

A Comparative overview of Regional Operational Programmes

Jan Jedlička

EU Office of Česká spořitelna

EU OFFICE

Česká spořitelna, a.s.

Poláčkova 1976/2

140 00 Praha 4

tel.: +420 261 073 308

fax: +420 261 073 004

EU_office@csas.cz

<http://www.csas.cz/eu>

Jan Jedlička

+420 261 073 484

jjedlicka@csas.cz

Petr Zahradník

+420 261 073 019

pzahradnik@csas.cz

Alena Smolíková

+420 261 073 308

asmolikova@csas.cz

Content:

1. Introduction	3
1.1 ROPs versus TOPs	3
2. Allocation of Individual ROPs	5
3. Distribution of ROPs to Priority Areas	6
3.1. Overview of the priorities of individual ROPs.....	6
3.2. Comparison of allocation to priorities of individual ROPs	8
4. Successful Utilisation of ROPs.....	9
4.1. Success in drawing funds for the entire ROP	9
4.2. Successful drawing for individual areas of support.....	11
5. Final Summary.....	13

1. Introduction

The start of the new 2007 – 2013 programming period brought about significant innovation in the domestic implementation of EU regional policy financial instruments. The former Joint Regional Operational Programme (JROP), administered centrally, has been replaced by seven individual Regional Operational Programmes (ROPs), which are controlled by the local authorities of individual regions or entire cohesion regions.

The main reason for this change was to transfer – in line with the subsidiarity principle – decision-making on the allocation of EU funds to the level where the individual projects are directly addressed. In other words: projects of regional importance should be decided at the regional level. Within the regional operational programmes, the regions have more space to set their own development priorities in order to meet their specific individual needs and conditions.

Another benefit of ROPs as compared to the previous JROP is the possibility of local actors, in accordance with the principles of partnership, getting more involved in influencing the future economic and social development of their own region and building the necessary administrative capacity for real effective regional policy. As a result, the whole programming system is no longer a necessary medium, dictated from Brussels, for the distribution and redistribution of “EU subsidies”, but has become a genuine instrument of conducting regional policy, which has ambitions to be functional even after the drying up of EU funds.

The downside of the Regional Operational Programmes is the increased cost of administration. This is because the management of seven Regional Operational Programmes by seven Regional Councils is more expensive than one Joint Regional Operational Programme. Initial fears of how successfully the individual regions or cohesion regions would manage the frequently complex administration of operational programmes have fortunately not become a reality.

1.1 ROPs versus TOPs

Regional Operational Programmes cover several thematic areas falling within the authority of municipalities or regions, with the aim of increasing regional competitiveness, accelerating their development and increasing the attractiveness of the regions for investors. Each ROP is managed separately by the Regional Council (RC) of the respective cohesion region. The sum allocated from the EU funds to the Regional Operational Programmes aimed at convergence amounts to EUR 4.659 billion. All supported activities within the ROPs are co-financed by the European Regional Development Fund (ERDF), so that they represent capital investment (infrastructure) projects.

Regional Operational Programmes - Overview

OP of NUTS II Region	Region (NUTS III)
Central Bohemia	Central Bohemia region
Southwest	Plzen region & Southern Bohemia region
Northwest	Usti region & Karlovy Vary region
Northeast	Liberec region & Hradec Kralove region & Pardubice region
Southeast	Vysocina region & Southern Moravia region
Central Moravia	Olomouc region & Zlinsky region
Moravia-Silesia	Moravia-Silesia region

In addition to ROPs, there are subsidies from the so-called TOPs – Thematic Operational Programmes available for the domestic entities under the Convergence Objective. Eight such programmes were negotiated in the current programming period. Each of them has a specific thematic focus and is designed for the entire territory of the Czech Republic with the exception of the Capital of Prague:

- OP Enterprise and Innovation
- OP Environment
- OP Transport
- OP Education for Competitiveness
- OP Research and Development for Innovation
- OP Human Resources and Employment

- Integrated Operational Programme
- OP Technical Assistance

INFOBOX: Objectives of European regional cooperation

In the period of 2007-2013, 24 operational programmes will be used in the CR, which are divided into three objectives of the Structural and Cohesion Policy of the EU:

I. Convergence Objective

It consists in promoting growth and job creation in the least developed member states and regions. Included are the regions with GDP per capita of less than 75% of the EU average and temporary aid (until 2013) will be provided to the so-called phasing-out regions where GDP per capita was less than 75% of the EU-15 level (the per capita GDP indicator relative to the average has increased due to the statistical effect of EU enlargement).

