

**THE FUTURE OF INDUSTRIALISED CITIES AND  
REGIONS UNDERGOING  
STRUCTURAL CHANGES**

***CZECH REPUBLIC***

**Country report  
draft**

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## Content

1. Introduction
2. Damaged Land In The Czech Republic
  - 2.1 The Background
  - 2.2 Quantifying The Situation
  - 2.3 The Causes and Consequences Of Dereliction
3. Regions Undergoing Structural Changes
4. Recommendations
  - 4.1 Ten Guiding Principles and Ten Key Issues
  - 4.2 The Basic Approach Recommended
  - 4.3 The Actions Needed
5. Literature

## 1. INTRODUCTION

The successful rebuilding and modernisation of economies must include dealing with the aftermath of industrial change and decline, including returning land damaged by use to a state where it can be re-used. The post-communist economies of central Europe are engaged in sophisticated strategies to develop modern free market economies capable of competing on the international stage and giving their citizens a high quality of life. If damaged land is not returned to being a productive asset but allowed to remain a potential health hazard and visual blight they will be thwarted in this effort.

Dereliction of industrial land and premises is an inevitable consequence of business and product lifecycles: it occurs as manufacturing industries and companies die, change locations, develop new products or exhaust natural resources. It is, however, a consequence that should be reduced in future by better regulation of industry and business. The normal motivation for trying to re-mediate it is to remove contamination or other health hazards, i.e. to make land safe. However, where dereliction is concentrated, as in regions suffering structural economic decline, damaged land may also be a visual scar, depressing local people, land values and investment intentions. It is also recognised as putting off foreign investors, especially when it is associated with health hazards. In short, it may have negative effects on the image of such regions, because it provides visual evidence that the economy is old, out-of-date and lacking in dynamism. Moreover, in some locations reclamation of derelict land may be the only way of creating flat developable land, especially for industry. Land reclamation should therefore not be confused with the simpler environmental problem of treating contaminated or dangerous land. It is an economic problem and an economic opportunity at the same time.

The original owner of a derelict site has often gone bankrupt or has no funds for removing the dereliction, so reclamation is unlikely to be carried out by the private sector or unprofitable state enterprises. The Czech Republic will therefore probably need to face the fact that if it is to set up a national land reclamation capability, it will probably need to fund it mainly from the public purse. This, of course, will be a political decision based on perceived national priorities.

State's interest and motivation for commissioning the preparation of this strategy relate to its needs for serviced land for mostly foreign investors (and therefore large, high quality sites) and to remove visible dereliction (on-site, adjacent to sites or in "host" cities) that symbolises the decline of the local economies and their unsuitability for modern international businesses. The priority is to develop capabilities to help local, regional and central governments meet their objectives by increasing the supply of attractive land in older regional economies of the country that are suitable for foreign manufacturing investment. Sensibly, however, it also requires guidance to be given with regard to the wider national issue of removing hazards and improving living conditions and opportunities.

Land reclamation should not be confused with the removal of contamination. Recovered contaminated land may not be usable and may still contain derelict buildings. Nor should it just be seen as an environmental issue. It can and should deal with health hazards caused by derelict buildings and neglected land but its prime function is to recreate a usable asset (land) that can play a role in economic activity or to remove visual blight or pollution deterring economic activity or investment. However, it must be recognised that land reclamation needs public funding, for dereliction produces a market failure in which the normal rules of supply and demand cannot remove the problem caused when the cost of damaged land is greater than the normal market price of usable land.

## 2. DAMAGED LAND IN THE CZECH REPUBLIC

### 2.1 The Background

Long industrialised economies usually have tracts of damaged land incapable of use without serious or expensive treatment. There are several causes of this. In the Czech Republic at least five can be identified and are discussed below:

2. obsolete or exhausted basic industries;
3. other abandoned extractive activities;
4. new, possibly still active, extractive industries;
5. superfluous military bases; and
6. obsolete manufacturing industry.

