

Interreg



EUROPEAN UNION

Austria-Czech Republic

European Regional Development Fund

Cross-border collaboration

Austria-Czech Republic

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1. Introduction

Austria and the Czech Republic share over 460km of shared borders. In the past, both territories were a part of a single state entity, however, the emergence of the boundaries in 1918 meant a gradual creation of barriers between the two regions, which culminated in 1948 with the Iron Curtain. During this period, the Czech regions created a buffer-zone with heavy military presence and border guards. As a result, the countries were isolated and were developing in different economic and social environments. The collaboration between the two countries intensified after the fall of socialism. (MOT research center 2018) The strengthening of the cross-border collaboration has been an important topic of the European Union since the 1970s as a part of the progress of integration, allowing free movement of people, goods, and capital. The improvement of cross-border collaboration was a crucial aspect during the Czech transformation of economy after the fall of socialism and during the succession of the Czech Republic to the European Union. In this paper, several aspect supporting cross-border collaboration between the two countries will be discussed.

2. Phare CBC

Phare CBC (Cross Border Co-operation) was a European Union program designed to support the development of border regions in non-EU countries. Originally, it only focused on non-EU border regions neighbouring with an EU member state, but since 1999 it has been extended to the border areas of the candidate countries as well.

The main focus areas of the programme were:

- supporting the economic development of border regions by strengthening existing structures, enhancing the competitiveness of enterprises and the overall revival of the economy on both sides of the borders
- overcoming bottlenecks on both sides of the border, such as environmental pollution problems and lack of infrastructure
- reducing the peripheral character of these areas and thereby increasing the living standard of population
- deepening cooperation between citizens of border regions. (Formánek et al. 2018)

3. Interreg

During the turbulent times of the 90s, an initiative to bring regions closer called Interreg was established, with a budget of € 1 billion to support cross-border collaboration and it became the main instrument of the European Union to support neighbouring regions and their cooperation. “Interreg is built around three strands of cooperation: cross-border (Interreg A), transnational (Interreg B) and interregional (Interreg C).” (European Commission 2018a) The Interreg IIIA programme replaced Phare CBC after the succession of the Czech Republic to the European Union. The total amount of funds allocated to the Czech Republic - Austria area was € 8.6 million, of which approximately 10% was a Disposition Fund, designed to support small projects. The maximum financial support for one project was also relatively low- there was a limit of € 10 000, calls for new projects were usually announced twice a year. (DotaceEU 2018; Interreg IIIA 2018)