This objective will be implemented through eight Thematic Operational Programmes and seven Regional Operational Programmes.

II. Regional Competitiveness and Employment Objective

It is designed for cohesion promotion outside the least developed regions (as defined by the indicator of GDP per capita of less than 75% of EU average) and is aimed at helping them to cope with the rapid economic and social changes, globalisation and the transition to a knowledge society. It also includes support for the so-called phasing-in regions, which are regions of the former No. 1 objective that due to their economic progress cannot be included in the current Convergence Objective.

This objective will be implemented through these two programmes:

- OP Prague Competitiveness
- OP Prague Adaptability

Part of the allocation of the Regional Competitiveness and Employment Objective will be also used by means of the OP Human Resources and Employment, Education for Competitiveness, Integrated Operational Programme, and Technical Assistance in support of national systemic interventions.

III. European Territorial Cooperation Objective

This is about stimulating regional cooperation on cross-border, international and supranational levels aimed at finding common solutions to problems, such as development of cities, rural and coastal areas, development of economic relations and networking of SMEs.

The objective will be implemented through seven OPs:

a) Cross-border cooperation:

- OP Cross-border Cooperation CR – Bavaria
- OP Cross-border Cooperation CR – Poland
- OP Cross-border Cooperation CR – Austria
- OP Cross-border Cooperation CR – Saxony
- OP Cross-border Cooperation CR – Slovakia

b) International cooperation:

- OP Interregional cooperation – for subjects from all EU countries, Norway and Switzerland

c) Supranational cooperation:

- OP Supranational Cooperation – for subjects from CR, Austria, Poland, part of Germany, Hungary, Slovenia, Slovakia, part of Italy and from the non-member countries and part of the Ukraine.

2. Allocation of Individual ROPs

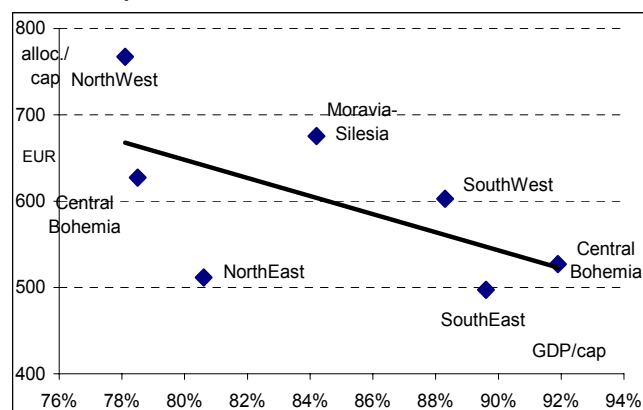
For the current programming period 2007-2013, a total allocation of 4.659 billion euros was negotiated from EU funds for all seven regional operational programmes, representing 18% of the allocation of all operational programmes under the Convergence Objective. From the total of all the resources allocated to the Czech Republic from the structural and cohesion funds for 2007-2013, amounting to 26.692 billion euros, the share of ROPs represents 17.5%.

The largest budget amounting to 877.54 million euros belongs to the ROP of the Northwest cohesion region, which comprises of the regions of Karlovy Vary and Ústí nad Labem. Its share in the total budget of all the regional operational programmes is 16%.

The smallest amount, including both the allocation from structural funds and the mandatory national co-financing (always 15% of the total allocation of the OP), belongs to the ROP of the cohesion region Central Bohemia, (657.74 million € in absolute and 12% in relative terms).

A more objective comparison is obtained, when the ROP allocations are seen from the perspective of the population of the respective regions. To this end, it is better to use the indicator of the operational programme overall allocation converted to per capita figures.