Firstly, in common with many long-established industrialised economies developed in the 18th and 19th centuries, the Czech Republic suffers from damaged land arising from coal extraction and iron and steel manufacture. As is the case elsewhere in the western world, mining levels in these major industries are running down rapidly as a consequence of the uneconomic nature of reserves or their exhaustion, or the obsolescence or lack of competitiveness of nature of older plants. The failure of the Communist system to generate and recycle profits sometimes exacerbated the problem by not investing in new plant or in new industries, making this problem particularly acute in countries like the Czech Republic. Such dereliction is, of course, concentrated where the mineral deposits that first allowed the development of the industries were found, rather than being scattered evenly across the economy. Often the areas affected did not diversify, as those industries, at their peak, could use all available labour. Now, as their economic drivers contract, they tend to be areas of high unemployment, seeking to attract external investment but find it difficult to do so because of the air of obsolescence and neglect caused by the dereliction.

Secondly, and unusually by world standards, the Czech Republic has a small number of very large uranium mining sites, such as that at Ralsko. The small number of such sites, whose locations are well known, probably merit separate investigation and assessment because of their special characteristics, large scale and negative perceptions worldwide.

Thirdly, like many modern economies, the Czech Republic has many major military bases and other defence installations that have become redundant as part of the "Peace Dividend". As, initially, a rich part of the Austro-Hungarian empire and, more recently, as the western frontier of Soviet military might, the Czech Republic has a relatively dense network of such sites looking for new uses. These vary enormously. Many are some distance from large cities. Most, but not all, contain major structures - both above and below ground, and many (but again not all) are contaminated. Often the secrecy about such facilities means that the damage, contamination, past uses and potential of the land and buildings are difficult to determine and often will need detailed site investigation. They are, however, often in the State's hands. Sometimes it has been perhaps too keen to pass on the problems to new private sector owners, may be at nil cost in order to make ownership attractive. However, the costs of returning such land to new profitable use proves so high that it renders re-use uneconomic and so the land lies fallow.

Finally, the Czech Republic's long established and diverse industrial base also means it has a wide range of more specialised manufacturing sites, particularly in the field of chemicals production, power generation, metal fabrication and precision engineering that have or will soon become redundant. Industry must replenish itself and up-date its competitiveness. This is normally an on-going piecemeal process, with only occasional major business closures or structural adjustments requiring special efforts. Unfortunately, again, the failure of communist planners to replace heavy industry with production of consumer goods and to invest in internationally competitive production equipment has tended to worsen the problem in the Czech Republic (and elsewhere), resulting in many large factories becoming derelict in a short time in recent years, with more likely to follow in the near future. Such sites are located across the country, but are obviously concentrated in the larger manufacturing centres such as Plzeň and Brno. They can, however, be relatively significant in smaller settlements, especially those dependent upon one industry or company. Sometimes the sites are hidden; sometimes they are prominent. Sometimes they are extremely unattractive but in other cases they may not be major visual scars. Sometimes they are a health hazard; sometimes not. Usually, they contain major structures and are expensive to return to a state in which they can be re-used. Although there are large derelict factories in small villages most will be in urban locations, where some will be suitable for re-use but others will be poorly located for modern industry. In such areas, mixed uses, housing or amenity space may be more appropriate than re-use for industry or commerce.

## **2.2 Quantifying The Situation**

There appears to be no single source of data on damaged land in the Czech Republic, with various Ministries, public bodies, e.g. (the Fund For National Property) and municipal authorities, plus some large industrial enterprises, each knowing part of the picture.

Clearly, there is a need to piece together this knowledge and create a single, fundamentally comprehensive, database of such sites, sub-divided into different categories. Then, it must be kept up to date, for the continuing restructuring of the Czech economy means new sites are likely to appear for many years to come.

In the meantime, it is sufficient to accept that there are many hundreds, probably thousands, of such sites, scattered across the country but concentrated in the larger towns and cities and the more economically peripheral mining and former mining areas.

