



Česká republika 2004>06 Rámec podpory Společenství

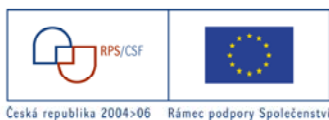


PROPOSAL FOR A NEW DISTRIBUTION OF DEVELOPMENT PROGRAMMES AND
FOR THE CO-ORDINATION OF NATIONAL AND EUROPEAN SUPPORT
PROGRAMMES VIS-A-VIS THE UTILISATION OF MONEY FROM EU FUNDS IN
2007 - 2013

***PREPARED FOR THE CZECH MINISTRY OF REGIONAL
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The project constitutes a part of the Evaluation Plan activities of the CSF as approved by the CSF Monitoring Committee on 18 May 2004, and is financed from the JROP, Measure 5.2. – Technical Assistance for CSF.



THIS PROJECT IS CO-FINANCED BY THE EUROPEAN UNION.

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2. SUMMARY

Preparations in the Czech Republic for utilising European funds in the new programming period have made it evident that one of the major obstacles to the country's absorption capacity may be obtaining compulsory co-financing for that support. Aside from a consolidation of public budgets in the Czech Republic, the co-ordination of Czech and European support programmes may contribute to the resolution of the above-mentioned problem. To that end, the elaboration of the attached study was commissioned. Its aim was to map out the basic relations between national support programmes and the set of newly developed operational programmes, and on that basis, to propose variants for arranging those relations in selected intervention areas.

For an analysis of the relationship between the two lines of support programmes, a total of seven intervention areas were selected in which both national and European programmes may run in the new programming period, which may cause overlap of the programmes, lead to the creation of two different administration systems, and a needless waste of public resources. As the situation in individual intervention areas differs in terms of the issues addressed, only a basic conceptual framework has been proposed for the regulation of relationships in all of the areas. A specific arrangement of the relationships between the two lines of support, or various variants of those relations, has been proposed separately for each of the intervention areas.

In certain cases, the problem of co-ordination of national and European programmes was resolved by a factual elimination of the national branch of programmes (tourism and partially also regional development) or by starting to coordinate the two types of programmes during the present time period (enterprise and innovation). The most complex situation in this respect is in the intervention area "Human Resource Development" and to a certain extent also in the "Environment".

The results of the study presented herein are intended primarily for the representatives of the managing authorities of various operational programmes and for the administrators of national subsidy programmes, and should help them focus their discussion concerning the possibilities of merging or coordinating between the two types of support programmes.

3. INTRODUCTION

The project "Proposing a new arrangement of development programmes and coordinating national and European programmes vis-à-vis the utilisation of money from EU funds in 2007–2013" has been developed for several intervention support areas:

- ⇒ Enterprise and innovation (area A)
- ⇒ Regional development (area B)
- ⇒ Human resources (area C)
- ⇒ Transport infrastructure (area D)
- ⇒ Environmental infrastructure (area E)
- ⇒ Tourism (area F)
- ⇒ Housing (area G)

The project results for each of these intervention areas have been organised according to a similar structure. In the analytical part, the following specific analyses have been performed in each of the intervention areas:

- a) Harmony of the national support programmes with the priorities of the national policy for the given sector,
- b) Harmony of national support programmes with the priorities of the European policy for the given sector (formulated, as a rule, as Convergence Objectives or in relevant regulations),
- c) Harmony of national support programmes with the priorities of the National Development Plan,
- d) Overlaps of national and European support programmes (operational programmes– TOP, IOP, ROP for the 2007–13 programming period).

Parts a) analyse the harmony of national support programme with the relevant national and European policies in each intervention area, part c) analyses their harmony with the National Development Plan as the major conceptual development instrument. Part d) is crucial for the proposal part, as it analyses the overlaps of the national and European lines of support, i.e., where those two lines converge.

The proposed modifications of the relations between the national and European support programmes are first described theoretically, according to the possible variants of treating the national support programmes. In the intervention areas, these variants are compared, using the results of the analytical part, and the optimum variant for each national programme is proposed. Information in the proposal part was consulted by telephone and e-mail with the employees of the ministry responsible for that particular issue. Through these consultations, the plans of the ministries were found out, and certain new conclusions according to which the variants proposed were modified in part.

As it may be assumed that perhaps only 1 or 2 intervention areas may be important for each of the ministries responsible, certain methodological or general remarks in various parts may be repeated, in order to assure that the result of each intervention area would be usable even on its own and would contain comprehensive information.

4. FRAMEWORK EVALUATION OF THE HARMONY OF THE FOCUS AND SCOPE OF THE MAIN SUPPORT PROGRAMMES AND THE PRIORITIES OF PUBLIC AID IN SELECTED IO AND THEIR EFFECTIVENESS

A limited number of conceptual documents were used in the evaluation of the priorities of the national/state public policies. An overview of them is provided at the beginning of each sub-chapter devoted to individual intervention areas. From the evaluation project 5/04 "Identification, Analysis and Evaluation of Arrangement of EU assisted development programmes and programmes assisted exclusively by Czech means, with a view to proposing a more co-ordinated and rational system", a list of development programmes was taken over and updates, for which various ministries or state agencies are responsible. Subsequently, the level of harmony of those programmes with the various priorities of national and European policy was evaluated, on a 5-level scale. The evaluation of harmony is summarised in table supplements and interpreted in the sub-chapters below, focused on each intervention area.

4.1 Enterprise and Innovation (area A)

In the compilation of an overview of the harmony of European and national programmes with European priorities and of national programmes with national priorities, an overview of national programmes announced in the Czech Republic for the thematic area "Enterprise and Innovation" for 2005 and 2006 were used. This overview was elaborated under the project "Identification, Analysis and Evaluation of Arrangement of EU assisted development programmes and programmes assisted exclusively by Czech means, with a view to proposing a more co-ordinated and rational system" and subsequently updates in order for it to correspond to the present situation. Overall, 12 programmes financed from the state budget were evaluated. Most of those programmes are administered by the MIT CR.

Notes:

- In this connection, we would like to mention the Consulting programme for which the MIT is responsible. That programme was changed twice in 2005, and its present version is entirely different than its previous versions. For that reason, we have analysed the 2006 version of the programme.
- In 2006 new research and development programmes were announced under the National Research Programme II, implementing the National Research and Development Policy of the Czech Republic for 2004-2008. There are four thematic programmes (one under the responsibility of the MIT and three of the MEYS) and three cross-sectional programmes (under the responsibility of the MEYS). The thematic programme Sustained Prosperity, under the responsibility of the MIT, builds on the programme Progress, of a very similar nature.

4.1.1 Evaluation of the Extent of Harmony with National Priorities

National priorities were set on the basis of strategic documents related to the issues at hand, building on general documents with a more general focus and on specific documents covering at least a part of the issue concerned in greater depth. The priorities are thus based on the Strategy of Economic Growth, z Concept of Support for SMEs 2005-2006 a National Innovation

Policy of the CR for 2005-2010. At first glance, a temporal discrepancy between those documents is evident: the Concept of Support for SMEs relates to a different time-frame than the other documents. It is also evident that given the focus of those documents, the priorities reflected do not necessarily cover the entire group analysed. That must, however, be taken as a fact, because priorities on the national level are unfortunately not yet set in line with the temporal and content specification of economic and social cohesion priorities. Overall, 13 priorities on the national level have been set in this way. Programmes have been divided into the following 3 groups, depending on the level of harmony according to the scale specified above.

a) Programmes in Programmes strongly in harmony with national priorities

This group includes programmes which were very strongly in harmony with one of the national priorities. There were 6 such programmes: programmes of support for small and medium enterprise (Market, Consulting, Design), a pro-export programme (Alliance), the Programme to Support the Development of Industrial Zones, and the Framework Programme to Support Technological Centres and Strategic Services. With the exception of programmes focused on SMEs, these are, rather, priorities which should be implemented exclusively on the national level.

b) Programmes less strongly in harmony with national priorities

The group in less harmony with national priorities included programmes which were in harmony with national priorities, but the harmony was not assessed as 'very strong' with respect to any of the priorities. This group includes 4 programmes, all of which are focused on supporting science and research (the programmes Tandem, Sustained Prosperity (formerly Progress), Impulse, and Programme of Support for SMEs participating in the 6th EU Framework Programme for Research and Technological Development). It is interesting that this area lies on the divide between the sphere of support from national and European sources, and to a greater or lesser degree builds on the programmes of support for S&R financed by the EU.

c) Programmes outside of the main national priorities

Two programmes were placed in this group, in the area of preferential loans and guarantees (Záruka, Progres). These programmes were in very little harmony with any of the national priorities. That is, however, to some extent due to the specific formulation of priorities in source conceptual documents, when for example, in the sphere of support for SMEs, only support for start-up companies is mentioned. But it is evident from data on actual state aid, that adequate emphasis is also put on the development of SMEs which are already up and running. The lesser harmony with the priorities is therefore, in our opinion, less serious than it may seem at first glance.

Although a narrower spectre of the thematic specification of priorities in the area under study was expected, the analysis showed that none of the programmes studied was in any harmony with 5 of the priorities. Those priorities are not covered at all on the national level, and include the following priorities in the area of education and human resource development:

- ⇒ Mobility between the academic and private sphere
- ⇒ Introduction and use of information technologies for SMEs
- ⇒ Motivation for the study of natural sciences and technological disciplines at universities

- ⇒ Education of research and development workers and managers
- ⇒ Removing barriers to inter-sectoral national and international mobility of human resources for innovation processes

This list indicates that national support programmes in the sphere of innovation and knowledge economy are not yet at all focused on "soft" infrastructure and on human resource development.

4.1.2 Evaluation of the Extent of Harmony with European Priorities

Priorities for the sphere of innovation and knowledge economy were set on the basis of the document Regulation on ESF for 2007–2013 (no. 1081/2006) and other relevant regulations. Twelve priorities were thus set. Harmony with those priorities was evaluated in the same national programmes as harmony with national priorities, and the same methodological approach was used in the evaluation. The following 3 groups of programmes were identified:

a) Programmes strongly in harmony with European priorities

Unlike in the case of national priorities, only 4 programmes were included in this group, which were in strong harmony with one of the priorities. They include programmes of support for S&R (Progress, Tandem, Impulse), and the Framework Programme to Support Technological Centres and Centres of Strategic Services. The latter is, however, rather a case of thematic harmony, as in practice, this type of support could not be financed from EU sources, as it is *de facto* a specifically focused incentive programme.

b) Programmes less strongly in harmony with European priorities

This group includes all of the remaining programmes (8), forming a relatively incoherent group ranging from programmes to support SMEs and industrial zones to programmes of preferential loans and guarantees.

c) Programmes outside of the main European priorities

No programmes were included in this group, which means that no national programme was identified which would not be in strong harmony with at least one European priority.

Interesting is the fact that of the European priorities, there was not one which would not be at all covered by at least one of the national programmes. For three priorities, harmony with the programmes was found to be only very weak. All of those programmes were focused on various aspects of introducing information systems. It would also be good to remark here that in the area of "Enterprise and Innovation", we did not find any significant differences between the priorities of the objective "Convergence" and the objective "Regional Competitiveness and Employment". This fact would make it possible to prepare similar programmes for both objectives.

4.1.3 Evaluation of the Extent of Harmony with NDP Priorities

For an analysis of the harmony of national programmes with the NDP, the version National Development Plan of the Czech Republic for 2007–2013 was selected, where 14 priorities were identified. The same methodology as in previous cases was used to assess the harmony of national programmes with those priorities, and 3 groups of programmes were identified:

a) Programmes strongly in harmony with NDP priorities

We can say that all national programmes were in strong harmony with at least one of the NDP priorities. Most of them were programmes for which the MIT was responsible, designed for the support of small and medium enterprises (the priority "A Competitive Business Sector") and for the support of research and development (the priority "Support for Research, Development, and Innovation Capacity").

b) Programmes less strongly in harmony with NDP priorities

No national programme was placed in this group.

c) Programmes outside of the main NDP priorities

No national programme was placed in this group.

