urban area seems to have been an initial challenge for city authorities. In one building all metal elements, including pipes in the wall, were ‘removed’ – or stolen – over night as it was not fully secured for a few hours.</li> </ul>
<p><b>3.3 GOVERNANCE: PARTNERSHIP, PARTICIPATION AND EMPOWERMENT</b></p>	<p><b>Composition of the partnership</b></p> <p>The IUDP involves the following range of partners:</p> <ul style="list-style-type: none"> <li>• overall coordination of the IUDP: city of Brno</li> <li>• supervision of the IUDP: steering committee and IOP managing authority</li> <li>• project promoters: city of Brno; private investors</li> <li>• project development and implementation: ditto</li> <li>• other involved partners: city district councils and various municipal departments; city-owned housing companies.</li> </ul>

### **Roles of partners in the ERDF project**

- funding provider: ERDF IOP managing authority (for providing EU co-financing), Brno city council and private investors (for providing local co-financing)
- final beneficiaries: Brno city council, NGOs and private investors
- overall coordination of the IUDP: city of Brno
- end-users: local communities and businesses in the area (including marginalised people), city of Brno and the wider public
- expertise: city of Brno – housing and social affairs departments
- Inspirational/creative contribution: national Ministry for Social Affairs

### **Involvement of the public**

The public is involved in the IUDP process mostly through intermediaries (NGOs). Several NGOs, most of them with a social focus, try to engage local tenants and communities in the projects. They also play a central role in ensuring the sustainability of action (e.g. awareness-raising to avoid damage and misuse of public buildings).

During the renovation of buildings, the city's housing department ensures active communication with tenants and owners.

The city authorities involved the local communities in the IUDP preparation phase through public hearings in which residents and businesses were asked for their opinions. Furthermore, the envisaged construction of a new park will be based on a participative planning process.

For ongoing communication with the public, city authorities mainly use a dedicated website as well as brochures. In addition, *Metropolitan* magazine, which is distributed city-wide, gives updates on progress once a year.

Where appropriate, local NGOs and community representatives also take part in the meetings of the steering committee. However, the civil society actors do not have voting rights in the meetings. It should be considered as a shortcoming of the project management.

### **Role of the city administration**

The city administration plays a central role in coordinating, implementing and co-financing the IUDP.

### **Leadership in the process**

The IUDP is managed and led by the city authorities.

### **Political support**

Local politics broadly supports the IUDP process and its projects. The politician in charge, Mr Oliver Pospíšil, deputy mayor for the economy, finance and housing, has taken ownership of the IUDP and promotes it actively.

However, interviews showed that especially the selection of the target area seems to have been politically 'delicate' – as support for a 'minority project' does not seem to correspond to mainstream local politics. It was therefore rather the external push from the national level (ministry of social affairs) than the initiative of local politics to focus on a deprived urban area.

### **Innovative elements of the partnership**

Internal coordination between city departments: the integrated approach seems to have triggered better cooperation between different sectorial city departments which are needed for a successful implementation.

Strong ties between administration and political level through the steering committee: this element has been described as rather exceptional – granting the city administration’s experts a potentially greater role in providing evidence-based advice for policy-making.

**4. INNOVATIVE ELEMENTS AND NOVEL APPROACHES**

**4.1 INNOVATION**

**Innovative elements in...**

**...Project design, planning and management**

- In the context of Brno (and most other Czech cities), the concept of integrated planning represents a novel approach. The combination of ‘hard’ and ‘soft’ measures is recognised by most stakeholders as a good way to address the problems of disadvantaged neighbourhoods;
- Focussing on the most deprived area and marginalised groups: the IUDP’s focus on a troubled neighbourhood represents an equally new approach in the local context. Most other initiatives seem to be driven by economic rationales, sometimes neglecting social conditions. Especially the explicit focus on Roma communities – a topic which is still much disputed in many Central European countries – and their link to integrated urban regeneration can be considered as a novelty;
- Involvement of a wider range of partners, including NGOs: in contrast to traditional ways of policy-making following a top-down approach, the IUDP tries to pay greater attention to non-governmental stakeholders and local communities. This includes initiatives to actively involve Roma communities in several projects and to engage in dialogue with private owners of buildings.

**...Communication and dissemination**

- Increased communication between political and administrative level: As described in section 3.3, the strong ties between the two levels which could be established through the IUDP steering committee seem to ensure better communication and co-operation within the city council.