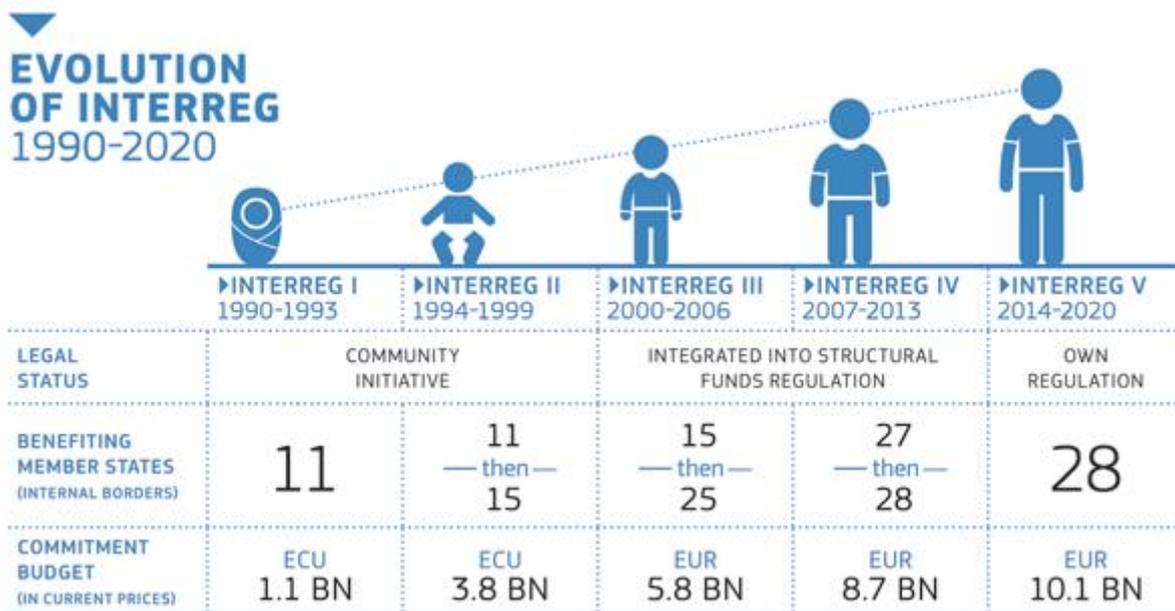


Figure 1: Evolution of Interreg (European Commission 2018a)

The Interreg V programme (Interreg V: 2014-2020 period) set three main areas of goals it plans to achieve: simplification, concentration, and result orientation in the following spheres

- research and innovation
- information and communication technologies
- competitiveness of SMEs
- low-carbon economy
- combating climate change

- environment and resource efficiency
- sustainable transport
- employment and mobility
- social inclusion
- better education, training
- better public administration (European Commission 2018a)

The goals are in line with the overall principles of the cohesion policy of the European Union:

- Concentration of resources, effort, and spending
- Programming (not funding individual programmes)
- Additionality (the programme does not replace spending of a member country) (European Commission 2018b)

Currently there are three Euroregions and one European region programmes within Interreg V-A Austria-Czech Republic.

- Euroregion Sumava
- Euroregion Silva Nortica
- Euroregion Pomoraví
- European region Danube-Moldau

3.1. Euroregion Šumava

Euroregion Šumava was founded in 1993 in Český Krumlov. It includes the territory of the districts of Domažlice, Klatovy, Prachatice, Český Krumlov and Strakonice. The cross-border partners of the Euroregion Šumava are Euroregio Bayerischer Wald - Unterer Inn in Bavaria and Regionalmanagement Mühlviertel in Upper Austria. Together with these partners, the Euroregion Sumava forms one cross-border unit.

The main activity of the Euroregion Šumava is:

- improving and coordinating cross-border cooperation
- representation of the region
- information exchange
- administration of the Disposition Fund
- participation in the development of EU development strategies and programs (Euroregio 2018)

3.2. ERSN- Euroregion Silva Nortica

The Euroregion Silva Nortica (ERSN) was established in 2002 to improve cross-border cooperation between Austria and the Czech Republic. Founding members on the Czech side were the Association of Legal Persons South Bohemian Silva Nortica and on the Austrian side it was Europaplattform Pro Waldviertel. The Euroregion therefore consists of two legal associations. In 2005, the ERSN became a member of the Association of European Border Regions. (Silva Nortica 2018)