4.1.4 Evaluation of the Extent of Harmony with OP Priorities

To evaluate the measure of harmony with the priorities of the relevant operational programme for 2007-2013 in the sphere of "Enterprise and Innovation", the priorities of support areas of the Operational Programme Enterprise and Innovation (OPEI) were assessed. Its June 2006 version has 3 priority axes in total – Enterprise and innovation, an Environment for enterprise and innovation, and Services for the development of business. These priority axes are subdivided into the following 8 support areas analysed in this chapter:

- Establishment of companies (Programmes Start and Incubator)
- Development of companies (Programmes Credit, Progress, Guarantee, Development III, Use of ICT in Companies, and Marketing)
- Innovation (Programmes Innovation, Potential, Patent)
- Effective energy (Programmes Eco-energy, EPC)
- Co-operation (Programme Co-operation)
- Infrastructure for human resource development (Programme Training Centres II)
- Infrastructure for enterprise and innovation (Programmes Real Estate, Prosperity II)
- Services (Programmes Consulting, Internationalisation, Specialised Fairs and Missions Abroad, Development of Strategic and ICT Services, Trends)

The evaluation of national programmes with the OPEI support areas using the same methodology as in previous chapters produced the following division of programmes:

a) Programmes strongly in harmony with OP support areas

The vast majority of the 2006 national programmes studied were in strong harmony with the OPEI support areas. Ten out of the twelve projects studied were in strong harmony with at least one of the priority areas, but only in one, strong harmony was identified with more than one support area. That was the TRH programme, which supports, *inter alia*, starting out and functioning SMEs in the City of Prague, which eliminates factual overlaps. For all other

programmes, there are overlaps with only one support area. That is due to several factors: the primary factor is that the setting of the future OP is based on present support schemes, and plans for the transfer of some of the present national programmes under financing from the SF. The MIT thus builds on steps which were made by it after the operational programme Industry and Enterprise got started, when a part of the national programmes had been moved under that operational programme. The programmes Guarantee, Progress, or Consulting should thus transfer under the future OPEI. Other programmes, for which purely national financing is expected to be retained, are already being set in a way as to suitably supplement the range of support offered from structural funds. If there is thematic harmony there, it is therefore not evidence of real overlap in support, but a well set up synergy effect of the national and European branch of support programmes.

b) Programmes less strongly in harmony with areas of OP support

Only one programme was placed in this group, the Framework Programme to Support Technological Centres and Centres of Strategic Services. The programme was not in very strong harmony with any OPEI support area, although strong harmony was found with the areas "Infrastructure for Enterprise and Innovation" and "Services". It can be said of both of those areas that they are focused on supporting similar (or even identical) activities but use different forms of support and different tools with a different focus. Furthermore, as had been stated above, the Framework Programme to Support Technological Centres and Centres of Strategic Services is *de facto* a specific incentive programme, whose present form would not be eligible for financing from the EU SF. Furthermore, it is natural that incentive systems are national priorities and also their focus should comply, above all, with national objectives, not primarily with EU objectives.

c) Programmes outside of the OP support area

The programme DESIGN was the only one identified in this group. The programme focuses on supporting the development for design for SMEs and its specific focus does not allow it to fit entirely precisely into support areas defined in the operational programme. In spite of that, this tool can be used as very useful and an interesting supplement to the main stream of support which is financed from the EU SF. Naturally, it could, in the future, become an integral part of the main stream in line with the shifting of emphasis from the development of "hard infrastructure" to "soft infrastructure" to which design innovation certainly belongs and constitutes its progressive part.

Conclusion

The MIT was one of the first Czech ministries to regulate national programmes in 2005 in a way as to supplement European programmes and to bring them into the maximum harmony possible. That is also due to the fact that support for the development of enterprise and the related research, development, and innovation capacity are the main priorities of structural funds for the present and upcoming programming period. A similar process, of a lesser extent, however, will most likely occur next year (after the final approval of the final version of the OPEI). The area "Enterprise and Innovation" is thus, in our opinion, one of the areas where co-ordination of the national and European systems of support was managed well. In general, we can say that the present national programmes will either become a direct part of the future Operational Programme Enterprise and Innovation, or will continue to suitably supplement the chose areas of support under the OPEI from national resources. A positive finding is the fact that all of the analyses carried out indicated that the present national support programmes are in most cases in line with the national and European priorities in the area of "Enterprise and

Innovation". Greatest harmony was identified in OPEI support areas and NDP priorities, lesser in general EU priorities, and relatively the smallest in national priorities contained in the appropriate strategic documents.

4.2 Regional Development (area B)

The area of regional development is a very variably defined part of public policy. On the one hand, any intervention by public administration (its entire hierarchical structure) into the social and economic structure of any territorial unit can be understood as regional development policy – regardless of the field of that intervention, on the other hand, it can only include those interventions which concern so-called general disparity (i.e., disparities concerning social and economic development in general) of specifically defined territorial units. In the broad sense, all (or nearly all) activities constitute a part of regional development policy – of an interventional or legislative nature – which are directed at achieving economic and social cohesion of the entire country (as social and economic life always takes place in a certain territorial context), in the narrow sense, it is a specific activity defined on the basis of a specific act (act on supporting regional development). In the project at hand, the **analysis concerns exclusively the narrow concept of regional policy** (i.e., the latter approach). That changes nothing on the fact that regional policy has, aside from its direct effects, also its co-ordination role, and that an analysis of other intervention areas of support, their impact on a specific territory should be taken into account.

Even the "narrow" concept of regional development policy encounters the problem of the hierarchical structure of entities implementing regional support: aside from the Czech MRD, as the key entity in state regional policy, also self-regulatory regions operate in this field (and in certain sense, also municipalities / towns). Although the significance of support activities implemented by the regions is increasing gradually, and in spite of the fact that regions will undoubtedly play an increasingly important role in coordinating national and European priorities (especially through regional operational programmes), this project only evaluates those support programmes which are **guaranteed by a single entity: the Czech MRD**. In practice, however, several exceptions had to be made from this principle, especially as related to the Programme of Rural Renewal (see below).

Prior to a basic evaluation of such a narrowed field, a database created as part of the 5/04 evaluation project was updated. All completed (or suspended) programmes were eliminated, i.e., those which were not announced for 2006. On the other hand, the evaluation should include new programmes, which were announced only after the termination of the previous evaluation project – in practice, however, this was the case in only one instance – of the "centralised sub-project of the" Programme of Rural Renewal. Overall, 5 national programmes were included in the basic evaluation, all within the sphere of competence of the Czech MRD.

3.2.1. Evaluation of the Level of Overlap with National Priorities

One basic source is used in the setting of national regional development priorities (with a reference to the Act on support for regional development) – the current **Regional Development Strategy of the Czech Republic**, approved by the government in May 2006, which replaces a similar document from 2000. From the point of view of the analysis, the main difference between the "old" and the new Strategy consists of the clearer distinction between

the direct and co-ordination role of regional policy. The new Strategy responds more precisely to the issue of priorities in the "narrow sense" of regional development policy. Overall, the document defines 28 priorities in 8 priority areas (the "old" Strategy defined 15 priorities), of which only **3 priorities** in one priority area ("**Problem territories**") fall within the "narrow" sense of regional policy, whereas the rest can be identified as sector policies with a regional impact (the Institutional Framework, Enterprise and Innovation, Human Resource Development, Infrastructure, the Environment, Culture, and Tourism).

Specifically, it is the following 3 priorities:

- ⇒ Increasing the economic performance of problem areas (contains a proposal of 3 measures, one of which specifically refers to the priority allocation of 8 sector-oriented priorities into territories requiring specific support)
- ⇒ Intervention on the labour market in territories with disproportionately high unemployment rate (contains a proposal of 7 measures)
- ⇒ Support for addressing specific problems of rural development and the development of peripheral territories (contains a proposal of 5 measures).

National programmes are relatively broadly focused and are in various degrees of harmony with the priorities. Given the very similar orientation of the said priorities, they are also all similarly (to the same extent) covered by individual support measures.

Programmes may be divided into 2 groups according to the level of overlap with national priorities:

a) Programmes strongly overlapping with national priorities

Three programmes can be included in this group: Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions, Regional Programme of Support for the Development of Industrial Business Entities in the NUTS2 Region Northeast, Moravia-Silesia, and in Other Regions¹ and the Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region (very strong harmony in all 3 priorities). Nevertheless, the formal measure of harmony of the programmes with national priorities is not a guarantee of the actual coverage of those priorities – this is due, rather than to the specific structure and conditions of the said programmes, to the **low volume of funds allocated**, which do not reach the minimum values enabling a perceptible revitalisation of the social and economic structure of the selected problem regions. At this stage of the analysis, it is therefore evident that the present form of the 3 above-mentioned support programmes will need to be coordinated in terms of contents and procedure with support provided through EU programmes.

b) Programmes less strongly in harmony with national priorities

The Regional Programme for Supporting the Renewal and Construction of Technical Infrastructure in the Former Military Areas in Ralsko and Mladá can be included in this group:

¹ As of next year, this programme is planned to be shifted under the OP PI, where one of the areas of support will focus purely regionally, on the Ústí nad Labem and the Moravian-Silesian Region.

formally, it is in harmony with the priority of balanced territorial development, but its practical importance and the real results achieved thus far, however, make it rather marginal.

Strangely enough, this group also includes a part of one of the oldest regional support programmes implemented in the Czech Republic – the Programme of Rural Renewal, responsibility for which was transferred to the regions after 2004. The programme is an example of a successfully decentralised programme with a high level of coverage of national priorities. The same cannot unfortunately be said of the so-called PRR central sub-programme, which is presently implemented under the responsibility of the Czech MRD. Somewhat illogically, the sub-programme copies the focus of decentralized support measures and its factual focus (among other things also due to the amounts allocated), it is not in strong harmony with any of the national priorities set out.

3.2.2. Evaluation of the Level of Overlap with European Priorities

Priorities for the sphere of regional development were set by a Commission Communication "Cohesion Policy to Support Growth and Employment: **Community Strategic Guidelines 2007–2013**" (COM 0299/2005). A total of three priorities were set this way, in which the new view of the territorial dimension of cohesion policy is reflected. These are also priorities which define the basic tasks of the "territorial dimension" of each Objective for 2007–2013 (Convergence, Regional Competitiveness, and Territorial Cooperation).

An analysis of the coverage of future European regional development priorities with the present national programmes is a complex problem on the general level: on the one hand, a strong overlapping of EU and Czech regional policies has occurred, both in terms of contents and procedures, and on the general level, this overlap persists to a great extent, and on the other hand, the new orientation of European cohesion policy means that national regional development programmes realistically only cover a part of the new European priorities, and not very intensively, at that.

National programmes can be divided into 3 groups according to the measure of their harmony with European priorities:

a) Programmes strongly in harmony with European priorities

These include, above all, Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions, in which strong (or very strong) level of harmony was identified with 2 European priorities.

b) Programmes less strongly in harmony with European priorities

The programmes Regional Programme of Support for the Development of Industrial Business Entities in the NUTS2 Region Northeast, Moravia-Silesia, and in Other Regions, Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region, and the Programme of Rural Renewal were included in the group of programmes with a weaker level of harmony with European priorities. In each of their cases, harmony with only one European priority can be identified.

c) Programmes outside of the main European priorities

The only programme which stands outside of the definition of European priorities (and not due to its general focus, but its specific content and orientation on too detailed a territorial unit) is

the Regional Programme for Supporting the Renewal and Construction of Technical Infrastructure in the Former Military Areas in Ralsko and Mladá.

Of European priorities, the sphere of interregional co-operation between the Czech Republic and the EU remains uncovered by national regional development support programmes.

3.2.3. Evaluation of the Level of Overlap with NDP/OP Priorities

The NDP for 2007–2013 was adopted by the Czech government in February 2006 and became the foundation for the elaboration of a NSRP (which uses the same structure of priority axes and priorities) and for OPs. The foundation for defining NDP priorities was the version discussed by the Government (of January 2006), and the foundation for defining OP priorities the June 2006 version, which the Czech Government also took note of. In the case of the OP, there is a risk – especially in the area of regional development – of working with a *de facto* incomplete background material.

As concerns the NDP as a whole, it transposes “European priorities” (see above) into 4 priority axes (Enhancing the competitiveness of the Czech economy, Developing a modern and competitive society, the Environment and accessibility, and Balanced and harmonious development of the Czech territory). In all four, a narrow functional connection with the sphere of regional development can be identified, but only the last priority axis mentioned concerns this sphere (in the “narrow sense”) in terms of its meritory content. In terms of the relationship of national support programmes in the sphere of regional development to the NDP as a whole, the analysis does not bring any more information than was already revealed above (chap. 3.2.2.).

More interesting in this respect is search for correspondence of national support programmes with those operational programmes which directly respond to the priority axis **Balanced and harmonious development of the Czech territory**. It is a **set of regional operational programmes** 7 of which concern individual cohesion regions (NUTS II) and one is defined as an **Integrated Operational Programme** (with the MRD being the managing authority) and as such should concern measures and projects of a supra-regional importance. The goal of all 7 ROP in general is nearly identical (balanced regional development), and they only differ as to the accent which they put on the specific aspects of individual territorial units which the ROPs concern – i.e., on their priorities or areas of support. Overall, it is, however, evident that in a “typical” ROP, its material priorities (i.e., without Technical Assistance) Improvement of Accessibility by Transport, Development of Cities, Rural Development, and Tourism Development. The way ROPs are presently being divided into measures, it seems that most regions or cohesion regions **have given up forming their own regional policy “in the narrow sense” of the word**, because the planned interventions are, with a few rare exceptions, planned as comprehensive, oriented according to sector criteria and primarily into spheres for which regions are directly responsible (2nd and 3rd class roads, secondary education, etc.) or where they manage their own assets. Priorities such as “the development of towns” or “rural development”, which undoubtedly have their very specific territorial content, are expected to be given content “from bottom up”, i.e., on the basis of the spontaneous initiative of final support beneficiaries. For that reason, the focus of **national (state) support programme and the priorities of the ROP *de facto* pass each other by!** Furthermore, ROPs will be primarily focused on coordinating them with **regional (decentralised) support programmes** rather than on coordinating them with national ones. A survey of this co-ordination unfortunately goes beyond the scope of the assignment of this study.

Six priorities can be identified in the IOP, of which all have a mediated relationship to regional development, but **none of them is focused on addressing the problems of specific territories** (i.e., on regional policy in the “narrow sense of the word”). These are: Modernisation of Public Administration, Information Society Development Tourism Development, Activation of Cultural Development Resources, Revitalisation of Concrete-block Housing Estates, and Healthcare. Not much more hopeful results as concerns regional policy in the “narrow sense” are found even by an analysis of the areas of support of which the IOP offers 15 – they are also focused on specific sectors, without a clear relation to the specific aspects of the development of various parts of the country. **Here, too, the national and European lines of support seem to pass each other by entirely in the narrowest sense of the word.** In spite of that, we will attempt to compare them (see the table supplement).