Economic performance and ROPs' allocation



Source: own calculation based on CSÚ's a MMR's data, Economic performance expressed by GDP per capita in 2008 where 100% is average of the whole Czech Republic

Allocation (budget) of ROPs for 2007-2013 programming period

ROP	EU contribution (mil. €)	National cofinancing (mil. €)	Total budget (mil. €)	Share	Total budget per capita (€)
Central Bohemia	559.08	98.66	657.74	12.0%	527.2
SouthWest	619.65	109.35	729.00	13.3%	602.7
NorthWest	745.91	131.63	877.54	16.0%	767.2
NorthEast	656.46	115.85	772.31	14.1%	511.5
SouthEast	704.45	124.31	828.76	15.1%	497.2
Central Moravia	657.39	116.01	773.40	14.1%	627.2
Moravia-Silesia	716.09	126.37	842.46	15.4%	675.4
Total	4659.03	822.18	5481.21	100.0%	592.1

Source: www.strukturalni-fondy.cz a ČSÚ; number of citizens as of 1st January 2010

From this point of view, the largest amount from the regional operational programmes goes to an average inhabitant of the Northwest cohesion region – 767.2 euros over the whole period of 2007-2013. On the other hand, the lowest per capita amount of 497.2 euros goes to the regions of Vysočina and South Moravia, which jointly form the Southeast cohesion region.

If operational programmes are as instruments of regional policy, which promotes balanced development of the respective regions across the EU, then the least developed regions should operate with the highest amounts from the EU funds and vice versa. In practice, this relationship may be influenced by certain objective facts (e.g. the regions are equipped with different levels of class II and III roads, or have different conditions for the development of tourism), but it should not be significantly affected, even if taking into account all the imperfections of the aggregate indicator of GDP, which cannot fully capture the degree of current structural problems of the individual regions. The diagram to the right shows the relationship between the allocations to the individual cohesion regions (as measured by the particular ROP budget per capita) and the level of their economic development (as measured by the indicator of gross domestic product per capita in relation to the average of the entire CR).

In general, the overall distribution of the respective ROPs is in line with the basic principle – the cohesion regions with higher per capita GDP have ROPs with lower per capita allocations. The cohesion regions above the trend line are subsidised more generously through their ROPs than they should be based on their economic performance. On the other hand, the cohesion regions under the trend line receive fewer EU subsidies through the ROPs than they would deserve in view of the level of their economic development.

From this perspective, again the ROP Northwest belongs to the “richest” operational programmes having larger subsidies from EU funds than it should according to its economic maturity. Based on this methodology, the Northeast cohesion region and its ROP would deserve a higher allocation than it currently received for the period of 2007-2013. The region of Central Bohemia appears to be a region, whose ROP operates with an allocation exactly corresponding to its economic performance.

3. Distribution of ROPs to Priority Areas

One of the arguments for changing the concept from JROPs to individual ROPs was that there are different regional conditions or problems and resulting needs, which could not have been effectively covered by a joint operational programme common to all. Are the regional needs of the respective regional operational programmes so markedly different?

3.1. Overview of the priorities of individual ROPs

In the individual ROPs, we have identified the needs reflected in the respective priority areas, which correspond roughly to the priorities specified below. Although they are called differently in almost every ROP, they can be classified into one of the following five groups.

a) Development of Cities and Municipalities

This priority focuses on regeneration, revitalisation and increasing the attractiveness of urban and rural areas. Its aim is to revitalise brownfields, support quality, modern and well-equipped infrastructure for education of regional importance (kindergartens, elementary, secondary, vocational schools), social care, regional healthcare, leisure activities, etc. The interventions include support to the construction of infrastructure and broadband data services or equipment for the club and leisure activities in the country.