Definition of the scale of reclamation needed in the Czech Republic and of the true cost of a comprehensive land reclamation programme must await a full survey but the land area involved will be thousands of hectares and the costs of returning the sites to economic use will be very substantial.

A very small number of large, highly contaminated sites, such as those associated with uranium mining or concentrations of former chemical production, may be so expensive to reclaim and such a potential hazard even to neighbouring countries (via surface water, mainly river borne, contamination in the event of accidents, etc.), that they should be seen as a "European" problem of post-Soviet industrialisation. It might be acceptable to present them to the European Union for financial assistance with costs of recovery.

Czech cities are seeing considerable expenditure committed to improving their physical fabric: restoration of buildings, lighting of buildings and other features, improvement to pavements, creation of traffic free areas or resurfacing of footpaths. Such concern for and investment in the country's heritage and its environment is natural, praiseworthy and to be encouraged whenever resources allow. This commendable policy should be extended to removing the scars of that heritage, especially when they blight local people's quality of life, cause land assets to be under-used and even sometimes undermine the benefits achieved by the investments in the hearts of the towns.

### **2.3 The Causes and Consequences Of Dereliction**

Countries that were early entrants into the industrial revolution inevitably face a painful transition when their large basic industries become obsolete and uneconomic. Industrial obsolescence and loss of economic viability arises through uncompetitive or obsolete industries being overtaken by technological innovation, by ever intensifying competition or exhaustion of mineral reserves. As those industries collapse and the individual companies and employers disappear, derelict land is left behind. Often that derelict land is dangerous and unsightly and in terms of improving safety and the environment should, ideally, be treated and made safe and attractive to look at.

In addition, there is usually a need for more jobs and this, in turn, often means that there is a need for completely new industries in the affected areas. Therefore, to be able to recycle damaged land for new employment opportunities may be useful and sometimes essential.

However, large basic industries and businesses tend to collapse sequentially, weakest first, strongest last, and the demise of a particular factory or mine does not necessarily mean an instant cessation of all activity on that site. Replacement of these industries and the jobs associated with them have to meet particularly acute challenges in terms of timing, accommodation and location. This means advance planning of new sites for employment and the restoration of old ones within an integrated local economic development strategy will be advantageous.

The Czech economy and environment is clearly suffering from large-scale dereliction, although - as in most countries - the problem is not spread evenly across the country. The country would benefit from tackling the problem.

## **3. REGIONS UNDERGOING STRUCTURAL CHANGES**

According to the regional policy of the Czech government introduced in the year 2000, there are two main regions undergoing structural changes: North-West region (NUTS 2 composed by the Ústí region and Karlovy Vary Region) and Ostrava Region. This regions are defined as problem regions – see map NUTS 2 Problem Regions.

The Czech Government started several development programmes focused on problem regions in the year 2000:

- Regional Development Programme of North-West Bohemia
- Global plan of revitalization of the coal field basin in North-West Bohemia
- Regional Development Programme of

Eight districts were declared as districts undergoing structural changes within these two problem regions: districts Most, Teplice, Chomutov, Děčín and Louny in North-West Bohemia and districts Ostrava-City, Frýdek-Místek and Karviná in Ostrava Region – see map Districts undergoing structural changes. These are industrial districts with a high rate of build-up area, which industry undergoes major changes and decline, followed by high unemployment.

The districts undergoing structural changes were defined according to following criteria:

- The rate of employees in industrial sector;
- The development of employment in industrial sector since 1990;
- The unemployment characteristics;
- The rate of entrepreneurs/1000 inhabitants.

The main characteristics of the districts undergoing structural changes are included in following charts.