**...Exploitation of results**

- Using successful elements for other rehabilitation areas: the city has already identified several elements which will be used in future projects or similar initiatives in other neighbourhoods. They include the employment of ‘caretakers’ (mostly NGOs which try to ensure the sustainability of action and to avoid damage to the newly-renovated projects) and the combination of physical regeneration with ‘soft measures’ (to maximise the impact on social and economic cohesion);
- Coordination between cities benefiting from IUDPs. This aspect is at an initial stage but could potentially lead to synergies among the IUDP cities. Exchanging information on the results, management knowledge and good practices among the IUDP cities would improve the projects in the future

**Initiation of new approaches – comparison to previous practices**

Initiating innovative approaches:

The innovative character of the project (and the initiative) is widely based on national impulses both for intervening in a deprived residential area with a high share of marginalised communities (IOP provisions) and for deploying an integrated approach (national guidelines for IUDP)

Comparison to previous practice:

In contrast to previous projects, the IUDP addresses urban regeneration in a strongly area-based (target area) and integrated manner. Also, the medium-term strategic planning within the IUDP represents a novelty in comparison to previous practice, which was often driven by local political prioritisation and short-term interventions.

Another new element is the involvement of more partners (including from the private sector) and the attempt to implement in a less 'top-down' way.

**4.3. THEMATIC FOCUS**

**Theme 3: housing**

In its 2008 working document on the urban dimension of 2007-2013 ERDF operational programmes, the European Commission has identified that housing-related operations are implemented in three different ways:

- through urban renewal projects which include social housing and the rehabilitation of multi-family houses as important elements and are part of integrated urban development plans;
- through operations to improve the physical environment for housing (in particular in the form of support for revitalisation of panel housing estates); and
- through operations to increase energy efficiency within social housing.

The Brno IUDP combines these three ways of dealing with the topic in one, and links it to the question of marginalised groups required by the ERDF regulation. It explicitly targets the inclusion of Roma communities and attempts pilot projects connecting physical regeneration with social projects. Its particularity lies also in the fact that the target area is not a panel housing estate but has a compact 19<sup>th</sup> century block structure with over 150 individual buildings.

**5. FUNDING**

**Budget**  
 Total budget: €11 607 000  
 ERDF funding: €5 258 220  
 National funding (public and private): €6 348 780

**Annual allocation (in €, total expenditure)**  
 2010: 1 025 853.70  
 2011: 2 022 743.34  
 2012: 1 992 019.94  
 2013: 3 640 047.28  
 2014: 1 677 901.34  
 2015: 1 342 434.40

**Financial allocation by activity:**

Activity A	€ 2 094 479	18%
Activity B	€ 2 577 628	22%
Activity C	€ 7 028 893	60%
Total	€ 11 701 000	100%

**Private sector leverage**  
 Not monitored

6. PROJECT ASSESSMENT													
<b>6.1. FINANCIAL SUSTAINABILITY</b>	<p><b>Continuity</b></p> <p>At the moment there is no information on whether the results achieved by the IUDP will be sustainable in the long term. Also, the case study did not reveal whether the public sector has an intention to continue with the similar project in the future.</p> <p>The IUDP did not start in a previous funding phase. It did not start as a pilot action or action plan (e.g. URBAN, EQUAL, URBACT) before being picked up by a mainstream ERDF (or ESF) programme.</p>												
<b>6.2. TRANSFERABILITY</b>	<p><b>Transferability</b></p> <p>The IUDP demonstrates how ERDF budgets can be spent for housing, providing inspiration for other European cities to include housing as a vital part in their integrated urban development activities.</p>												
<b>6.3 ISSUES AND PROBLEMS</b>	<p>A critical analysis of the IUDP raises several questions linked to both the current approach and the management of funds.</p> <ul style="list-style-type: none"> <li>• Level of integration of actions within the IUDP: In its current form, the IUDP in Brno mainly addresses physical aspects of urban regeneration. Social aspects are covered by additional projects which are financed outside the IUDP. This causes an additional administrative burden to the city and final beneficiaries. While environmental aspects are treated within the IUDP (activity A), special economic incentives (e.g. for local businesses) for the target area are missing. This situation might however be more linked to general IUDP guidelines and OP provisions and lies outside the city's responsibility. For future operations it could be considered better to include economic aspects in IUDPs.</li> <li>• Level of bureaucracy: Given the complexity of Czech Structural Funds programmes, some of whose implementation provisions differ, the question of simplification should be asked regarding future national EU funding systems. Also, current IUDP project approval procedures include a high number of steps and decision-makers – an aspect which could also be discussed in relation to attracting private investors.</li> <li>• Risk of relocation of social problems: Located directly next to the historical centre and considering the (rather) attractive block structure of 19<sup>th</sup> century buildings, the target area has potential for gentrification. It remains to be seen whether the intervention will lead to a relocation of social problems and an outflow of marginalised groups to other parts of the city – or if there will be a 'stabilisation' or real upgrade of existing local structures.</li> </ul>												
<b>6.4 PROJECT OUTPUTS &amp; RESULTS</b>	<p>By 31 December 2011, the IUDP had achieved the following outputs:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Indicator</th> <th style="text-align: center;">Target</th> <th style="text-align: center;">Results by 31/12/2011</th> </tr> </thead> <tbody> <tr> <td>Revitalised public space</td> <td style="text-align: center;">6 240 m<sup>2</sup></td> <td style="text-align: center;">0 m<sup>2</sup></td> </tr> <tr> <td>Revitalised flats</td> <td style="text-align: center;">411</td> <td style="text-align: center;">219</td> </tr> <tr> <td>Energy savings</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">29%</td> </tr> </tbody> </table> <p>Overall, the implementation of the IUDP seems to be making good progress in its housing interventions. The rehabilitation of public space is clearly lagging behind: however, two projects approved in 2011 will change the situation in the near future and lead to an estimated refurbished surface of around 7 080 m<sup>2</sup>.</p> <p>The project's performance is managed by using output indicators, while results were not defined prior to project implementation (as it is quite conventional in urban development projects).</p>	Indicator	Target	Results by 31/12/2011	Revitalised public space	6 240 m <sup>2</sup>	0 m <sup>2</sup>	Revitalised flats	411	219	Energy savings	20%	29%
Indicator	Target	Results by 31/12/2011											
Revitalised public space	6 240 m <sup>2</sup>	0 m <sup>2</sup>											
Revitalised flats	411	219											
Energy savings	20%	29%											