Examples of the types of supported projects:

- Revitalisation, modernisation, increasing the attractiveness and enhancing the technical and civic infrastructure of cities and urban areas, restoration of historic and cultural monuments.
- Construction and equipment of libraries as information centres for human resource development.
- Modernisation and physical renewal of schools and their equipment (e.g. workshops, laboratories and computer classrooms).
- Construction, modernisation and reconstruction of infrastructure for providing social services (e.g. day service centres, daily and weekly care centres, sheltered housing, homes for persons with disabilities) and regional health facilities.
- Reconstruction, modernisation and construction of playgrounds, public sports fields and spaces for leisure activities.
- Construction of local data networks used for public access to broadband services.
- Increasing the attractiveness of rural municipalities, preservation and development of the identity of rural areas and rural heritage.
- Stimulating the activities of local entities leading to the establishment of local partnerships in order to assess local needs and develop a local action plan.

b) Transport Services

The interventions given by this priority are focused on promoting quality and efficient internal connection of the centres of the region in the backbone transport axes, connecting the region to the superior road network, or the rehabilitation and improvement of the technical state of communications within the class II and III roads network. In addition to road transport, support is also given to the enhancement of the quality of air transport through the development of the relevant

infrastructure or increased utilisation of the potential of waterways in regions where there are suitable natural conditions. This priority area also includes increasing the attractiveness of public transport in the region, e.g. by introducing integrated transport systems or modernisation of public transport vehicles with special emphasis on specific and environmentally friendly fleet. Finally, the objective here also is to develop a network infrastructure for cyclists and pedestrians.

Examples of the types of supported projects:

- Preparation of projects and related project documents for projects connecting the region to the TEN-T network or a backbone regional class I road.
- Reconstruction, modernisation and construction class II and III roads, including the removal of local “bottlenecks” (bridges, roundabouts, intersections, crash barrier safety devices, etc.).
- Modernisation and development of regional and international airports (e.g. Karlovy Vary, Ostrava) and related transport infrastructure, etc.
- Implementation of comprehensive integrated projects for the development of transport services aimed at both the necessary infrastructure (reconstruction and construction of transport terminals, construction of car parks within the Park & Ride system, etc.) and related services (development of information and clearance systems, advertising and media promotion of public transport, etc.).
- Fleet modernisation (road and rail vehicles) by purchasing environmentally friendly vehicles or those increasing the attractiveness of public transport.
- Developing and building regional cycle paths, including their connection to the backbone network of the cycle paths in neighbouring regions.

c) Tourism

The purpose of the priority area is to build and develop tourism infrastructure in the regions, for instance by improving quality and offering accommodation and catering facilities, building the supporting infrastructure for accommodation facilities to enable year-round use, support for marketing and the creation and development of tourist products, or the revitalisation of monuments and wider utilisation of cultural heritage.

Examples of the types of supported projects:

- Construction, renovation, development, reconstruction and adaptation of basic and supporting infrastructure for travelling and tourism (e.g. information centres, hiking trails, nature trails, horse riding routes, sports and wellness centres and resorts, ski trails).
- Revitalisation and opening to the public of cultural, technical and industrial monuments, cultural heritage and other major sights in the CR (e.g. observation towers, museums, exhibitions, art galleries, information centres).
- Construction and reconstruction of the necessary transport infrastructure, ensuring the availability and quality access to sites with attractions and sights in the CR (roads, parking lots, sidewalks, walking trails, marking systems, etc.).
- Construction or modernisation of light seasonal accommodation facilities including related complementary infrastructure (e.g. public campgrounds, camping sites, holiday house and cottage areas).
- Construction, reconstruction and modernisation of facilities suitable for year-round accommodation facilities or construction, reconstruction and modernisation of hotel-type accommodation facilities, including supporting infrastructure and the necessary background facilities.
- Support for the implementation of marketing events to promote the development of tourism and spas (support for monitoring stays, satisfaction surveys, processing of analytical studies and strategy documents, product development and marketing, introduction of the system of equipment and services certification in the CR, etc.).

d) Other

This priority includes other supported areas that did not fit into the above three categories in our analysis. They deal with improving the quality of the infrastructure of regional emergency management (including the Integrated Rescue System), building the region’s image in relation to the four relevant areas (the best place to live, study, business and leisure), regenerating brownfields for business (the above-mentioned regeneration of brownfields in the “Development of Cities and Municipalities” priority supports only projects of a public nature) or improving the cooperation of regional actors in creating favourable conditions for the successful placement of graduates in the labour market and creating a favourable environment for the development of innovative activities.