The comparison of national support programmes with the ROP and IOP definitely indicates the basic specific aspect of public support for national development – that is, its **cross-sectional nature**. For that reason, an analysis of the overlaps of national programmes with ROP and IOP cannot be limited to a mechanical comparison with the definition of “European” areas of support. This comparison should be supplemented with a comparison with **“cross-sectional goals” of the ROP and IOP**. The OPs studied, however, do not define those goals – it is therefore necessary to “read between the lines”, or with a reference to NSRR. Four “cross-sectional priorities” can thus be defined:

- ⇒ Balanced development of regions
- ⇒ Development of urban areas
- ⇒ Development of rural areas
- ⇒ European territorial cooperation

A comparison of the overlap of national programmes with cross-sectional priorities defined this way (from ROP and IOP) looks much more optimistic – see the table supplement.

In terms of the level of harmony of the national support programmes from the regional development sphere with sector and cross-sectional priorities of the ROP and IOP, 2 groups can be identified:

a) Programmes strongly overlapping with IOP priorities

These include, above all, the Programme of Rural Renewal (overlap of 3 sector priorities and 1 cross-sectional), both in terms of its centralised sub-programme and in its decentralised sub-programmes. This result is, however, made relative by two facts: a) an equal sign cannot be put between “rural areas” (on which the PRR focuses by definition) and “problem areas” as the object of regional policy – to the extent to which there is overlap between the two entities, there is also overlap between the PRR and IOP, b) there is a much more intensive overlap with the “European” Programme of Rural Development than between the OP and the PRR.

Furthermore, this group includes the Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions and the Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region, both of

which strongly (although conditionally) overlap with 2 sector and 3 cross-sectional priorities of the IOP.

b) Programmes less strongly overlapping with IOP priorities

The group of programmes in lesser harmony with European priorities includes the Regional Programme for Supporting the Renewal and Construction of Technical Infrastructure in the Former Military Areas in Ralsko and Mladá, where harmony with only one European sector priority can be identified, and no cross-sectional.

The same group includes the Regional Programme of Support for the Development of Industrial Business Entities in the NUTS2 Region Northeast, Moravia-Silesia, and in Other Regions, which does not overlap with any sectoral priorities, but does with 3 cross-sectional.

3.2.4. Conclusion

Overall, support programmes in regional development do relatively well meet the idea of formally well-founded instruments for influencing balanced territorial development (as a general goal of regional policy). Their key problem is the discrepancy between their broad focus and the relatively low volume of support (financial) funds allocated in them. This discrepancy in itself signals the need to "subordinate" them to the system of EU support. This need is (or will be) more easily met in the case of programmes which better fulfil both national and European "operational" priorities. Namely, these include the **Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions** a **Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region**, and conditionally (if the contents of the decentralised sub-programme to enhance absorption capacity for EU support in small municipalities is modified) the PRR. In terms of the Regional Programme of Support for the Development of Industrial Business Entities in the NUTS2 Region Northeast, Moravia-Silesia, and in Other Regions, it corresponds to the definition of national priorities, but entirely misses the sectoral "operating" priorities of ROP and IOP (but not cross-sectional priorities). Different is, or may be its connection with the OP Enterprise and Innovation – which is, however, addressed in another part of this study.

On the other hand, the Regional Programme for Supporting the Renewal and Construction of Technical Infrastructure in the Former Military Areas in Ralsko and Mladá shows such a weak level of harmony with national and European, or "operational" priorities (of any kind) in the sphere of regional development that its complete shut-down should be considered rather than a modification of its contents.

4.3 Human Resources (area C)

The sphere of human resource development is very broad, covering three major sub-areas: the labour market, education, and the social sphere. The specific part of education, further professional education and consulting appears cross-sectionally in all development projects and programmes which are not focused exclusively on investment. Because, however, the share of education and consulting in these programmes is financially insignificant, the programmes were not the subject of our study. Before the basic evaluation of programmes, the database created under the evaluation project 5/04 was updated. All competed (or suspended) programmes

were eliminated, i.e., those which were not announced in 2006. On the other hand, new programmes, which were only announced after the completion of the prior evaluation project, were included. Overall, 35 national programmes were included in the basic evaluation, most of which fall within the responsibility of the MLSA, MEYS, a smaller portion within the sphere of competence of the MIT, MRD, MI, MAg, MD and ME.

4.3.1 Evaluation of the Extent of Harmony with national priorities

In setting national priorities in the sphere of human resource development, we used primarily the following strategic documents as our foundation: Strategy of Economic Growth, National Lisbon Programme 2005 – 2008, National Employment Action Plan for 2004 – 2006, Long-term Plan for Long-term Plan for Education and the Development of the Czech Educational System 2005 and the National Action Plan for Social Inclusion 2006 – 2008. Overall, 12 national priorities were identified (4 for the labour market, 5 for education, and 3 for the social sphere):

- ⇒ Employment policy
- ⇒ Employment of specific groups of inhabitants
- ⇒ Equal opportunities of women and men on the labour market
- ⇒ Professional mobility and retraining
- ⇒ Greater access to higher tertiary and university education
- ⇒ Co-operation of employers, employees, and educational and professional institutions
- ⇒ Life-long learning, interconnecting the system of initial and further training
- ⇒ Support for further education in companies
- ⇒ Increasing information education
- ⇒ Employment of at-risk groups
- ⇒ Preventing and eliminating social exclusion
- ⇒ Preventing negative social phenomena

National programmes are relatively narrowly focused and in most cases correspond to various degrees to one or a maximum of two priorities. Programmes can be divided into 3 groups, according to the level of their correspondence to national priorities:

a) Programmes strongly in harmony with national priorities

A total of 25 programmes can be included in this group. All programmes managed by the MLSA show a relatively high degree of harmony. The most complex programme, which touches upon the priorities of all of the three above-mentioned areas, is the programme of active employment policy (specifically, the sphere of employment policy, support for the creation of new jobs, retraining, and partially also priorities in the sphere of social integration, where groups of persons disadvantaged on the labour market due to their social, health, or educational handicap are supported). Furthermore, this group includes most MEYS programmes (here, there is an

especially strong connection to priorities in the sphere of development of tertiary education and social integration). Also the programmes of the Ministry of Informatics show a high level of harmony (but they concern specific education in information technologies). Nevertheless, the level of harmony of programme with the priorities does not guarantee that they will indeed be covered. Already at this stage of the analysis, it is evident that the present form of national programmes does not meet the priorities set out. On the other hand, national priorities are implemented also through EU programmes.

b) Programmes less strongly in harmony with national priorities

This group includes a total of 6 specific programmes of the MLSA (focused on the family), of the MEYS (support for civic association working with children), MAg (participation of companies in professional training), MI (introduction of high-speed internet related to consulting as to its use). All of these programmes are relatively marginal, with not very large allocations.

c) Programmes outside of the main national priorities

The group of programmes standing outside of the main national priorities includes a total of 4 programmes: programmes of the MEYS (support for civic associations and for increasing the quality of management at universities), ME (support for renewable resources – awareness campaigns), and MT (support for renewable resources – awareness campaigns), which are very specific and concern the area of human resource development only very marginally. Their main focus is on ministry priorities (transport and environment), which is why their inclusion in this category is not surprising. These programmes should be evaluated, above all, in the part devoted to transport and the environment. The programme of the MEYS, focused on supporting the work of civic association working in the sphere of regional education, represents a specifically focused small programme which does not correspond to the newly set-out priorities of the SHR/NLP. Nevertheless, it probably corresponds to certain partial concepts of the department. Similarly, the programme which makes it possible to increase the quality of management at universities is a very partial programme, whose focus does not reflect the present national priorities.

4.3.2 Evaluation of the Extent of Harmony with European priorities

Priorities for the area of human resource development were set on the basis of the European Employment Strategy and the European Parliament and Council regulation (EC), which builds on it, no. 1081/2008, of 5 July 2006, on the European Social Fund and on abolishing regulation (ES) 1784/1999. A total of 11 priorities were set in this way, and the priority Investment into Educational Infrastructure from the ERDF was added, which only applies, however, to the Convergence Objective area. Certain ESF priorities – increased participation in initial training and in graduate studies and enhancement of the professional capacity of public administration, also apply only to the Convergence Objective. Certain new topics appear under priorities set in this way, such as international co-operation and networking, which are not covered by existing programmes.

The following European priorities were identified:

- ⇒ Investment into educational infrastructure
- ⇒ Employment
- ⇒ Quality and attractiveness of work

- ⇒ Employability
- ⇒ Adaptability of companies
- ⇒ Education and qualification
- ⇒ Social inclusion
- ⇒ Social protection
- ⇒ Equal opportunities
- ⇒ International co-operation, networking
- ⇒ Investment into human capital
- ⇒ Institutional capacity (public administration)

National programmes formed 3 groups according to the level of their harmony with European priorities:

a) Programmes strongly in harmony with European priorities

In total, 22 national programmes of the 35 show a relatively strong level of harmony with European priorities, in most cases with one or two. Above all, these include programmes administered by the MLSA (the sphere of active employment policy and social inclusion), MEYS (sphere of support for the development of universities and development of the educational system), and also 4 programmes of the Ministry of Informatics (focused on computer literacy and broader access to high-speed internet for all).

b) Programmes less strongly in harmony with European priorities

The group of programmes with a weaker level of harmony with European priorities includes 9 national programmes in total. Among MLSA programmes, these were partial programmes focused on the social sphere, where there is no obvious relation to the labour market. They include support for the provision of social services or programmes focused on families with children, and their specific form and the manner in which assistance is provided do not show a great measure of harmony with rules which apply to European programmes. This group also includes certain smaller programmes managed by the MEYS (especially in the sphere of integration of foreigners and in working with ethnic minorities, which straddle the border between educational and social activities), which do not, in their present form, correspond to EU rules. It is also evident that certain programmes even from this group could, with some modification and expansion of their impact, be eligible for support from structural funds.

Also certain narrowly focused programmes of some other ministries (MAg and MRD) show a lower level of harmony – a programme focused on investment support includes an educational or advisory component. Such programmes are found also at the MIT and they did not make it on the list, as they do not declare any link to the education and employment intervention areas.

c) Programmes outside of the main European priorities

Only 4 programmes do not show any harmony with the set European priorities. Again, those are programmes which touch upon the area of human resource development only marginally – programmes of the ME and MT, which should be assessed in the chapter devoted to those

thematic areas. This category also includes a MLSA programme focused on investment (Programme to Support the Renewal or Technical Appreciation of Tangible Fixed Assets Used in the Work Application of Persons with a Reduced Ability to Work), so that its main goal is not in line with ESF and can only be used as an accompanying measure. It does not correspond to a priority financed from ERDF under the Convergence Objective.

Programmes supporting working with children and youth in their leisure time stand completely outside of the area of structural funds.

4.3.3 Evaluation of the Level of Harmony with NDP Priorities

The priorities of the National Development Plan for the area of human resource development were set on the basis of national priorities and modified with European priorities, as this document is the background material for utilising European financial funds from structural funds for 2007–2013. For the sphere under review, 7 priorities were selected from two priority axes of the National Development Plan, which are closely related to the development of human resources, and 5 priorities which marginally cover education, employment, and social services, but whose main focus is on the support of infrastructure and the environment.

The following priorities were selected:

Strong link to human resource development:

- ⇒ A Competitive Business Sector
- ⇒ Development of Sustainable Tourism
- ⇒ Capacity of S&R, innovation
- ⇒ Greater employability and employment
- ⇒ Education
- ⇒ Enhanced Social Cohesion
- ⇒ Modernisation of Public Administration

Partial link to human resource development:

- ⇒ Protection and improvement of the quality of the environment
- ⇒ Improved accessibility of transport, ITC
- ⇒ Balanced development of the regions
- ⇒ Development of urban areas
- ⇒ Development of rural areas

National programmes formed 3 groups according to the level of their harmony with NDP priorities:

a) Programmes strongly in harmony with NDP priorities

A total of 19 national programmes from 35 show a relatively high level of harmony with NDP priorities; in most cases with one, sometimes with two or three (APZ). Mainly, these include programmes administered by the MLSA (sphere of active employment policy, education – retraining and social inclusion) and MEYS (the sphere of support for universities and for the development of the educational system). These also include department-based programmes. Most significantly represented are MI programmes (focused on computer literacy).

b) Programmes less strongly in harmony with NDP priorities

The group of programme in less harmony with NDP priorities includes 9 national programmes. From among MLSA programmes, they are programmes focused on the social sphere, primarily on greater provision and quality of social services. Also some smaller programmes managed by the MEYS fall into this category (especially in the sphere of integration of ethnic minorities, which is on the line between educational and social activities), which will only be able to apply for support from structural funds if their scope is expanded to include a link to the labour market.

Similarly as in the evaluation of harmony with European priorities, other narrowly focused programmes of other ministries (MAG and MRD) show a lower level of harmony with respect to NDP, as an educational or advisory component is added to programmes focused primarily on investment support.

c) Programmes outside of the main NDP priorities

The remaining 7 programmes do not show harmony with any of the identified NDP priorities. These are programmes focused on supporting the activities of civic associations outside of the labour market, an investment programme for high-speed internet, department-based programmes of the ME and MT, interventions into education towards responsibility in the family.