### Regions undergoing structural changes – North West Bohemia (NUTS 2 North-West)

#### Districts:

#### Most

Area	467 km <sup>2</sup> .
Arable land (ČR total)	21,1 % (39,3 %).
Forests (ČR total)	32,7 % (33,4 %).
Number of inhabitants – 31.12.1999 (rate of women)	119 178 (51,1 %).
Density of inhabitants per km <sup>2</sup> (ČR total)	256 (130).
Number of employees (except of small enterprises) in 1998	45 656.
Rate of employees in agriculture and forestry (ČR total)	1,1 % (5,7 %).
Rate of employees in industry and building (ČR total)	57,2 % (45,2 %).
Rate of other employees (ČR total)	41,7 % (49,1 %).
Average month salary in CZK – 1999 v Kč (ČR total)	13 719 (12 658).
Number of private entrepreneurs 31.12.1999	14 551.
Rate of unemployment 31.3.2000 (ČR total)	20,59 (9,47).
Sectors of economy creating the main part of GDP	Industry
Main branches of industry	Mining, chemistry, energetics, machinery engineering

#### Teplice

Area	469 km <sup>2</sup> .
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Arable land ( <i>ČR total</i> )	18,1 % (39,3 %).
Forests ( <i>ČR total</i> )	36,4 % (33,4 %).
Number of inhabitants - 31.12.1999 (rate of women)	129 909 (50,7 %).
Density of inhabitants per km2 ( <i>ČR total</i> )	276 (130).
Number of employees (except of small enterprises) in 1998	
Rate of employees in agriculture and forestry ( <i>ČR total</i> )	0,4 % (5,7 %).
Rate of employees in industry and building ( <i>ČR total</i> )	52,4 % (45,2 %).
Rate of other employees ( <i>ČR total</i> )	47,6 % (49,1 %).
Average month salary in CZK - 1999 v Kč ( <i>ČR total</i> )	12 247 (12 658).
Number of private entrepreneurs 31.12.1999	16 078.
Rate of unemployment 31.3.2000 ( <i>ČR total</i> )	16,39 (9,47).
Sectors of economy creating the main part of GDP	Industry
Main branches of industry	Mining, machinery engineering, energetics, glass industry

## Chomutov

Area	935 km <sup>2</sup> .
Arable land ( <i>ČR total</i> )	25,7 % (39,3 %).
Forests ( <i>ČR total</i> )	36,6 % (33,4 %).
Number of inhabitants - 31.12.1999 (rate of women)	125 427 (50,7 %).
Density of inhabitants per km2 ( <i>ČR total</i> )	134 (130).
Number of employees (except of small enterprises) in 1998	36 377.
Rate of employees in agriculture and forestry ( <i>ČR total</i> )	3,5 % (5,7 %).
Rate of employees in industry and building ( <i>ČR total</i> )	51,0 % (45,2 %).
Rate of other employees ( <i>ČR total</i> )	45,5 % (49,1 %).
Average month salary in CZK - 1999 v Kč ( <i>ČR total</i> )	11 810 (12 658).
Number of private entrepreneurs 31.12.1999	16 223.
Rate of unemployment 31.3.2000 ( <i>ČR total</i> )	17,94 (9,47).
Sectors of economy creating the main part of GDP	Industry
Main branches of industry	Mining, machinery engineering, energetics,

## Děčín

Area	909 km <sup>2</sup> .
Arable land ( <i>ČR total</i> )	14,3 % (39,3 %).
Forests ( <i>ČR total</i> )	49,2 % (33,4 %).
Number of inhabitants - 31.12.1999 (rate of women)	133 768 (51,1 %).
Density of inhabitants per km2 ( <i>ČR total</i> )	147 (130).
Number of employees (except of small enterprises) in 1998	39 343.
Rate of employees in agriculture and forestry ( <i>ČR total</i> )	2,2 % (5,7 %).
Rate of employees in industry and building ( <i>ČR total</i> )	50,7 % (45,2 %).
Rate of other employees ( <i>ČR total</i> )	47,1 % (49,1 %).
Average month salary in CZK - 1999 v Kč ( <i>ČR total</i> )	11 196 (12 658).
Number of private entrepreneurs 31.12.1999	9750.
Rate of unemployment 31.3.2000 ( <i>ČR total</i> )	14,04 (9,47)
Sectors of economy creating the main part of GDP	Industry, tourism.
Main branches of industry	Machinery engineering, textile