Examples of the types of supported projects:

- Ensure effective operational management of emergency units in the region by building regional emergency call centres.
- Improve the technological equipment of the emergency units and complete the network of these centres.
- Develop a single visual style and provide a uniform presentation of the region's brand across all communication activities – both of the region and of the institutions that use the region's brand in their activities (updated Corporate Design Manual).
- Regeneration and revitalisation of brownfields located inside urban areas determined by development plans of cities and municipalities for the development of entrepreneurial activities.
- Support to investments improving the material and technical equipment and conditions of schools and training institutions for training of graduates and acquiring practical skills.
- Support to the preparation and implementation of regional innovation strategies and innovative pilot projects.

e) Technical Assistance

Each operational programme, including all regional operational programmes, contains a priority area called Technical Assistance. Its aim is to promote the implementation of the given (regional) operational programme and contribute to the development of absorptive capacity and publicity.

Examples of the types of supported projects:

- Activities related to ensuring the implementation of the ROP (Committee of the Regional Council, Committee, working groups within the ROP, Evaluation Committee, etc.) and promoting methodological support, programme management, monitoring and evaluation, implementation, control, auditing, financial department, etc.
- Activities related to the process of evaluating and selecting projects (expert opinions, purchase or payment of services related to evaluation, activities of the Evaluation Committee of the Board of the Regional Committee, etc.).
- Support for assistance and consultancy for applicants in connection with the experience of existing activities aimed at promoting the absorption capacity, such as the system of development centres implemented by the respective regions. Establishment of information systems, databases and networks of certified consultants trained in SF issues, ROP strategy and approach and the preparation and implementation of projects.
- Education activities for applicants and the public, especially organisation of courses, workshops, seminars and conferences, exchange of experience and development of partnerships.

Publicity of operational programmes involving different types of events to inform the public (multimedia, video, advertising campaign), presentations on websites, information campaigns, presentations in the media, spots and commercials, publishing, advertising.

3.2. Comparison of allocation to priorities of individual ROPs

The share of the above-mentioned five priority areas is not very different in the respective ROPs. The most significant item of the budgets in most of the programmes is the development of cities and municipalities, as well as the transport services in some of the ROPs. The aggregate share of these two priorities in the overall budget of the operational programme oscillates between 73% and 85%.

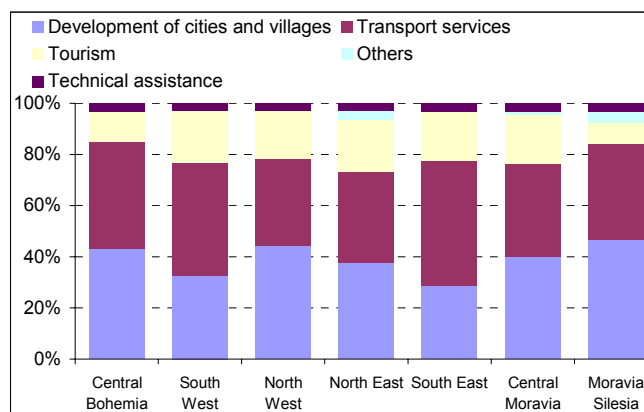
The development of cities and municipalities is supported most of all in the following Regional Operational Programmes:

- Central Bohemia
- Northwest
- Northeast
- Central Moravia
- Moravia-Silesia

The development of transport services has been allocated the highest amounts of funds in the ROPs of the following regions:

- Southwest
- Southeast

Priorities of individual ROPs in % of total allocation



Source: www.strukturalni-fondy.cz, for 2007-2013 period

The third largest proportion of ROP funds is allocated in all the regions to support the development of tourism with a share in the programme budget from 8.5% in the case of Moravia-Silesia to 20.3% in the Northeast region of coherence.

In some of the operational programmes, we have identified interventions not included in other priorities, and these are presented in the “Other” priority. This priority applies to the regions of Silesia-Moravia and Northeast with a share in the total allocation of 3% to 4%.

Each operational programme has a special chapter called Technical Assistance, which is the smallest budget item in all the monitored cases. Its share in the programme’s total allocation is usually around 3%.