4.3.4 Evaluation of the Level of Overlap with OP Support Areas

In operational programmes for 2007-2013, the sphere of human resources is covered primarily by two OPs: OP Human Resources and Employment (OPHRE) and OP Education for Competitiveness (OPEC). Also the programme Prague Adaptability pays an increased amount of attention to human resource development, but there, the interventions proposed do not differ significantly from the spheres of support in the above-mentioned operational programmes and will therefore not be analysed separately. To a certain degree, regional operational programmes are relevant. In a “typical” ROP, the development of human resources can be influenced by the areas of support “Development of Urban Areas” and “Development of Rural Areas”. It is not, however, clear what extent of the total support from the ROP will in the end go to this area, whether in the end, attention will not be focused on another supported activity in such a broadly conceived areas of support. That is why ROPs, too, will be eliminated from the analysis of human resources.

In evaluating the level of overlaps of national programmes with the selected operational programmes (i.e., OPHRE and OPEC), we have worked on the level of regional support, where a sufficient level of detail is guaranteed. The following 20 areas of support are relevant for human resource development:

OPEC

- ⇒ Increasing quality in education
- ⇒ Equal opportunities of pupils, including pupils with special educational needs
- ⇒ Further education of the employees of schools and educational facilities
- ⇒ Modernisation of higher specialised education
- ⇒ Modernisation of university education
- ⇒ Increasing the quality and impact of research and development
- ⇒ Partnerships and networks
- ⇒ A systemic framework for further education
- ⇒ Further education in the business sector
- ⇒ Further education in the sector of public services
- ⇒ Individual further education

OPHRE

- ⇒ Greater adaptability of the labour force and of the competitiveness of companies
- ⇒ Support for the development for systems of further professional education
- ⇒ Enhancement of active employment policies
- ⇒ Modernisation of institutions and introduction of a system of quality of employment services and their development
- ⇒ Support for social integration
- ⇒ Integration of socially excluded groups in the labour market
- ⇒ Equal opportunities of women and men on the labour market and harmonisation of work and family lives
- ⇒ Public administration and public services
- ⇒ International co-operation

According to the level of overlap with the areas of support with the selected OPs, national programmes were divided into three groups.

a) Programmes strongly overlapping with OP support areas

23 national programmes of the total 35 show a high level of overlap with the proposed structure of areas of support of the relevant operational programmes. These include, above all, programmes announced by the MEYS and MLSA as well as 6 department-based programmes.

Given the narrow focus of national programmes, overlaps can always be identified with 2 to 3 areas of support.

Overlaps with OPEC support areas are evident primarily in programmes administered by the MEYS. They include, above all, support for the equal opportunities of ethnic minorities, but also the creation of partnerships and networks and development of the educational system. A relatively large portion of the programmes focus on the development of public universities, whereby overlap primarily with the OPEC priority area Tertiary Education, Research and Development occurs. At the MI, MAg, and MRD, overlap was identified primarily in professional and other individual education and partnership.

The main overlaps with OPHRE support areas were identified, above all, in national programmes under the responsibility of the MLSA. They concern primarily social integration, equal opportunities, and active employment policy. Overlaps with several areas of support (active employment policy, integration of socially excluded persons, greater adaptability of labour force, and further education) also occur in the programmes of other ministries (MRD and MAg).

b) Programmes less strongly overlapping with OP support areas

A lesser level of overlap with the support areas of OPs relevant for the sphere of human resources was identified in three national programmes. Those are managed by the MEYS, and consequently, those overlaps relate primarily to OPEC. They include programmes to support increased quality in the management of universities, to support the integration of handicapped or socially disadvantaged persons, both into initial and further education, and to support the integration of foreigners.

c) Programmes outside of the main OP support areas

Seven national programmes stand outside of the area of support of both operational programmes at hand. These include programmes where support is of an investment nature and is therefore not eligible for support from the ESF, as well as programmes focusing on the sphere of family and upbringing of children (primarily programmes of the MEYS).

4.3.5 Conclusion

National, European, and also NDP priorities show a certain level of harmony and factually cover the areas of employment, education, and social integration. In spite of that, there are certain differences among those priorities, which have their reasons and which must be taken into account when defining support programmes. With a few exceptions (*Programme to support modern technologies* – MEYS), national priorities do not include the areas of infrastructure support, the focus on the provision of services in the above-mentioned 3 areas. European priorities, on the other hand, support in the Convergence Objective territory, investment into infrastructure, thereby helping development projects, but in the area of human resources, this type of interventions will not be too significant (this concerns, above all, ROP). European priorities are expanded to include the sphere of international cooperation, which is very important in terms of the cohesion of the European region. European documents, similar as the NDP, accent the development of public administration, which poses a serious limit on the efficient functioning of the economy and the society.

Some of the priorities are not covered by national programmes, for several reasons:

1. the declaration of priorities is still of a proclamation nature and are not made specific in programmes;
2. there is no agreement as to the manner of implementation;
3. the programmes proposed are postponed due to insufficient funds for their implementation;
4. the programmes proposed are shifted into the area of financing from European funds.

The greatest deficit in the sphere of human resource development is the non-existence of national programmes supporting further professional education, with the exception of re-training for the unemployed. Further professional education of employed persons only appears in department-based investment support as an accompanying measure and for only a very limited target group – for pedagogic staff, in the case of national programmes administered by the MEYS.

In only a very limited part of national programmes is there a weak or no overlap with operational programmes (especially in the education of children and support for the family). In most national programmes, a relatively significant level of overlap has been identified with at least one support area. This is evident more strongly in the area of education, i.e., with the OPEC; overlap with the OPLZ occur primarily in active employment policy and greater adaptability of the labour market.

Given the demands for co-financing of the programmes from structural funds, room for the implementation of new or broader national programmes narrows. The possible connection between the two lines must therefore be considered carefully, as well as the possible integration of narrowly focused programmes into broader ones.

4.4 Transport Infrastructure (area D)

Prior to the launch of the evaluation, a database of support programmes compiled under the 5/04 evaluation project was updated.

Three types of programme concern the area of transport:

- ⇒ Programmes to support the service of regions by transport;
- ⇒ Programmes focused on the safety of transport and access for people with handicaps,
- ⇒ Programmes to support the use of combined transport.

The programmes are announced by the Ministry of Transport of the Czech Republic in line with the 1998 Transport Policy applicable at the time of their announcement. The aim of the programmes is, above all, to even out the inequalities on the transport market. Public transport is supported, which must compete with individual car transport, where the price of the vehicle is usually not taken into account when the decision to use it is made. Greater safety is aided, and barriers are removed to persons with restricted sensory perception or mobility. Support is also given to those forms of freight transport which are less burdensome for the road network and friendlier to the environment. Furthermore, there is a programme focused on energy savings, which was, however, evaluated in the section on the environment. Support programmes for cycling and greater accessibility of public transport allocate only a small amount of funds from the State Transport Infrastructure Fund to investment projects of various

investors focused on these purposes; they are therefore used as a special part of investment funds (it is, however, permissible to invest into municipal assets and to support the non-profit sector or private entities). Programmes for the construction and maintenance of transport infrastructure, which constitute the strongest forms of financing, are not support programmes, rather, the state is the only investor into roads and railways².

National Programmes

⇒ Support:

- Programme of support for the renovation of public urban transit and public bus line vehicles
- Programme for the construction and maintenance of bike paths
- Programme to increase the safety of transport and to make it accessible for people with a restricted movement or orientation
- Programme of support for the introductory stage of a new combined transport line

⇒ Investment (these programmes were not evaluated any further):

- Programme for the construction, modernisation, repair, and maintenance of roads and motorways
- Programme for the construction, modernisation, repair, and maintenance of passages of roads and motorways
- Programme for the construction, modernisation, repair, and maintenance of national and regional railways
- Programme for the construction and modernisation of inland waterways important for transport

⇒ Falling into environmental area:

- State programme to support energy savings and the utilisation of renewable source of energy in the transport section

4.4.1 Evaluation of the Level of Overlap with National Priorities

The priorities for the national transport policy are defined in the 2005 Transport Policy:

² From the point of view of the HSS, programmes (this project uses the term development programme) are considered even those where the recipient is the state (not only in transport). These programmes must also be included in the evaluation.

- ⇒ Achieving a suitable distribution of transport labour among the various modes of transport by ensuring equal conditions on the transport market
- ⇒ Ensuring a quality transport infrastructure
- ⇒ Ensuring financing in the transport sector
- ⇒ Increasing road safety
- ⇒ Support for the development of transport in regions

Of the total 11 programmes, only 2 were pure support programmes (Programme of Renewal of Public Urban Transport Vehicles and Vehicles of Public Bus Lines, Programme of Support for the Introductory Stage of a New Combined Transport Line), two programmes (Programme for the Construction and Maintenance of Bike Paths and Programme to Increase the Safety of Transport and Making it Accessible to Persons with Reduced Mobility or Orientation) allow for support, but given their financing from the State Transport Infrastructure Fund are used primarily for investments. Five programmes are investment programmes, and one administered by the Ministry of Transport focuses on reducing energy consumption in order to ensure sustainable development, and therefore falls under environmental protection.

a) Programmes strongly overlapping with national priorities

Strong correspondence has been identified in the programme "Programme of Renewal of Public Urban Transport Vehicles and Vehicles of Public Bus Lines", which specifically listed as a specific goal of the national transport policy. Unlike the goal of transport policy, however, it does not support the purchasing of rail vehicles for commuter transport (thereby ironically, this programme is in contravention of another priority Achieving a Suitable Division of Transport Work among Various Modes of Transport by Ensuring Equal Conditions on the Transport Market – but this support will be addressed under OP Transport). On the level of the national programme for the renewal of vehicles, the issue of supporting technical means for unaccompanied combined transport, which is mentioned in the specific goal of the transport policy, was not addressed; it was subsequently added to OP Transport during its preparation. The programme is also in harmony with the goal Support for Regional Transport, but it remains to be seen whether decision-making on the state level will be able to fulfil the priorities of individual regions.

Programmes to support cycling and the accessibility of mass transport and programmes for building transport infrastructure are in direct harmony with the approved transport policy and are one of the main instruments of its application.

The Programme of Support for the Introductory Stage of a New Combined Transport Line is also in line with the approved transport policy, although its real application is relatively insignificant.

All investment programmes are in full harmony with the national priorities 'Ensuring quality transport infrastructure' and 'Greater safety of transport'.

b) Programmes less strongly overlapping with national priorities and c) Programmes outside of the main national priorities

A programme administered by the Ministry of Transport, focused on reducing energy consumption in order to ensure sustainable development, is not in line with the national

transport priorities, but it does fulfil environmental priorities, where its evaluation has been placed.

We can say that the priority Ensuring Financing in the Transport Sector is supported by the national development programmes, other Transport Policy priorities are supported by the state's investment programmes.

4.4.2 Evaluation of the Level of Overlap with European Priorities

On the European level, the transport policy priorities include:

- ⇒ Changing the disproportions among various modes of transport
- ⇒ Interconnection of various modes of transport
- ⇒ Elimination of places overburdened by transport
- ⇒ Users as the central point of transport policy
- ⇒ Managing the globalisation of transport

a) Programmes strongly overlapping with European priorities

The Programme of Renewal of Public Urban Transport Vehicles and Vehicles of Public Bus Lines is in line with the priority 'Changing the disproportions among various modes of transport', it supports mass transport and its greater utilisation as compared with individual car transport, but the programme must be used more intensively also for railway transport. The programme Support of the Introductory Stage of a New Combined Transport Line is also in line with the above-mentioned priority, as it supports to use of a more sustainable form of freight transport.

In line with the priority of the European transport policy 'Elimination of places overburdened by transport' are investment programmes for the development of transport infrastructure.

b) Programmes less strongly overlapping with European priorities

The objective of the Programme for the Construction and Maintenance of Bike Paths and the Programme to Increase the Safety of Transport and Making it Accessible to Persons with Reduced Mobility or Orientation correspond weakly to the priority Users the central point of transport policy, as the programmes help specific groups of users.

c) Programmes outside of the main European priorities

No such programmes were identified.

4.4.3 Evaluation of the Level of Overlap with NDP/OP Priorities

Support Areas of OP Transport 2007 – 2013

- ⇒ Upgrading TEN-T network railway lines and other parts of the railway infrastructure, such as rail junctions and combined transport trans-shipment stations
- ⇒ Ensuring interoperability on existing railway routes, ensuring harmony with Technical Specification for Interoperability (TSI) and development of telematic systems

- ⇒ Upgrading and development of motorways and roads in the TEN-T network
- ⇒ Development of intelligent transport systems in road transport and systems to increase the safety and flow of road transport
- ⇒ Upgrading and development of the railway network outside of the TEN-T network
- ⇒ Development and Upgrading of Inland Waterways in and outside of the TEN-T network
- ⇒ Renovation and upgrading on 1st class roads outside of the TEN-T
- ⇒ Development of the Prague underground network
- ⇒ Introduction of systems for managing and regulating road traffic in Prague
- ⇒ Support for multimodal freight transport, purchase of transport vehicles for CT and transport units for CT, upgrading of CT trans-shipment stations outside of the TEN-T network, upgrading of river vessels in order to reduce the negative environmental impact of transport
- ⇒ Upgrading the mass public transport railway fleet
- ⇒ Increasing the attractiveness of transport in synergy with the development of regions

Usual areas of support under ROP 2007 – 2013

- ⇒ Upgrading and development of 2nd and 3rd class roads
- ⇒ Upgrading and development of infrastructure for public transport, with an emphasis on its integration
- ⇒ Development of infrastructure for cycling and pedestrian traffic

a) Programmes strongly overlapping with NDP/OP priorities

Both investment and support national programme are in line with the priorities of OP Transport and of individual ROPs, focused in most cases on the transport of road infrastructure and on reducing the environmental impact of transport. The only overlap between national programmes and OPs occurs in the financing of the renovation of tramways, which is included in the Programme of Renewal of Public Urban Transport Vehicles and Vehicles of Public Bus Lines and in OP Transport (support area oblast Upgrading the mass public transport railway fleet).

b) Programmes outside of the NDP/OP priorities

No such programmes were identified.