## Louny

Area	1118 km <sup>2</sup> .
Arable land ( <i>ČR total</i> )	60,5 % (39,3 %).
Forests ( <i>ČR total</i> )	15,6 % (33,4 %).
Number of inhabitants - 31.12.1999 (rate of women)	86 094 (50,8 %).
Density of inhabitants per km2 ( <i>ČR total</i> )	77 (130).
Number of employees (except of small enterprises) in 1998	22 689.
Rate of employees in agriculture and forestry ( <i>ČR total</i> )	11,8 % (5,7 %).
Rate of employees in industry and building ( <i>ČR total</i> )	44,4 % (45,2 %).
Rate of other employees ( <i>ČR total</i> )	43,8 % (49,1 %).
Average month salary in CZK - 1999 v Kč ( <i>ČR total</i> )	10 473 (12 658).
Number of private entrepreneurs 31.12.1999	11 284.
Rate of unemployment 31.3.2000 ( <i>ČR total</i> )	17,57 (9,47).
Sectors of economy creating the main part of GDP	průmysl, zemědělství.
Main branches of industry	strojírenský, keramický, potravinářský průmysl.

**Regions undergoing structural changes – Ostrava Region (NUTSII NorthWest)**

Districts:

**Ostrava-město (Ostrava City)**

Area	214 km <sup>2</sup> .
Arable land ( <i>ČR total</i> )	25,8 % (39,3 %).
Forests ( <i>ČR total</i> )	10,7 % (33,4 %).
Number of inhabitants - 31.12.1999 (rate of women)	321 263 (51,6 %).
Density of inhabitants per km2 ( <i>ČR total</i> )	1505 (130).
Number of employees (except of small enterprises) in 1998	135 086.
Rate of employees in agriculture and forestry ( <i>ČR total</i> )	0,3 % (5,7 %).
Rate of employees in industry and building ( <i>ČR total</i> )	51,4 % (45,2 %).
Rate of other employees ( <i>ČR total</i> )	48,3 % (49,1 %).
Average month salary in CZK - 1999 v Kč ( <i>ČR total</i> )	13 177 Kč (12 658).
Number of private entrepreneurs 31.12.1999	46 865.
Rate of unemployment 31.3.2000 ( <i>ČR total</i> )	16,71 (9,47).
Sectors of economy creating the main part of GDP	Industry
Main branches of industry	Metallurgy, machinery engineering, chemistry, energetics, food industry

**Frýdek - Místek**

Area	1273 km <sup>2</sup> .
Arable land ( <i>ČR total</i> )	19,8 % (39,3 %).
Forests ( <i>ČR total</i> )	49,1 % (33,4 %).
Number of inhabitants - 31.12.1999 (rate of women)	228 291 (51,0 %).
Density of inhabitants per km2 ( <i>ČR total</i> )	180 (130).
Number of employees (except of small enterprises) in 1998	72 422.
Rate of employees in agriculture and forestry ( <i>ČR total</i> )	3,9 % (5,7 %).
Rate of employees in industry and building ( <i>ČR total</i> )	59,9 % (45,2 %).
Rate of other employees ( <i>ČR total</i> )	36,2 % (49,1 %).
Average month salary in CZK - 1999 v Kč ( <i>ČR total</i> )	11 969 (12 658).
Number of private entrepreneurs 31.12.1999	29 057.
Rate of unemployment 31.3.2000 ( <i>ČR total</i> )	15,07 (9,47)

Sectors of economy creating the main part of GDP	Industry, tourism.
Main branches of industry	Metallurgy, machinery engineering, chemistry