Generally, we can conclude that the individual regional operational programmes do not differ radically in their priorities and the follow-up areas of intervention. This is due to the relative homogeneity of the regions of the Czech Republic, which is not so surprising even with respect to the national geographical location, natural conditions or urban development.

4. Successful Utilisation of ROPs

The success of the operational programmes can be monitored from several points of view. Probably the most comprehensive view is the analysis of the final effects of the individual projects supported by subsidies which, however, includes several pitfalls – see the box.

INFOBOX: Evaluation of the final effects of projects supported from the EU

The most comprehensive method of evaluating the effectiveness of the operational programmes is the analysis of the effects or impact of the individual projects supported by subsidies, i.e. how the individual projects or, more precisely, the whole financing operational programme contributed to the economic, social and environmental development of the region. It is rather a theoretical reflection since it is associated with a major pitfall – how to separate the impact of a single particular project from the effects of other projects, activities, processes, events, etc. To what extent, for instance, a project of reconstruction of a secondary school in the city of Zlín and its equipment with modern teaching aids has contributed or will contribute to the growth in competitiveness of the entire economy of the Zlín region and/or the entire Central Moravian region of cohesion? Another drawback suggested by the example above is the effect of time delay. Investments in human resources at the level of secondary education (and with more reason in primary education) will bear fruit with a delay of several years.

4.1. Success in drawing funds for the entire ROP

The comparison of the success of the operational programmes based on their actual utilisation or, more precisely, interest in them of the participants and providers of projects is a simple and transparent method with a fair information value. Ideally, this aspect would be applied at the end of the programming period in 2013 or due to the “N+2” rule (the funds from OPs may be used within two years following the year to which they were allocated) no sooner than in 2015. However, even the interim results at the beginning of August 2010 will give us relevant results.

a) The most desired ROPs

We understand the criterion of “desirability” of regional operational programmes to be the degree of interest in a project measured by the number of submitted applications for a grant in relation to the total allocation of the operational programme.

Submitted Applications for Support in ROPs

Operational Programme	Submitted Applications	
	CZK mil	%of allocation
ROP Southwest	41 372.10	228.7%
ROP Northeast	35 017.40	181.0%
ROP Northwest	31 368.20	144.0%
ROP Southeast	29 725.30	143.4%
ROP Central Bohemia	21 915.00	134.0%

ROP Central Moravia	23 665.00	122.1%
ROP Moravia-Silesia	22 510.60	107.4%

Source: www.strukturalni-fondy.cz; data as of 4th August

The highest number of grant applications – in both absolute and relative terms – was filed in the ROP Southwest. On the contrary, the lowest number of grant applications in relation to the allocation was filed in the ROP Moravia-Silesia. The positive news is that in all regional operational programmes, grant applications were filed with a greater aggregate amount than the total allocation of the operational programmes for the years 2007-2013.

b) ROPs with the highest number of approved grants

A good measure of success is the percentage of approved grants for projects in relation to the allocation of a particular programme. As a criterion of approval, we conservatively consider a situation where everything is “black on white” – the approved grants therefore include only those, for which a positive decision on grant allocation was already issued, or for which a grant contract or a similar official document was signed.

Approved grants in ROPs

Operational Programme	Approved grants	
	CZK mil	%of allocation
ROP Southeast	14 146.80	68.2%
ROP Northwest	14 809.20	68.0%
ROP Northeast	11 093.40	57.3%
ROP Southwest	8 154.10	45.1%
ROP Central Moravia	8 681.60	44.8%
ROP Central Bohemia	6 816.10	41.7%
ROP Moravia-Silesia	7 765.20	37.0%

Source: www.strukturalni-fondy.cz; data as of 4th August

The highest number of approved grants for operational programmes are almost identically the regions of Southeast and Northwest. On the other hand, the largest reserves in the process are in the Moravia-Silesia cohesion region, in which the approved grants exceed only slightly one third of the programme total allocation.

c) ROPs with most of the paid out grants

The final stage of the grant cycle is the very payment of the grant. The system is set up so that in most cases, the projects are first implemented by their participants using their own or external sources, and only then the grants are paid to them in arrears. Due to the pressing demands on time in a number of projects, it is not surprising that the volumes of grants paid to the accounts of the project participants are relatively low.