4.4.4 Conclusion

The Programme of Renewal of Public Urban Transport Vehicles and Vehicles of Public Bus Lines corresponds nearly perfectly to national and European priorities, in the case of tramway renewal, there is even an overlap between this programme and the area of support under OP Transport.

In line with the Czech Republic's Transport Policy and partially in line with the priorities of European transport policy are: Programme for the Construction and Maintenance of Bike Paths a Programme to Increase the Safety of Transport and Making it Accessible to Persons with Reduced Mobility or Orientation. OP Transport has no priority in line with those programmes, but those areas are usually included in areas of support under ROP.

Investment programmes are in line with national and European priorities and operational programmes on the national and regional level, but they include, above all, financial instruments to ensure the administration and development of the state's assets

4.5 Environmental Infrastructure (area E)

The area of the environment in the Czech Republic in 2007–2013 includes the following important themes: water management and flood protection; the air, noise, energy savings, use of renewable sources of energy; old burdens, waste, and packaging; environmental and technological risks and reduction of industrial pollution and improvement of the urbanised landscape environment; nature and landscape; environmental education and awareness.

Given the relatively general focus of the programmes falling into the environmental area, the evaluation extended to sub-programmes (if they exist, otherwise the programme level was evaluated). In total, 22 programmes and sub-programmes were evaluated, of which 15 are under the responsibility of the State Environmental Fund, 1 under the shared responsibility of the Ministry of Industry and Trade, Ministry of Transport, and the Ministry of Agriculture, and six under the sole responsibility of the Ministry of Agriculture.

4.5.1 Evaluation of the Level of Overlap with National Priorities

National priorities for 2004-10 in the area of environment are contained in the approved State Environmental Policy. There are, in total, five of those priorities:

- ⇒ Protection of nature and biological diversity
- ⇒ Sustainable use of national resources, protection of water and protection against flooding, optimisation of material flows and waste management
- ⇒ Reduction of environmental burdens generated by human activity, improvement of environmental standards for the quality of human life
- ⇒ Protection of the climatic system of the Earth and reduction in the long-distance transfer of air pollution
- ⇒ Increasing public awareness about environmental issues

a) Programmes strongly overlapping with national priorities

This group includes most programmes and sub-programmes falling within the responsibility of all institutions. Programmes and sub-programmes often correspond strongly to two or more priorities. The strong correspondence to more priorities is not exclusively the function of the nature of the programmes, but also of the formulation of the priorities. Specifically, priorities 2, 3, and 4, which are on the one hand formulated relatively generally, and on the other, they overlap to a certain degree. For example, programmes focused on protecting clean atmosphere

logically correspond strongly to the priority 'protection of the climatic system of the Earth', but are also in strong harmony with the priorities 'sustainable use of natural resources' and 'reducing environmental burdens generated by human activity'.

Also due to the facts mentioned above, the programmes of the State Environmental Fund correspond relatively most broadly to national priorities. Most of those programmes are designed to apply to a relatively broad area of support and programmes in strong or very strong harmony with up to three priorities are not exceptional. A similarly significant measure of correspondence is evident in sub-programmes in the programmes for the revitalisation of river systems. The lowest level of harmony is evident in programmes focused primarily on implementing the priority 'protection of nature and biological diversity' and 'increasing public awareness about environmental issues'.

b) Programmes less strongly overlapping with national priorities

Only the following programme shows a weaker level of correspondence to national priorities:

⇒ Rural Development Programme – Leader ČR

This programme is under the responsibility of the MAg and is not primarily focused on environmental protection. Furthermore, it represents a specific type of programme, focused on rural areas, and the subject of support is not defined precisely. The subject of support is consequently different in different regions and it factually concerns the environment only in cases when the leadership of local action groups managed to support projects in the sphere of the environment.

c) Programmes outside of the main national priorities

None of the programmes and sub-programmes evaluated stand outside of the main national priorities.

The presently announced national environmental programmes fall within the responsibility of a total of four institutions (in order of their significance): the State Environmental Fund, the Ministry of Agriculture, the Ministry of Industry and Trade, and the Ministry of Transport. The level of coherence of the national programmes with national priorities is, in general, very high.

In evaluating the fulfilment of the various priorities, we must again emphasise that the broad span and overlap of certain priorities play a very important role. Priorities with an above-average level of application in national programmes and sub-programmes include priority no. 2 (Sustainable use of national resources, protection of water and protection against flooding, optimisation of material flows and waste management), and no. 3 (Reduction of environmental burdens generated by human activity, improvement of environmental standards for the quality of human life). Average fulfilment is noted in priorities no. 1 (Protection of nature and biological diversity) and no. 4 (Protection of the climatic system of the Earth and reduction in the long-distance transfer of air pollution). Priority no. 5 (Increasing public awareness about environmental issues) is fulfilled below average, but it also partially falls into the area of human resources.

4.5.2 Evaluation of the Level of Overlap with European Priorities

The Community Strategic Guidelines define the following 9 priorities for the area of the environment for 2007-13:

- ⇒ Waste processing
- ⇒ Water supply
- ⇒ Municipal waste water
- ⇒ Quality of the air
- ⇒ Renewal of contaminated facilities and soil
- ⇒ Biodiversity and protection of nature
- ⇒ Sustainable processes in small and medium-sized enterprise
- ⇒ Risk prevention
- ⇒ Ecological aspects of the energy sector

The programmes can be divided into 2 groups, according to the level of their correspondence to HSS priorities. There were no programmes standing outside of HSS support.

a) Programmes strongly overlapping with European priorities

This group includes, aside from the LEADER programme, all other programmes and sub-programmes. Several of them correspond strongly to five and more priorities defined by the Community Strategic Guidelines for the environmental area. The above-mentioned programmes and sub-programmes fall within the responsibility of all three ministries concerned.

b) Programmes less strongly overlapping with European priorities

This category only includes the LEADER sub-programme in the responsibility of the MAg, whose primary focus, however, is not on the sphere of the environment.

c) Programmes outside of the main European priorities

None of the programmes or sub-programmes evaluated fall within the HSS priorities

The level of coherence of national programmes with HSS priorities is very high, as is the case of national priorities (only a little lower as compared to national priorities).

The fulfilment of individual HSS priorities is not even. The priorities 'air quality', 'biodiversity and protection of nature', and 'environmental aspects of the energy sector' are fulfilled above average. Below average are fulfilled priorities concerning waste processing, municipal waste water, sustainable processes in SMEs, and risk prevention. All those priorities, however, have a greater or lesser connection with areas other than the environment (industry, infrastructure, regional development), and are also fulfilled in those areas.

The priorities concerning the supply of water and renewal of contaminated facilities and soil are fulfilled only minimally. The former priority is one which focuses primarily outside of the environmental area (infrastructure). The latter case concerns an area in which many cases have already been addressed in previous years and now the need of addressing it is lower, or falls into different thematic areas.

4.5.3 Evaluation of the Level of Overlap with NDP/OP Priorities

The National Development Plan of the Czech Republic for 2007–2013 defines, in total, the following 14 priority axes:

- ⇒ A Competitive Business Sector
- ⇒ Development of sustainable tourism
- ⇒ Support for S&R capacity and innovation
- ⇒ Increasing employment and employability
- ⇒ Education
- ⇒ Enhancing social cohesion
- ⇒ Modernisation of public administration
- ⇒ Protection and improvement of the quality of the environment
- ⇒ Improved accessibility of transport, information and communication technologies
- ⇒ Balanced development of the regions
- ⇒ Development of Urban Areas
- ⇒ Development of Rural Areas
- ⇒ Regional Competitiveness and Employment – Prague
- ⇒ European territorial cooperation

The Operational Programme Environment for 2007–2013 defines the following areas of support:

- ⇒ Reducing water pollution
- ⇒ Improving the quality of drinking water
- ⇒ Reducing the risk of flooding
- ⇒ Improving air quality
- ⇒ Reduction of emissions Construction of new facilities and renovation of existing facilities with the aim of increasing the utilisation of OZE for the generation of heat, electricity, and for the combined generation of heat and electricity
- ⇒ Implementing energy savings and use of waste heat
- ⇒ Environmentally friendly systems of heating and preparation of hot water for natural persons

- ⇒ Improved waste management
- ⇒ Removing old ecological burdens
- ⇒ Reduction of industrial pollution
- ⇒ Prevention of land-slides and rock-falling, monitoring geofactors and the consequences of mining and evaluating non-renewable natural resources, including underground water sources
- ⇒ Implementation of care for Natura 2000 territorial systems
- ⇒ Support for biodiversity
- ⇒ Renewing landscape structures
- ⇒ Optimisation of the water regime of landscape
- ⇒ Support for the regeneration of urbanised
- ⇒ Development of infrastructure for the implementation of environmental educational programmes, providing environmental consulting and environmental information

Regional operational programmes usually do not include the area of the environment.

a) Programmes strongly overlapping with NDP/OP priorities

This group includes all programmes and sub-programmes, but the level of harmony is relatively low. Greatest harmony is evident in those programmes or sub-programmes, which are, aside from being in strong harmony with the priority axis 'protection and improvement of the quality of the environment', in strong harmony with other priority axes. Specifically, this concerns two groups of programmes or sub-programmes: most sub-programmes of the SEF and programmes and certain sub-programmes under the responsibility of the MAg (Leader ČR and Agro-environmental measures – ecological agriculture).

Other programmes and sub-programmes correspond strongly to the priority axis 'protection and improvement of the quality of the environment', and in weak or very weak harmony with another priority or priorities. Specifically, these are all of the sub-programmes of the former State Programme for Supporting Energy Savings and the Utilisation of Renewable Sources of Energy, some of the sub-programmes of the former Programme of Care for Landscape, all other SEF and MAg programmes and both programmes of the MIT and MT.

b) Programmes less strongly overlapping with NDP/OP priorities NDP/OP and c) Programmes outside of the NDP/OP priorities

None of the programmes or sub-programmes evaluated stand outside of the NDP priority axes.

The level of coherence of national programmes with NDP priority axes is very high, primarily due to the fact that aside from one, all programmes or sub-programmes are strongly or very strongly in harmony with the priority 'protection and improvement of the quality of the environment':

The fulfilment of specific NDP priority axes is very uneven. Logically, the priority 'protection and improvement of the quality of the environment' is fulfilled the most, as all programmes or sub-programmes are in strong or very strong harmony with it.

Also certain other priorities are fulfilled by national programmes in the environmental sphere:

- ⇒ A Competitive Business Sector
- ⇒ Development of sustainable tourism
- ⇒ Support for S&R capacity and innovation
- ⇒ Education
- ⇒ Development of Rural Areas

The following priorities are less significantly fulfilled by national programmes in the environmental sphere:

- ⇒ Increasing employment and employability
- ⇒ Balanced development of the regions
- ⇒ Development of Urban Areas
- ⇒ Regional Competitiveness and Employment – Prague

A total of 4 priorities are not fulfilled by national environmental programmes:

- ⇒ Enhancing social cohesion
- ⇒ Modernisation of public administration
- ⇒ Improved accessibility of transport, information and communication technologies
- ⇒ European territorial cooperation

4.5.4 Conclusion

The level of harmony of the present national programmes with national priorities (the environmental area), HSS priorities (the environmental area), and NDP priority axes is generally very high.

Greatest level of harmony is between national programmes (or sub-programmes) and NDP priority axes. It must, however, be understood that priority axes represent a classification with a lower level of detail than is required for priorities. Factually, they therefore include priorities from all areas (not only environmental), including a generally formulated priority axis no. 8 ('protection and improvement of the quality of the environment') with which the vast majority of programmes is in strong or very strong harmony.

Furthermore, national programmes are show greatest harmony with national priorities in the sphere of the environment defined by the State Environmental Policy for 2004 – 10.

Approximately 90% of all of the programmes or sub-programmes are in strong or very strong harmony with one of the priority, and often with more than one. Only 10% of the remaining programmes or sub-programmes are in weaker harmony with national priorities and none of them stand outside of the national priorities altogether.

Relatively the weakest level of harmony of national programmes is with HSS priorities. The word "relative" is really fitting, because this harmony is only slightly lower than that of national priorities. Concretely, 85% of programmes or sub-programmes are in strong or very strong harmony with HSS priorities. The remaining 15% are in weak or very weak harmony, but no programme falls completely outside of the HSS priorities. The lower level of harmony as compared to national priorities is due to the fact that HSS environmental priorities do not include the area of EVVO (which is included, rather, in the sphere of HRD).

In terms of the coverage of national priorities, coverage of the following is above-average: Sustainable use of national resources, protection of water and protection against flooding, optimisation of material flows and waste management and Reduction of environmental burdens generated by human activity, improvement of environmental standards for the quality of human life. An average level of fulfilment was identified in the priorities Protection of nature and biological diversity and Protection of the climatic system of the Earth and reduction in the long-distance transfer of air pollution. National programmes do not sufficiently fulfil the environmental priority Increasing public awareness about environmental issues. That, however, also falls into other areas (human resources, education), and is fulfilled in those areas.