## Karviná

Area	347 km <sup>2</sup> .
Arable land ( <i>ČR total</i> )	35,7 % (39,3 %).
Forests ( <i>ČR total</i> )	13,7 % (33,4 %).
Number of inhabitants - 31.12.1999 (rate of women)	283 128 (51,0 %).
Density of inhabitants per km2 ( <i>ČR total</i> )	819 (130).
Number of employees (except of small enterprises) in 1998	76 949.
Rate of employees in agriculture and forestry ( <i>ČR total</i> )	0,4 % (5,7 %).
Rate of employees in industry and building ( <i>ČR total</i> )	54,4 % (45,2 %).
Rate of other employees ( <i>ČR total</i> )	45,2 % (49,1 %).
Average month salary in CZK - 1999 v Kč ( <i>ČR total</i> )	10 867 (12 658).
Number of private entrepreneurs 31.12.1999	30 510.
Rate of unemployment 31.3.2000 ( <i>ČR total</i> )	18,80 (9,47).
Sectors of economy creating the main part of GDP	Industry
Main branches of industry	Mining, metallurgy, machinery engineering, chemistry, energetics

## 4. RECOMMENDATIONS

### 4.1 Ten Guiding Principles and Ten Key Issues

The following guiding principles should underlie the creation of a Czech National Land Reclamation Programme:

1. any actions should be additional, i.e. they should only make things happen that would not have happened any way, or speed up developments, rather than use public money to subsidise projects that would go ahead without the subsidy;
2. land reclamation should not relieve companies and public organisations from their past, current and future duties to comply with the law regarding creation of pollution, contamination, dereliction or visual blight;
3. dereliction should be seen as a market failure, with public expenditure the only way to deal with it comprehensively;
4. land reclamation should be primarily a contribution to economic development, not environmental recovery or pollution/contaminant removal but with restoration to improve the environment to remove barriers to investment regarded as an economic factor;
5. its main purpose should therefore be to restore land for economic use or development, with land for industry and commerce the biggest priorities but with removal of serious health hazards the top priority for short term action;

6. the approach used should access all available sources of funding and expertise and be based upon co-ordination of central government departments and local authorities;
7. there should a central unit set up and controlled by government to set priorities and standards with site works being supervised by local authorities;
8. design and construction work should normally be undertaken by sub-contract companies;
9. land should normally be brought into public ownership for reclamation; and
10. every effort should be used to demonstrate the beneficial effects of reclamation, at international, national and local levels and to build a political consensus in the Czech Republic for the creation and maintenance of national land reclamation programme to be completed within 50 years.

To achieve the above, there will need to be clear definitions of the following ten points:

1. dereliction and reclamation;
2. which ministry will oversee the management of the process;
3. the financial resources it will make available;
4. the works, services and management costs that are eligible for funding;
5. how to procure the above and validate their delivery;
6. the grant structure;
7. how projects are selected by a transparent and fair process;
8. how and when funding commitments are made and payment is authorised;
9. the returns of income that should go to the funding body; and
10. ensure that government's legitimate requirements are satisfied.

#### **4.2 The Basic Approach Recommended**

To address the principles and issues, it is recommended that the following approach be adopted:

##### **The Centre**

Government to create a body which:

- prepares the overview, policy and programme;
- procures and provides funds;
- maintains the national data-base;
- priorities bids and creates the national programme;
- funds land purchase by local authorities prior to reclamation by them;
- 100% funds reclamation of local authority projects, monitoring the reclamation;
- establishes a grant to 80-90% fund reclamation by private owners and directly funds those owners;
- researches new reclamation techniques
- gives guidance on using those techniques and spreads best practice;
- encourages innovation and reviews past projects;
- ensures the attainment of value for money; and
- undertakes international networking.

##### **Local Authorities**

Municipalities to:

- gather site data;

- create local databases in more detail than the central one;
- send summary data to the centre;
- put in bids to the centre;
- prepare outline design stage proposal for funding, (describing site, location, logic for reclamation, local property needs/demand, end use, etc.);
- once approval is given, prepare detailed proposals;
- purchase the land for reclamation;
- reclaim (via in-house team or tender - the latter is preferable as it would build up local capabilities and most local authorities cannot justify employing the specialists needed);
- submit monitoring forms;
- pay any income owed to the central unit; and
- give access to sites.