Paid out grants in ROPs

Operational Programme	Paid out grants	
	CZK mil	%of allocation
ROP Southeast	7 145.60	34.5%
ROP Central Moravia	6 288.30	32.4%
ROP Northeast	5 827.00	30.1%
ROP Central Bohemia	3 465.80	21.2%
ROP Southwest	3 503.20	19.4%
ROP Northwest	3 479.00	16.0%
ROP Moravia-Silesia	2 904.40	13.9%

Source: www.strukturalni-fondy.cz; data as of 4th August

The greatest number of grants (more than a third of the allocation) was paid by the ROP Southeast, closely followed by Central Moravia and the Northeast. At the other end of the ranking is the Moravia-Silesia cohesion region, whose ROP has paid so far only about 14% of all subsidies available for the period 2007 to 2013.

4.2. Successful drawing for individual areas of support

A similar analysis, as at the level of the entire regional operational programmes, can be conducted at the level of the respective areas of support. It allows a more detailed insight in the individual ROPs, which will make it possible for us to choose the most successful area of support across all regional operational programmes.

a) The most desired areas of support among all ROPs

Also for areas of support, we consider the criterion of “desirability” to be the interest of project participants measured by the volume of applications submitted in a given area in relation to its overall allocation.

Submitted Applications for Support

ROP	Area of support	Submitted Applications	
		mil. CZK	% of allocation
Central Bohemia	2.1 Business Infrastructure and Tourism Services	2 456.80	620.7 %
North-West	2.2 Investments for improving physical infrastructure	5 063.20	588.5 %
South-West	2.3 Revitalization of Town and Municipality Sections	3 552.10	582.1 %
South-West	2.4 Development of the Infrastructure of Elementary, Secondary. and Higher Vocational Education	5 432.80	568.3 %
South-East	3.3 Development and stabilization of rural area	4 729.90	420.0 %
South-West	1.5 Development of Local Roads	4 656.80	411.0 %
South-West	2.5 Development of Infrastructure for Social Integration	2 932.20	395.0 %
North-West	1.2 Support of revitalization and regeneration of medium-sized and small towns	8 225.10	364.0 %
South-West	3.1 Development of CR Infrastructure	8 705.00	352.9 %
North-East	2.3 Rural Development	5 394.50	332.9 %

Source: *Monthly Monitoring Report – July 2010; data of 4 August 2010*

The greatest interest expressed by the ratio of grant applications relative to the allocation was recorded in the monitored period in the ROP Central Bohemia in the area 2.1 Business Infrastructure and Tourism Services, where the interest of investors is more than six times higher than the allocation.

Otherwise, among the ten most requested areas of support, the Southwest cohesion region is the most frequently represented – in five cases. In terms of priority areas, the most requested areas of support included projects in the priority of development of cities and municipalities.

b) Areas of support with the highest number of approved grants

We also monitor the largest financial volume of approved grants for projects, which we consider to be approved at the time when a decision on grant allocation is issued or a grant contract or a similar official document is signed.

Approved grants

ROP	Area of support	Approved Grants	
		mil. CZK	% of allocation
South-East	3.4 Public services of regional significance	1 436.30	152.6 %
South-East	3.2 Development of regional centres	1 691.60	114.6 %
Moravia-Silesia	1.4 Infrastructure of the Integrated Rescue System and Crisis Management	690.10	103.6 %
North-East	2.3 Rural Development	1 636.00	101.0 %
North-East	2.2 Urban Development	3 252.20	99.4 %
South-East	4.2 Support to absorption capacity	171.60	97.6 %
South-East	4.1 Activities connected with the realization and management of ROP	498.80	94.4 %
South-East	1.3 Public transport rail rolling stock renovation	1 010.80	91.2 %
North-West	1.3 Infrastructure in the area of human resources development	2 338.10	87.0 %

North-East	5.2 Support for Absorption Capacity of the Northeast Cohesion Region	56.20	84.9 %
------------	--	-------	--------

Source: Monthly Monitoring Report – July 2010; data of 4 August 2010

The greatest number of approved projects was in the area of 3.4 Public Services of Regional Importance in the ROP Southeast. Here, there were even 50% more approved grants for projects than the overall allocation to the given area of support. Part of the subsidies will therefore have to be re-allocated from other areas of support within the same priority, or even from other priority areas.