Approved projects by activity in 4/2012 (not all completed):	
Activity A revitalisation of public space	2
Activity B regeneration of residential buildings (public)	4
Activity B regeneration of residential buildings (private)	5
Activity C regeneration of buildings for social housing	11
Total	22

Little can be said about the socio-economic rehabilitation process so far. Interviewees suggested a clear upgrade of physical conditions. However, due to the lack of solid socio-economic data nothing can be said about the IUDP's impact so far.

The financial execution amounts to around one quarter of the total amount allocated and is as scheduled.

Amount paid out at 31/12/2011: €1 337 654 (26.05% of total IUDP eligible expenses), of which ERDF: €1 137 006 € (21,62% of total ERDF allocation)

**7. CONCLUSIONS: KEY SUCCESS FACTORS AND LESSONS LEARNED**

Overall, the project analysis reveals the following key success factors from which other cities could learn and profit:

1. The importance of coherent national frameworks and 'external' inspiration. Finding new ways and innovating as regards common practice sometimes works best if there is an external inspiration – or 'push for change'. Brno is an excellent example of this – at several levels. Having never profited from the URBAN II Community Initiative (2000-2006) and its striving for integrated urban development concepts, the Czech Republic decided to set up an URBAN II-inspired implementation framework for urban actions in the 2007-2013 period. Since 2008, this national framework has provided a solid basis for Integrated Urban Development Plans (IUDPs) across the country, including Brno. It was, without any doubt, an important step towards the better integration of policies at local level. Brno additionally profited from national expertise concerning the IUDP's final emphasis on marginalised urban communities. Again, it was a step which is likely not to have happened without some 'external' inspiration.
2. Promoting an integrated urban approach with a housing dimension. Overall, the IUDP demonstrates that housing can play a vital role in the rehabilitation of urban areas. Placed in an integrated framework, the sector's role can be increased by creating synergies with other policies, especially social and integration matters. Promoting an integrated approach was a clear step forward for the city's urban development and housing policy – and its positive effects for social structures and on marginalised groups.
3. Housing as a catalyst to help the society's weakest: The renovation of neglected housing stock is a major challenge in many Central European cities – and is likely to remain on the countries' political agendas for years to come. The Structural Funds can play an important role in their rehabilitation, both by setting up integrated frameworks and by providing investment possibilities. In today's (mostly market-driven) housing sector, a focus on urban areas with social problems and/or marginalised communities is the right one – and a suitable eligibility criterion for EU funding. Improved housing conditions can help formerly excluded individuals or groups to regain access to the labour market and seize new economic opportunities.
4. Public investment to break the spiral: The Brno case also illustrates that it is vital to break existing downward spirals. A run-down area

	<p>with a high percentage of marginalised groups and a (traditionally) negative image is usually not a private investor's first choice. As a consequence, missing investment in maintenance and rehabilitation only makes things worse and aggravates already poor social conditions. There is therefore a genuine role for the public sector to intervene, break the spiral and correct what cannot be achieved by a weak market. It will also remain as an important public task to promote the area's attractiveness and image while avoiding gentrification and a relocation of social problems.</p>
<b>8. FURTHER INFORMATION</b>	
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