### **Private Sector**

Private owners seeking grant aid to:

- submit a proposal to the central unit;
- once approval received, undertake work;
- allow central unit to inspect work in progress in accordance with agreed schedule and on completion;
- complete monitoring forms; and
- pay any income owed to the central unit.

## **4.3 The Actions Needed**

### **4.3.1 Legal Matters**

The first matter that will need to be dealt with will be the creation of a national land reclamation capability. If the Czech government prefers a new unit to giving land reclamation powers to an established organisation, then it will, presumably, need to prepare and approve new legislation. If it prefers to give new powers to an existing organisation such as CzechInvest (governmental foreign investments agency), then it will need to alter that organisation's founding Charter.

That new legislation must define dereliction and land reclamation, set out the role of derelict land reclamation in the country, place it in the context of existing environmental protection and pollution and contamination control legislation, and establish the economic purpose of land reclamation. It follows that it must therefore legalise the roles proposed for local authorities in the reclamation process.

It must also define grant delivery mechanisms, control and administrative systems, preferably 100% grants for projects proposed by local authorities, plus 80-90% grants for private owners, establish how and when the public sector will purchase land for reclamation and how it will dispose of it, as well as how any income from the reclamation process or disposal of the remediated land will be shared.

It should also determine how land reclamation should be funded in both the short and long term. Short term, there is little alternative but direct financing from the national budget, through an appropriate Ministry, i.e. one involved in economic or industrial development, as land reclamation is needed to support local economic development. Longer-term, it may be possible to finance the programme by supplementing this source with environmental taxes such as that paid on transfer of agricultural land to development or for land-fill waste disposal or even fines on polluters. However, such sources of income are very variable and unpredictable and should, preferably, be seen as a supplement to a direct budget line in the sponsoring Ministries' expenditure plans.

It should also define how land reclamation should relate to land use planning and local economic regeneration strategies and specify the consultations needed with local authorities, local communities and residents living near individual reclamation schemes.

Finally, it should establish a programme budget sufficient to establish the proposed national capability and allow it to function for its first three years, at the end of which the long-term needs will have been defined and so the long-term budget can be established.

In parallel, the government should review existing environmental protection and pollution and contamination control legislation to ensure that there is consistency between it and the new legislation. It should also look to see if compulsory purchase powers need strengthening and improve them as appropriate.

#### **4.3.2 Establish Start Up Budget**

As pointed out above, an initial budget for three years sufficient to set up the unit or new department of an existing body (see below for its probable needs) should be defined by the Czech Government and made available.

In order to make an early start on reclaiming land, it is recommended that the European Commission's Phare Programme be asked to provide a two year Technical Assistance project within the Special Pre-Accession Programme for the Czech Republic. This would supply the new Czech capability with a full-time adviser, short-term experts to assist with specific technical issues, a computer network to hold the national derelict land data-base and give external organisations access to it, fund the publicity budget for the launch of the unit and programme, set up a website, and design reclamation schemes for five pilot projects. Such a project should be of interest to Phare, because many other Phare Programme countries have similar dereliction problems to the Czech republic that will be holding back the economic regeneration of their more economically-backward regions.

Alternatively, uni-lateral aid organisations could be asked to help with specific elements of the above activities, especially the design of the pilot schemes.

If such approaches fail, the government will need to finance them itself.

#### **4.3.3 Establish Central Unit**

The establishment of a new Czech Land Reclamation Unit or a new unit within CzechInvest or some other national executive agency should be an immediate priority. The Czech Government, probably Ministries responsible for economic and industrial development or regional development, should set up a Steering Group to advise on the best organisational "location" of the Unit, i.e. identify the "lead" Ministry to which that unit would report and from which it would receive its funds and mandate. That Steering Group should also seek to build a strong political consensus for a national land reclamation programme, communicate its benefits to local authorities and discuss its roles with older industries that cause dereliction or which own derelict sites. Eventually, this Steering Group should probably evolve into the Supervisory Board for the Unit.

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