One half of the ten most approved grants in the areas of support come from the ROP Southeast. As regards factual purpose, the most frequently approved grants also pertained to the areas focusing on the development of cities and municipalities.

c) Areas of support with most of the grants paid

The aspect of grants paid – as with the above-mentioned level of ROPs as a whole – compares the grants actually paid to the accounts to the project performers in the individual areas of support with their allocation.

The area of support with the most utilised subsidies – i.e. already paid to the accounts of their beneficiaries – in relation to its allocation is 3.4 Public Services of Regional Importance in the ROP Southeast.

The Southeast region of cohesion is most frequently represented among the most utilised areas of support. In terms of priority areas, the greatest amount drawn was in those areas of support across all ROPs that deal with the development of cities and municipalities, together with technical assistance.

Paid out grants

ROP	Area of support	Paid out grants	
		mil. CZK	% of allocation
South-East	3.4 Public services of regional significance	629.3	66.9 %
Northwest	5.1 Support of implementation of the ROP Northwest	290.5	63.0 %
Central Bohemia	4.3 Increasing of Absorption Capacity	31.7	61.0 %
South-East	1.3 Public transport rail rolling stock renovation	667.7	60.2 %
South-East	3.2 Development of regional centres	846.3	57.3 %
Central Moravia	2.3 Development of rural areas	1 571.50	55.1 %
Central Moravia	1.3 Non-motorized transport	401.5	53.7 %
Central Bohemia	4.1 Programme Management. Control. Monitoring and Evaluation	236.3	52.9 %
South-East	3.3 Development and stabilization of rural area	560.1	49.7 %
Moravia-Silesia	5.1 Implementation of the Operational Programme	333.3	49.5 %

Source: Monthly Monitoring Report – July 2010; data of 4 August 2010

5. Final Summary

Overall, we can conclude that the distribution of subsidies from EU funds through the Regional Operational Programmes works in an effective and functional way. The fear of poorly managed administration after the transfer of powers to regional level and the replacement of the single Joint Regional Operational Programme has not become a reality.

In absolute comparison, the ROP Northwest, bringing together the regions of Karlovy Vary and Ústí nad Labem, has at its disposal the largest budget, even including the amount of national co-financing. A fairer comparison is obtained based on the overall allocation of a ROP per capita in the given region. From this perspective, most subsidies per capita are allocated also in the ROP Northwest.

Assuming that subsidies for regional development should enhance the economic development of regions, it is useful to compare the volume of allocated subsidies to the region's economic advancement provided by the indicator of GDP per capita. Here we can conclude that the basic direction is kept – the regions with lower per capita GDP have a larger allocation of grants per person. There is also a slightly higher allocation than that based on this rule in the aforementioned ROP Northwest.

While the individual ROPs do not significantly differ from each other, there are minor differences in their structure, reflecting the different problems and needs of individual regions. Most of the ROPs are concentrated mainly on the priority of developing their cities and municipalities, while in two ROPs the most generously subsidised priority is that aimed at fostering transport services of the regions. The third most important budget item are subsidies intended to promote tourism in the regions.

The success of the respective ROPs can be viewed using at least three types of optics. The most desired programme, which is characterised by the ratio of submitted grant applications to the total allocation of the programme, is the ROP Southwest. The first places in the next two monitored categories are identically occupied by the ROP Southeast. This is the most successful regional programme in both the indicator of approved subsidies relative to allocation and the indicator of actually paid subsidies relative to allocation. Also a look into the structure of the operational programme indicates that the ROP Southeast has the greatest number of areas of intervention among the top ten approved and used subsidies.

Overall, however, we can say that as compared to other operational programmes in the Czech Republic, ROPs belong to those with above average success. It is also from this perspective that it would be counterproductive if the current proposals for savings in the system of public budgets affected the amounts of national co-financing for the ROPs, which might disrupt the entire successful system.