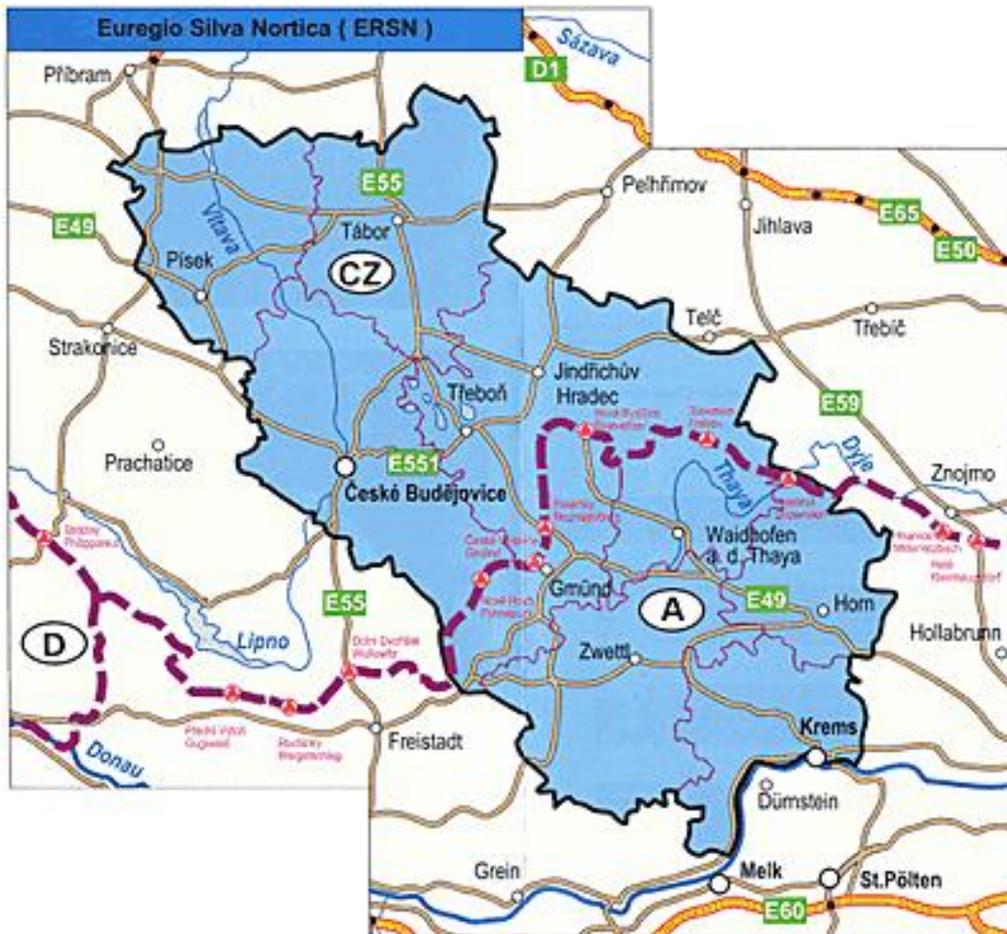


Figure 2: The region of Silva Nortica

In the 2007-2013 period, the ERSN participated in six projects whose aggregate value was almost € 8 million. The projects were focused on integration of rural areas, support of the establishment of the Danube-Vltava region, and support of the cross-border transportation. (DotaceEU 2016; Silva Nortica 2018)

3.3. EUPO- Euroregion Pomoraví

The EUPO-Pomoraví Euroregion was established in 1999 and it includes the territories of Austria, the Czech Republic and Slovakia (Weinviertel in Austria, Záhorie in Slovakia, and South Moravia in Czech Republic). The main objective of

the initiative is to develop economic, environmental, and cultural cooperation between the three countries. (SOM JM 2018)

3.4. European region Danube-Moldau

The program “Europe region Danube-Vltava” is an economic, social, and community development project of Austria, the Czech Republic, and Germany. Seven partner regions are a part of the program; Upper Austria, Lower Austria, Lower Bavaria with Altötting, Upper Palatinate, Pilsen region, South Bohemian region, and Vysočina region. The areas of interest include research and innovation, cooperation of universities, qualified workforce market, tourism, mobility and transport, and cooperation of clusters and companies. Among the goals of the Danube-Vltava region is to create a prosperous economic space, and to develop a dynamic region with attractive future for its inhabitants. Moreover, the aim is to support competitiveness of the local companies, create more jobs by supporting cross-border cooperation, and preserve natural and cultural areas. (Danube-Moldau 2018)

4. Small projects fund

The Small projects fund is a tool supporting projects with a lower financial volume and local significance with a cross-border impact. It is a part of the INTERREG V-A program Austria - Czech Republic. The Small projects fund is implemented in the form of one joint project covering the entire program area and is managed by the regional administrators.

Basic characteristics of projects supported by Small projects fund are:

- It allows small scale projects with a support of 85%. Minimum grant is € 3 000, and maximum € 20 000.
- Only non-investment projects will be supported (institutional cooperation).
- The applicant may have a maximum of two project partners, of which at least one must be an Austrian partner from the assisted territory. In the case of a partner from Vienna, another Austrian partner from the assisted area must be represented in the project.
- Each small project must meet at least three cross-border cooperation criteria:
 - Joint training (mandatory)
 - Joint Implementation (mandatory)

Joint financing (optional)

Joint staff (optional criterion)

- The project has to create and have benefits to the people on both sides of the border. If a project is implemented in only one country, the cross-border impact and benefits resulting from its implementation for both countries must be clearly demonstrated.
- The duration of the project is a maximum of 15 months.