Among European priorities, above-average fulfilment was identified with respect to the following priorities: air quality, biodiversity and protection of nature, and ecological aspects of the energy sector. National programmes fulfil on a below-average level priorities related to waste processing, municipal waste water, sustainable processes in SMEs, and risk prevention – all those priorities are, however, to a lesser or greater extent, related to other areas (industry, infrastructure, regional development) and are fulfilled in those areas. Only minimally fulfilled are the priorities of water supply and renewal of contaminated facilities and soil. The priority of water supply is generally focused outside of the environmental sphere (infrastructure). The priority of renewal of contaminated facilities and soil is a less topical issue and is also addressed in other thematic spheres.

4.6 Tourism (area F)

Prior to the basic evaluation, the database of support programmes created under the 5/04 evaluation project was updated. As a consequence, one MRD programme was eliminated, as it had been completed by the end of 2004.

Three types of programmes now concern the area of tourism:

- ⇒ Programmes focused primarily on tourism (practically exclusively on the development of "hard" tourism infrastructure and services) – two programmes in total, both of which will be cancelled at the end of 2006 and the activities supported by them will only be supported from the European Regional Development Fund through ROP and IOP;
- ⇒ Programmes generally focused on regional development, in which investment into tourism is mentioned explicitly as one of the subsidy titles – a total of 2 programmes;

- ⇒ Programmes focused on the renovation and maintenance of movable and real cultural heritage monuments and urban, rural, and landscape heritage reserves and zones, whose side-effect is the maintenance or enhancement of the primary tourism potential – a total of 4 programmes.

All of the above-mentioned programmes are focused practically exclusively on infrastructure development (architectural heritage, infrastructure for sports or recreation, etc.), i.e., not on the development of human resources (and if they do have an impact in the human resource area, then only indirect).

The first two types of programmes are announced by the Ministry of Regional Development of the Czech Republic (MRD) and at least a partial tie to the State Tourism Policy can therefore be expected in them. Those programmes are of a clearly developmental nature. The third type of programmes is announced by the Czech Ministry of Culture (MC) and it can be expected to be primarily governed by policies other than tourism policy. These programmes also show a lesser degree of harmony with the definition of a development programme, as they are focused on the renovation or maintenance of existing values (especially architectural sights and sets), and their impact on development, for example in the area of tourism, cannot be clearly verified.

4.6.1 Evaluation of the Extent of Harmony with national priorities

National priorities in terms of tourism were set on the basis of the following two documents:

- ⇒ Concept of a Czech State Tourism Policy for 2007–2013 (KSPCR ČR) drafted by the Czech MRD in 2006 (the document will take effect at the beginning of 2007, replacing its previous version for 2002–2006),
- ⇒ Strategy of the Promotion of the Czech Republic 2004–2010 (SPCR) drafted by the agency CzechTourism in 2004.

No "priorities" are formulated in the KSPCR; rather 8 "goals" of the state tourism development policy are identified, 4 of which are identified as "main strategic goals" and 4 as "partial (specific) goals". Two of those goals were eliminated (Enhancing the position of tourism in the national economy and Growth of the competitiveness of Czech Republic's tourism in the European space), which are so general that it would be difficult to evaluate them.

The Strategy of the Promotion of the Czech Republic, focused exclusively on incoming tourism, contains 3 goals which can also be considered, for the purpose of evaluation, policy priorities. These priorities constitute a relatively partial area of tourism and in comparison with KSPCR priorities are therefore of lesser weight.

In total, the harmony of support programmes with 9 national priorities of the state tourism policy was evaluated:

- ⇒ Growth in the volume of stay-based tourism in the Czech Republic (KSPCR ČR)
- ⇒ Preserving the quality of the natural environment and components of the environment which are used by tourism and which may be influenced by the development of tourism (KSPCR ČR)

- ⇒ Sustainable use of the natural potential of landscape as a (necessary) condition for increasing its attractiveness for tourism (KSPCR ČR)
- ⇒ Increasing the accessibility of cultural and natural monuments used by tourism, and their maintenance (KSPCR ČR)
- ⇒ Development of environmentally friendly forms of tourism as an opportunity for the development of sustainable tourism, especially (but not exclusively) in environmentally significant areas (KSPCR ČR)
- ⇒ Human Resource Development and support of methods and tools for tourism development (KSPCR ČR)
- ⇒ Increase the number of tourists coming to the Czech Republic (SPCR)
- ⇒ Lengthen the stay of tourists in the Czech Republic (SPCR)
- ⇒ Increase tourists' spending in the Czech Republic (SPCR)

Although most programmes overlap at least partially with at least one priority of the state tourism policy, in most cases, they are in harmony with only one priority. Because there are more priorities than programmes, there is not support programme responding to many of them. Programmes on the national level thus do not, by far, fulfil all of the priorities which have been set. The reason is, above all, the large number of priorities covering a large spectrum of topics. Especially priorities focuses on the development of "soft" infrastructure and environmental infrastructure do not find support in national-level development programmes. This applies to the following priorities:

- ⇒ Preserving the quality of the natural environment and components of the environment which are used by tourism and which may be influenced by the development of tourism
- ⇒ Sustainable use of the natural potential of landscape as a (necessary) condition for increasing its attractiveness for tourism
- ⇒ Development of environmentally friendly forms of tourism as an opportunity for the development of sustainable tourism, especially (but not exclusively) in environmentally significant areas
- ⇒ Human Resource Development and support for methods and tools for tourism development

The last priority is in part covered by national programmes focused on human resource development, but without an explicit mention of education in the sphere of tourism. The same applies to the first three priorities named, which partially fulfil programmes in the sphere of the environment and protection of nature and landscape, but again, rather randomly, i.e., without a clear tie to tourism.

The total of 8 programmes can be divided into two groups depending on their level of harmony with 9 national priorities (see below; the third group, of programmes finding support in no priority, is in this case empty). All programmes show at least a weak level of harmony with one of the state tourism development policy priorities. Above all, this is due to the relatively broad

and all-encompassing concept of the state policy, which contains several generally formulated priorities covering practically all thinkable areas of tourism development. The "priorities" are thus, in reality, "thematic areas". Whereas each of the relatively low number of programmes rests on at least one of the large number of generally formulated priorities, the opposite cannot be said – only some priorities have a real and strong foundation in being filled through a specific programme.

a) Programmes strongly in harmony with national priorities

Strong correspondence can be found in the programmes of the MC focused on the renovation of cultural monuments and sets, which contribute to the fulfilment of the priority "Increasing the accessibility of cultural and natural monuments used by tourism, and their maintenance", although this correspondence is probably random. It must be emphasised that programmes focused on the renovation of cultural monuments do not comply entirely perfectly with the definition of a development programme (do not create new values, rather, maintain existing values) and belong to "compulsory" programmes, which exist in any developed country. The correspondence must therefore be seen through these eyes.

Both national programmes focused on tourism, i.e., Support for the Development of the Spa Business and Support for Building Auxiliary Tourism Infrastructure for Sports and Recreation, are in line with the priority "Growth in the volume of stay-based tourism in the Czech Republic". These programmes will, however, be wound down as at the end of 2006 and replaced by regional operational programmes and the Integrated Operational Programme, and by the appropriate resources from the European Regional Development Fund.

b) Programmes less strongly in harmony with national priorities

Programmes of the MRD show a weaker level of correspondence with the tourism policy; they have a regional focus and only one of the subsidy titles under them focuses on the development of tourism. Both programmes are in partial harmony with the generally formulated priority "Growth in the volume of stay-based tourism in the Czech Republic", partially with the priority "Increasing the accessibility of cultural and natural monuments used by tourism, and their maintenance". The correspondence, however, is vague, as the programmes are primarily regionally oriented, whereas the priorities are oriented thematically.

Certain programmes which correspond strongly to a certain priority, are in weaker harmony with certain other priorities. These programmes are generally focused on infrastructure development. For example, the MRD programmes "Support for the Development of the Spa Business" and "Support for Building Auxiliary Tourism Infrastructure for Sports and Recreation" correspond in part to the priority "Increasing the accessibility of cultural and natural monuments used by tourism, and their maintenance", the programme "Support for the Development of the Spa Business" also with the priority "Preserving the quality of the natural environment and components of the environment which are used by tourism and which may be influenced by the development of tourism".

4.6.2 Evaluation of the Extent of Harmony with European priorities

Priorities of tourism policy on the European level are defined according to the priorities of the Convergence Objective formulated in the EU cohesion policy. In comparison with the national policy, those priorities have a general focus, but it is clearly evident from them what the goal of EU tourism development policy is. It has the following three priorities:

- ⇒ Promotion of natural and cultural riches as potential for the development of sustainable tourism
- ⇒ Protection and renewal of cultural heritage in order to support economic development
- ⇒ Improving the provision of tourist services through new services with a high added value

The harmony of the programmes with European tourism policy priorities is, in general, lower than in the case of the state policy. In part, this is due to the relatively unambiguous and specific goal of the European policy, which "makes do" with only three priorities which naturally (and correctly) do not cover the entire intervention area. Also due to this fact, all three European tourism policy priorities find support in at least one development programme on the national level.

The total of 9 programmes can be divided into 3 groups according to the level of their correspondence to the 3 European priorities:

a) Programmes strongly in harmony with European priorities

Only the MRD programme "Support for presenting the Czech Republic as a tourist destination" strongly corresponds to the priority "Promotion of natural and cultural riches as potential for the development of sustainable tourism". Of all programme, that programme thus corresponds the most to both national and European priorities, although its harmony with the European priority is not entirely precise (the principle of sustainable tourism is mentioned only marginally in the programme Support for presenting the Czech Republic as a tourist destination, in the principles for the distribution of funds).

There is also a relatively high level of correspondence between MC programmes which are focused on the renovation of real heritage monuments, with the priority "Protection and renewal of cultural heritage in order to support economic development". The correspondence is not absolute because the focus of MK programmes is primarily on the development of culture and on saving architectural monuments as such, and economic development formulated in the given priority is more of an external nature, which is, furthermore, much harder to verify.

b) Programmes less strongly in harmony with European priorities

Both regionally focused programmes of the MRD which also focus on tourism development with tourism policy on the European level, namely with the priority "Protection and renewal of cultural heritage in order to support economic development", is weaker. Support for the Development of the Spa Business is also in harmony with that same priority as well as with the priority "Improving the provision of tourist services through new services with a high added value".

c) Programmes outside of the main European priorities

Completely outside of the European Policy is only the programme "Support for Building Auxiliary Tourism Infrastructure for Sports and Recreation", due to the fact that European priorities focus on an integrated approach to tourism development (and this programme is partial in this respect, as it only focuses on the development of infrastructure, and very specific, at that) and on new non-traditional forms of tourism, with a high added value for the development of the region (and this programme focuses on the development of infrastructure for traditional activities).

4.6.3 Evaluation of the Extent of Harmony with NDP priorities

In the NDP, the priority "Development of sustainable tourism" naturally shows the greatest level of correspondence with national programmes. It corresponds strongly or at least weakly to all programmes in the tourism intervention area. Clear is also the correspondence of national programme to regionally defined priorities, i.e., "Balanced development of regions", "Development of urban areas", and "Development of rural areas", and in the case of some programmes also with "Regional Competitiveness and Employment – Prague". Tourism can play an integral role in the development of certain regions, whereas a marginal in others, which is why the level of correspondence is generally lower. The correspondence of national programmes with the priorities "A Competitive Business Sector", "Increasing employment and employability", "Improved protection and quality of the environment", which the area of tourism concerns only marginally, can be identified as very weak. No correspondence to tourism programme was identified with respect to the priorities "Support of S&R capacity and innovation", "Education", "Enhancement of Social Cohesion", "Modernisation of public administration", "Improving the accessibility of transport, information and communication technologies", and "European territorial co-operation". These areas also relate to tourism only marginally. It is, however, clear that at least some correspondence of national programmes in the area of tourism exists in the case of priorities directed at the development of infrastructure and enterprise, whereas in the case of priorities directed at human resource development (education, qualification, social cohesion, etc.) and research, there is no correspondence with national programmes. This confirms the fact that national tourism programmes are focused on infrastructure rather than on "soft" projects.

The total of 9 programmes can be divided into two groups according to the level of their correspondence to 14 European priorities (no programme falls into the third one):

a) Programmes strongly in harmony with NDP priorities

Strong or very strong level of correspondence with at least one of the priorities can be found in nearly all national programmes in the tourism intervention area. This level of correspondence is, however, only found with respect to the priority "Development of sustainable tourism". Only the programmes "Support for Building Auxiliary Tourism Infrastructure for Sports and Recreation" and "Support for presenting the Czech Republic as a tourist destination" constitute an exception, as their correspondence to the said priority exists, but can only be assessed as weak, or even very weak. It is evident that most national programmes in the area of tourism rest on only one priority: "Development of sustainable tourism", which is, however, natural in an area as specific as this. Also the relatively general, broad, and brief definition of the said priority also contributes to the fact that most programmes correspond greatly to this priority (it is hard to imagine a programme in the area of tourism which would not correspond to this priority at least a bit).

b) Programmes less strongly in harmony with NDP priorities

Weaker correspondence with at least one NDP priority can be found in all programmes in the tourism intervention area, including programmes which do not correspond strongly to any priority. The programme "Support for Building Auxiliary Tourism Infrastructure for Sports and Recreation" corresponds weakly primarily to the priority "Development of sustainable tourism", the programme "Support for presenting the Czech Republic as a tourist destination" with the priorities "Balanced development of regions", "Development of urban regions", "Development of rural regions" (and each of the two programmes also corresponds very weakly to several other priorities).