During the Phare CBC, approximately € 5.8 million was allocated for the Small projects fund, in the period 2004-2006 (for the Disposition Fund) it was € 970 000 000 and in the last phase of 2007 - 2013 it was € 6.9 million. (Centre for regional development of the Czech Republic 2018; European territorial cooperation Czech Republic-Austria 2018; RRAJM 2018)

5. Aktion Czech Republic- Austria

The programme was established in 1992 and it supports bilateral cooperation of education and research at tertiary levels. The initiative is supported by both countries' Ministry of Education. The primary goal is to further develop the collaboration of both countries.

"Two types of activities are supported:

- individual – study stay scholarships and research scholarships for the stay in the second country and for participation in the summer language courses and summer schools.
- institutional – funding of cooperation projects of Czech and Austrian institutions in higher education; see the guidelines for project proposals' submission, financing and conclusion." (AKTION 2018)

The committee of the initiative (five Austrian and five Czech members) evaluate the project proposals three times a year. (AKTION 2018)

6. Bilateral structures supporting business cooperation

There is a well-developed infrastructure to support cross-border cooperation of companies in Austria and in the Czech Republic. The help of organizations and structures to support cross-border collaboration is largely focused on providing contacts in the respective foreign country and to overcome language barriers,

bureaucratic hurdles, and tax barriers. The collaboration is supported by various meetings and through networks where companies can advertise the services they offer or look for.

6.1. Advantage Austria

An important contact partner for Austrian companies in the Czech Republic is the international agency of the Austrian Chamber of Commerce Advantage Austria. Advantage Austria is the official representation of the Austrian economy in foreign countries, and it provides a worldwide network in more than 70 countries. The offices of "Advantage Austria" provide companies and their international business partners with a wide range of services, such as

- search for suitable suppliers or business partners
- contact and mediation with importers, distributors or sales representatives
- providing detailed information about the economic location and entry into the Austrian market

Moreover, the organization offers cooperative meeting for Austrian and Czech companies from various industries, participation on collaborative fairs, and many other activities. Furthermore, Advantage Austria has a advertising portal, where companies from Austria and the Czech Republic can promote their offers and look for a suitable collaboration partner for their ventures. (Schejbalova 2012)

6.2. ECONET Innovative

ECONET Innovative was a project by the Czech Chamber of Commerce, which the Austrian companies can use to improve their collaboration efforts in the Czech Republic. The programme was focused on small and medium-sized enterprises and was active from 2008-2012. During the 3 years of its activity, the ECONET organized 3 business meetings with workshops, 6 business clubs for businesswomen, 2 cooperative meetings, and 3 seminars for seven hundred participants to promote the collaboration between both countries.

6.3. Ecoplus International

Ecoplus International GmbH is a non-profit organization supporting cross-border collaboration of small and medium-sized enterprises at federal level (it is a government organization of Lower Austria). The organization is active in the Czech Republic, Slovakia, Romania, Poland, Hungary, and Bulgaria. It provides

information about foreign markets and their regulations, business environment, and possibilities. The organization also connects companies with suitable distributors, sales partners and business entities on the foreign markets. The office for the Czech Republic is located in Prague. (Schejbalova 2012)

7. Conclusion

The paper discussed various aspects of cross-border collaboration between the Czech Republic and Austria. The European Union actively supports the cooperation of both neighbouring countries and the development and interconnection of infrastructure, business environment, and regulations. Austria and the Czech Republic have a long history of collaborative activities and there is a well-developed infrastructure supporting companies wanting to find a suitable business partner in the respective country in a specific industry. The development of the regional collaboration has been significantly supported by the European Union, which has been providing financial support to numerous projects and programmes. Numerous Austrian organizations are active on the Czech market and vice versa and they offer services to companies in spheres of consulting and networking, which significantly supports the cross-border collaboration of companies in these two territories.

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