Nearly all programmes which correspond strongly to the priority "Development of sustainable tourism" also correspond to regionally oriented priorities. The "Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region (subsidy title "Support of investments for tourism development" and "Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions" correspond weakly to the priority "Balanced development of regions". Their correspondence is based on the fact that both of those programmes have all subsidy titles, including "Support for investments into tourism development focused on problem regions", and therefore contribute to balanced regional development.

Two to four of the total four priorities with a regional focus correspond weakly with the "Programme for the regeneration of urban heritage reserves and urban heritage zones", "Programme for saving architectural heritage", and "Programme of caring for village heritage reserves and zones and landscape heritage zones". Correspondence, in this case, means that the regeneration of cultural and architectural monuments always corresponds to the development of its region, albeit only marginally. (Regeneration of urban heritage reservations and urban heritage zones does not contribute to the fulfilment of the priority "Development of Rural Areas", and the regeneration of village heritage reservations and zones and landscape heritage reserves does not contribute to the priority "Development of Urban Areas".)

c) Programmes outside of the NDP priority

No national programme in the sphere of tourism stands outside of the current NDP priorities.

4.6.4 Evaluation of the Extent of Harmony with OP Priorities

An analysis of overlaps between national programmes and an important tool for the implementation of NDP or NSRR – operating programmes – seems much more important than the correspondence of national programmes to NDP priorities. One priority axis concerns tourism development, and in this axis, three areas of support of the Integrated Operational Programme and one priority axis and its three priority areas in regional operational programmes (defined similarly in all ROPs):

- ⇒ IOP – Organisation and management of tourism on the national and supra-regional level
- ⇒ IOP – Support for building tourist destinations of national and supra-regional importance
- ⇒ IOP – Development of products and marketing support for tourism on the national and supra-regional importance
- ⇒ ROP - Development of business infrastructure and tourism services
- ⇒ ROP - Development of public infrastructure and tourism services
- ⇒ ROP - Support for marketing and destination management in tourism

Because national programmes focus practically exclusively on investment into tourism infrastructure (including tourism services and renovation of cultural monuments), overlaps occur primarily between them and those areas of support under OPs which are also focused on investments into infrastructure. According to the intensity of overlap with the OP support areas, national programmes can be divided into the following three groups:

a) Programmes strongly overlapping with OP priorities

The greatest level of overlap with OP priority areas are found in the national programme Support for Building Auxiliary Tourism Infrastructure for Sports and Recreation. Strong overlap in terms of content is found in one IOP support area (Support for building tourist destinations of national and supra-regional importance) and two ROP support areas (Development of business/public infrastructure for tourism). Nearly the same activities as under the above-mentioned areas of support can be financed from the national programme Support for Building Auxiliary Tourism Infrastructure.

In the case of regionally oriented national programmes of the MRD for the development of economically weak and structurally challenged regions of North-Western Bohemia and the Moravian-Silesian Region, under which support for investment into tourism is one of the subsidy titles, strong overlap can be found with the same OP support areas, i.e., with one IOP support area IOP (Support for building tourist destinations of national and supra-regional importance) and two ROP support areas ROP (Development of business/public infrastructure for tourism). Overlap exists only for the regions of North-Western Bohemia and the Moravian-Silesian Region and for 11 districts included among economically weak and structurally challenged, which, however, in aggregate account for nearly one third of the territory and population of the Czech Republic, and furthermore, are of a comprehensive nature as a specific territory. These overlaps can therefore be considered very strong.

Very strong overlap especially with 2 IOP support areas (Organisation and management of tourism on the national and supra-regional level, Development of products and marketing support for tourism on the national and supra-regional importance) was found in the national programme "Support for presenting the Czech Republic as a tourist destination", which was, however, not announced in 2006.

b) Programmes less strongly overlapping with OP priorities

Somewhat weaker overlap with the same IOP and ROP support areas and with the ROP support area "Support for marketing and destination management in tourism" was found in the national programme of the MRD "Support for the Development of the Spa Business". The overlap is, however, localised only to spa areas which do not account for a large share in either the territory or population of the Czech Republic, only apply to limited points and only specialise on one clearly specified form of tourism. For that reason, this overlap is slightly weaker than in the case of the above-mentioned programmes.

Weaker overlap with OP support areas is found in 3 MK programmes – the greatest in the "Programme for the regeneration of urban heritage reserves and urban heritage zones" and also the "Programme for saving architectural heritage" and "Programme of caring for village heritage reserves and zones and landscape heritage zones". The overlap again concerns the same OP support areas, i.e., one IOP support area (Support for building tourist destinations of national and supra-regional importance) and two ROP support areas (Development of business/public infrastructure for tourism), under which the renovation of cultural monuments can also be financed, although in most cases, there is a condition that they must be used for tourism.

c) Programmes with no overlap with OP priorities

Absolutely outside all ROP and IOP interventions is the MC "Programme for the restoration of movable cultural monuments", which is the national tourism programme identified herein which is not focused on tourist infrastructure.

4.6.5 Conclusion

It is clear that in the area of tourism, the level of correspondence of national programmes is clearly higher with respect to priorities of tourism policy on the national level than on the European level. The main reason is not the real connection between national tourism policy and national programmes, but rather, the very general conception of national policy priorities, which includes a much larger part of tourism. On the other hand, in the case of the evaluation of correspondence with European priorities, the main reason of the lesser level of support with national programmes is the relatively narrow specification of priorities, which are also far fewer in number (3 European as opposed to 9 national). A comparison of the level of correspondence of national programmes with NDP priorities is difficult to judge (especially in the relatively narrow area of CR), because these priorities are formulated differently than the priorities of the national or European tourism policy. NDP priorities cover practically the entire spectre of the possible topics and a weak or no level of correspondence of national programmes with most of these priorities is therefore natural.

No support programme responds to most national tourism policy priorities. Programmes on the national level thus by far do not fulfil all of the priorities set. That is again caused by the large number of priorities rather than the low number or unsuitable focus of the development programmes. If there is correspondence between a specific programme and a priority, it is usually real (as opposed to formal).

European priorities are covered better, primarily due to their lower number. In the case of European priorities, however, coverage is more frequently than elsewhere random and formal – e.g., the priority "Promotion of natural and cultural riches as potential for the development of sustainable tourism" is seemingly covered primarily by the programme "Support for presenting the Czech Republic as a tourist destination", but the main idea, i.e., understating of the promotion of natural and cultural riches as potential for sustainable development of tourism, is not reflected too much. Similarly the priority "Protection and renewal of cultural heritage in order to support economic development" is seemingly fulfilled, especially by the MC programmes, but in reality, they concern "day-to-day" maintenance of monuments, and economic development is a positive, but unintended benefit. The priority "Improving the provision of tourist services through new services with a high added value" is again seemingly fulfilled by nearly all programmes of the MRD, but in most cases, they concern a whole range of services, without being targeted on services with a high added value.

NDP priorities are covered by national programmes diversely. The priority "Development of sustainable tourism" is covered the best. Given the very general specification of the priority, correspondence with national programmes is real (as opposed to formal). Similar applies to regionally focused priorities – also here the correspondence is real, albeit weaker than in the case of the priority "Development of sustainable tourism"

Generally speaking, development programmes on the national level cover poorly especially priorities of the national and European policy and NDP priorities focused on the development of

“soft” infrastructure, and priorities striving for more comprehensive development of tourism (e.g., with a tie of tourism to the environment, enhancement of qualification, etc.).

Significant are overlaps of nearly all national programmes with OP support areas. Generally speaking, greatest overlap is found between programmes/support areas focused on the construction and modernisation of tourism infrastructure and services. Some overlap is in part limited by the territorial or sector specification of certain national programmes.

4.7 Housing (area G)

The area of housing is a **specific filed for the application of public policy**. This is due to the fact that housing is both a “purely” private need (subject to market-based regulation) and a sphere of public interest: the quality, availability and an appropriate level of social equity in housing is closely tied to the standard of living and overall quality of life of the inhabitants, and is closely related for example to the functioning of the labour market, the process of social inclusion, the state of health of the population, etc.

The purpose of public policy in housing is to regulate the social aspects of these market externalities. In the Czech Republic, the entities implementing housing policy on the one hand include the state (the government), and on the other towns and municipalities (the role of regions is practically negligible). The study naturally only concerns the government’s housing policy, and only a very narrow segment of it: first, not every housing policy measure is of the nature of a support policy (there are for example legislative measures in the sphere of rental relations, rent control, etc.), secondly, even if it is of that nature, these measures often function as instruments for stimulating demand (e.g., contributions to mortgages and to construction savings plans, but also social housing subsidies, loans for young people, etc.) The study therefore only analyses those support programme of the state housing policy which **stimulate the supply side**, i.e., are of an investment nature, are focused on the construction and revitalisation of residential buildings or the related housing environment. The implementation of those programmes falls, in part, under the responsibility of the MRD and in part under the State Housing Development Fund (SHDF).

Given that the previous evaluation project (5/04) was practically not concerned with the housing area at all, the first step of the analysis consisted of an overview of the existing support programmes of the type specified above.

At present, 9 such support programmes are being implemented in the Czech Republic:

- ⇒ Programme supporting the construction of apartments for lease (SHDF)
- ⇒ Programme supporting the construction of co-operative apartments (SHDF)
- ⇒ Programme supporting the construction of technical infrastructure (MRD)
- ⇒ Programme of support for the construction of subsidised housing (MRD)
- ⇒ Programme of support for the renovation of lead plumbing in residential buildings (MRD)
- ⇒ The PANEL Programme (SHDF)

- ⇒ Programme of support for the revitalisation of concrete-block housing estates (MRD)
- ⇒ Programme Loans to municipalities for repair and modernisation (SHDF)
- ⇒ Programme of support for remedying "emergency conditions" (SHDF)

Even in the EU, housing policy falls within the **exclusive competence of individual member states**. The EU implements its policy in this sphere through recommendations and through a general regulation of public aid. That is why housing was not a subject of the 5/04 evaluation study, because essentially no overlap between national and European support programmes could be expected. The European Parliament and Council regulation on the European Regional Development Fund (ERDF) of 21 December 2005 (ERDF Regulation), however, opened up the option for the Czech Republic, as one of the new EU members, the opportunity to draw funds from ERDF for selected expenditures related to the revitalisation of concrete-block housing estates and buildings. This new situation poses the immediate question of the relationship of this "European assistance" (carried out under one of the IOP priorities) and assistance carried out under the two analogical national programmes (Programme of support for the revitalisation of concrete-block housing estates, The PANEL Programme) and secondarily, it poses a question of the meaning and focus of all of the existing national housing support programmes.

Overall, however, the basic evaluation was narrowed to **6 national programmes** (4 under the responsibility of the SHDF and 2 of the MRD), i.e., the Programme of support for the construction of subsidised housing (as a specific tool of national social policy which will always have to be applied in some form), the Programme of support for the renovation of lead plumbing in residential buildings (as a small, very narrowly focused and probably temporary programme), and the Programme of support for remedying "emergency conditions" (as an "emergency" programme, which by definition, must always be kept "in reserve") were eliminated.

4.7.1 Evaluation of the Level of Overlap with National Priorities

The determination of the national housing priorities was based on one basic source – the current **Housing Policy Concept** approved by the government in March 2005, replacing a similar document from 1999 and 2001. This document, with a relatively broad content, which defined the overall plans of the government in the area of housing and defines the role of the MRD as the coordinating body for the work of the ministries and other state administration authorities in implementing the housing policy. The concept applies to 2005 – 2010 and focuses on defining instruments, procedures and steps for the implementation of the government's policy rather than an overall vision, strategic goals or priorities. In spite of that, the main goals (priorities) can be understood from the overall context of the Concept:

- ⇒ Increasing the financial accessibility of housing for the population;
- ⇒ Increasing the supply of housing primarily through support for new construction;
- ⇒ Increasing the quality of housing, especially by helping owners in the management, maintenance, repair, and modernisation of residential buildings.

National programmes are always specifically focused and therefore show a very variable level of correspondence with various priorities. In principle, however, we can say that some of the programmes (oriented on supporting new construction), fulfil the first two national priorities,

and some (oriented on repair, upgrading, and revitalisation), fulfil the last priority. This result is not surprising: the national programmes analysed are directly defined in the Housing Policy Concept as its implementation tools, directly related to one or another priority. All national concepts can, therefore, be put into the same group in terms of their overlap with national priorities:

Programmes strongly overlapping with national priorities

This group therefore includes all 6 programmes analysed: the Programme supporting the construction of apartments for lease, the Programme supporting the construction of co-operative apartments, the Programme supporting the construction of technical infrastructure, The PANEL Programme, the Programme of support for the revitalisation of concrete-block housing estates, and the Programme Loans to municipalities for repair and modernisation. Nevertheless, the formally strong overlap of programmes with national priorities does not guarantee that they will actually be covered – this is not, however, due to the specific structure and conditions of those programmes (which are relatively rational and acceptable for users), but the **low volume of funds allocated**. The aggregate of funds allocated annually to all 6 programmes is around CZK 3 billion, while the extent of neglected maintenance of concrete-block buildings is estimated at CZK 460 bn. The seriousness of the “housing problem” in the Czech Republic therefore calls for more intensive public support by the state than has been provided thus far. The permissible level of involvement of ERDF funds (given the existing legal limits on, for example, the admissible level of public aid) in the resolution of this problem does not seem to be able to have a significant impact on this misbalance. This means that regardless the European line of support, massive national resources will need to be allocated to the support of this sphere in the future.

4.7.2 Evaluation of the Level of Overlap with European Priorities

Housing is not a separate theme of any official EU strategic document, which would specify “European” housing priorities. This situation corresponds to the division of competences between EU authorities and authorities of the individual member states, which have the decisive word in this sphere. The basic European documents, such as the “Cohesion Policy to Support Growth and Employment: **Community Strategic Guidelines 2007 – 2013**” (COM 0299 / 2005) or the “Lisbon Strategy” do, however, touch upon the sphere of housing, but always only in an instrumental way, i.e., to the extent to which certain housing problems relate directly to the EU document’s own priorities, such as increasing the economic competitiveness or preserving social cohesion. In this respect, the following plans are mentioned as priority plans a) increasing the quality of life in cities (especially in poor neighbourhoods), b) renewal of public spaces, c) reducing the energy-intensiveness of buildings, d) increasing the mobility of the labour force. Emphasis is thus put on the relation of housing to the labour market, public health, or safety. If the CSG do mention the housing issue, it does so in most cases in connection with its social role. The situation is similar in the case of the “Lisbon Strategy”.

The measures of the **new Lisbon Strategy** should therefore enhance the economic and innovative potential of the Union, thereby implementing its goals in the social and environmental spheres. Housing is a sphere where all three pillars of sustainable development overlap. Accessible housing is a condition for the mobility of labour force, without which economic development is not imaginable. Availability and quality of housing (including the quality of urban environments) also strongly determines social cohesion of the society and similarly intensively influences the quality of the living environment. The strategy also warns that in the next 50 years, Europe will have to face demographic changes unparalleled in history.

If the present demographic tendencies are preserved, the total number of workers will drop, in absolute figures. Aside from fundamental social changes which this reduction will bring, enormous pressure will also be put on pension systems and social security systems. For those reasons, and in order to preserve social cohesion, it will be absolutely necessary to ensure the availability of housing for all segments of the population.

On the practical level, these general tasks in the sphere of housing is given specific form in the **draft European Parliament and Council regulation on the European Regional Development Fund (ERDF) of 21 December 2005 (the ERDF Regulation)**. This draft defines the principle of the necessity of support for limited measures for the renovation of **social housing and increased energy efficiency** in new member states, which joined the European Union on 1 May 2004 or later, as part of integrated operations in the development of cities. The **Fact Sheet no. 66**, concerning Article 7 of the ERDF Regulation (text as of 29 March 2006) picks up on this regulation and expresses consensus on the admissibility of drawing ERDF resources for expenditures reflected in an integrated project of city development and on the allocation of ERDF expenditures for those purposes. Fact Sheet 66 also defines where that allocation should go: either into residential buildings or to buildings owned by the public or non-profit sector. As the main goal of the measure in this sphere, it identifies the **good quality and accessibility of housing for low-income persons and socially endangered groups** and in this spirit, it preliminarily proposes a set of criteria (indicators). As eligible interventions, it preliminarily defines a) the revitalisation of residential buildings (structural part of buildings, related technical facilities and energy-efficient measures) and b) ensuring quality social housing by renovating and adapting existing buildings.

On the basis of all those resources, "European priorities" in the sphere of housing may be identified as:

- ⇒ Increased availability of housing for socially weaker classes
- ⇒ Increased quality of the residential environment in socially threatened neighbourhoods
- ⇒ Upgrading residential buildings with the aim of achieving energy savings

The first of those priorities is practically identical to the first national priority, the second and third build on the third national priority, whereas there is no connection to the second national priority: support for new housing construction remains an exclusively national matter.

An analysis of the coverage of European priorities in the sphere of housing by existing national programmes is a complicated problem on the general level: on the one hand, some national programmes aim entirely outside of the scope of EU priorities, which is not necessarily "bad", given the high level of competences given to individual member states in this sphere (including the ČR), on the other hand, however, the new focus of European cohesion policy means that national programmes realistically only cover a part of the new European priorities, and not very intensively.

National programmes can therefore be divided into 3 groups, according to the level of their correspondence with European priorities:

a) Programmes strongly in harmony with European priorities

This group includes, above all, both programmes focused on the modernisation of existing residential building, which correspond strongly (or very strongly) to 2 European priorities: **the PANEL Programme**, the purpose of which is to ensure the renovation of concrete-block residential buildings built between 1950–1990, and the **Programme loans to municipalities for repair and modernisation**, which focuses on stimulating the renovation of older residential premises. None of these programmes emphasise their social or energy orientation, but they factually work in both directions.

b) Programmes less strongly in harmony with European priorities

The group of programmes less strongly in harmony with European priorities includes the **Programme supporting the construction of apartments for lease**, the **Programme supporting the construction of technical infrastructure**, and the **Programme of support for the revitalisation of concrete-block housing estates**, all of which respond to one European priority, but strongly, or very strongly. Their inclusion in this group is dictated by formal respects rather than by the factual relations of these programmes with national priorities. The Programme supporting the construction of apartments for lease is consciously focused on making housing available to those classes of inhabitants who cannot afford their own or co-op owned housing – which means that it is the only national programme with a strong social subtext (another matter is that the support recipients, i.e., municipalities, do not always respect this social contents of the programme). The Programme supporting the construction of technical infrastructure is often related (or precedes or accompanies) the above-mentioned programme and its purpose is to reduce the cost of residential construction, especially designed for renting. The Programme of support for the revitalisation of concrete-block housing estates is the only national programmes which very strongly covers the second European priority.

c) Programmes outside of the main European priorities

The only programme which is outside of the definition of European priorities is the **Programme supporting the construction of co-operative apartments**, which is consciously focused on making housing available to the “middle class”, in the form of new housing construction.

4.7.3 Evaluation of the Level of Overlap with NDP/OP Priorities

The NDP for 2007 – 2013 was taken into account by the Czech government in February 2006 and became the foundation for the development of the NSRR (which uses the same structure of priority axes and priorities) and in the drafting of the OP. The priorities of the NDP were defined on the basis of the version discussed by the government (January 2006), and priorities of the OP were defined on the basis of the June 2006 version, which the Czech government took note of. In the case of the OP, there is a risk – especially in the area of housing – of working with a *de facto* incomplete background material.

In terms of the NDP as a whole, it defines its priorities through 4 priority axes (Enhancing the competitiveness of the Czech economy, Developing a modern and competitive society, the Environment and accessibility, and Balanced and harmonious development of the Czech territory). In all of them, a stronger or weaker functional relation to the housing sphere can be identified, but only the last priority axis mentioned concerns this sphere (in the “narrow sense”) in terms of its meritory content, and not very intensively. Aside from the priority of enhancing

the role of cities (which only concerns a comprehensive solution of the revitalisation of selected city neighbourhoods), there is only one priority – a very specific one – the **revitalisation of concrete-block housing estates**. The context of the interpretation of the priority in the NRR indicates that its orientation in terms of content should be in line with priorities defined in this area by the SOZS, the ERDF regulation, etc. In terms of the relationship of national support programmes in the sphere of housing to NDP as a whole, its analysis does not bring any new information than that uncovered above (chapter 3.7.2.).

More interesting in this respect is the search for correspondence between national support programmes with those operational programmes which directly respond to the priority **Revitalisation of concrete-block housing estates**. Fact Sheet no. 66 to Article 7 of the ERDF regulation allowed for addressing this priority in one or more OPs, with the first variant ensuring a globally higher allocation of ERDF funds. This variant was chosen by the Czech Republic, on the basis of an agreement between the MRD and the Association of the Regions, according to which ROPs will not include housing as a support area. Therefore, only the **Integrated Operational Programme** (with MRD as the managing authority) responds to that priority. The subject of analysis in this study therefore is the **relationship between national programmes and the Integrated Operational Programme (IOP)**.

Six priorities can be found in the IOP, where priority no. 5 **Revitalisation of concrete-block housing estates** concerns the topic at hand. It defines two support areas:

- ⇒ Support area 5.1 – Comprehensive revitalisation of the environment of concrete-block housing estates
- ⇒ Support area 5.2 – Regeneration of concrete-block apartment buildings

In terms of the level of overlap between national support programmes in the sphere of housing with the IOP, two entirely opposite groups can be defined:

a) Programmes strongly overlapping with IOP support areas

This group **naturally** includes both national programmes focused on improving the situation of concrete-block housing estates, i.e., the **PANEL Programme and the Programme of support for the revitalisation of concrete-block housing estates**, which logically strongly overlap with the selected IOP support areas.

b) Programmes outside of the main IOP priorities

All other existing national housing support programmes, i.e., **the Programme supporting the construction of apartments for lease, the Programme supporting the construction of co-operative apartments, Programme supporting the construction of technical infrastructure, and the Programme Loans to municipalities for repair and modernisation**, stand totally outside of the definition of IOP support areas.

4.7.4 Conclusion

Housing development support programmes relatively comply with the idea of formally well-founded instruments to influence the housing offer. Their key problem is the discrepancy between the broad potential demand for their use and the relatively low volume of support (financial) funds they allocate. This naturally gives rise to the question of how to involve ERDF

funds effectively in balancing this imbalance. The previous analysis clearly shows that the response to this question will be different for those national programmes which overlap with IOP priorities and for the other national programmes which do fulfil national priorities, but entirely pass by the content of the IOP. This fact need not be (and is not) an argument for winding down those national programmes – it only means that the implementation of 4 of the analysed housing support programmes will be permanently limited to national resources.

5. FRAMEWORK PROPOSAL FOR FOCUS AND MODIFICATION OF RELATIONS BETWEEN CZECH AND EUROPEAN PROGRAMMES

5.1 General Background

In connection with preparation for the new EU programming period (2007-2013), it is increasingly evident that a significant problem in the absorption capacity of the Czech Republic will be securing the compulsory co-financing of European programmes from national resources. The demands for the financial participation of public budgets of the Czech Republic in terms of the EU cohesion policy will be several times higher than in the present period. The Ministry of Finance estimates that approximately CZK 200 bn. will be required every each for co-financing European programmes in 2007-2013. The decisive part of these "mandatory" public expenditures should come from the state budget, which will thus experience double pressures – on the one hand, it will have to look for ways to save and reduce expenses so that the Czech Republic could meet the convergence criteria for entering the monetary union, on the other hand, "project" funds will have to be found in the budget for co-financing EU development programmes.

The pressure of European funds on Czech public spending may, in the long-term, lead to a reduction in the share of mandatory expenditures of the state budget, as it will be necessary to find resources for covering investment expenditures related to structural funds projects. In the short-term, resources will have to be found in the sphere of non-mandatory expenses of the state budget. In this connection, the Ministry of Finance especially pressures for the reduction of national support programmes and for using the funds which are thus made available to reduce national support programmes and for using the freed-up funds for the co-financing of European programmes. Although not even a purely theoretical elimination of all or most national support programmes could not resolve the problem with the financial component of the absorption capacity of the Czech Republic, the question of modifying the relationship of the two lines of support is very topical.

The system of national support programmes is highly inefficient due to the high fragmentation (great number of small programmes) and low coherence, as was demonstrated by the results of the analyses of the system. It is also evident that given the ratio of European and national resources for the policy of economic and social cohesion, the Czech Republic will not follow in the footsteps of certain richer EU countries where "supplementary" support from structural funds was not transferred under national programmes, whereby – simply said – the existing system of support programmes was "only" strengthened. On the contrary, it can be expected that the system of national programmes will be adapted and modified due to the pressure on the co-financing of "stronger" European programmes. The present situation, where two nearly independent systems of support programmes co-exist side by side – national and European – is probably the least desirable variant³.

The system of national support programmes has certain specific aspects in each intervention area and varying degrees of political support. In this situation, it is very unlikely that a

³ An exception is, for example, the area of enterprise support, where both lines of support have been more or less integrated.

comprehensive and centrally managed transformation of the entire system of national programmes could be advocated. The author of this evaluation project, on the other hand, builds on the assumption that the necessary transformation of national support programmes will run at different speeds in various intervention areas and will take on different forms. The basic goal, however, should be identical – increasing the effectiveness of the entire system by coordinating the national and European lines of support.

5.1.1 Basic variants of arranging relations between national and European programmes

In general, three basic variants of relations between national and European programmes can be envisaged:

1. the zero variant – a “two-track” system of national and European programmes
2. the variant of eliminating national programmes
3. the variant of coordinating national and European programmes

The first two variants represent the ultimate options in the consideration of the co-existence of both lines of support. The first variant means that the present situation would be conserved and the two parallel and relatively independent systems of support programmes on the national level would be retained, the implementation of the second variant would mean giving up the national system of support and retaining only the European branch of programmes, focused on the priority areas of EU structural funds. Although the variant of “elimination” may seem as an elegant and fast solution of the problem, the political acceptability of the variant is not too realistic. Each department usually defends its subsidy policy and does not expect to significantly reduce it after 2006. A weak point of this variant is also the fact that it would no longer be possible to provide public support to projects in those intervention areas which only include national priorities, and could not be financed from European funds.

The third, “middle” variant of regulating the relations of support programmes financed from Czech and European resources, is the **gradual co-ordination of both lines of support**. The co-ordination of both systems of support would not only save some of the resources for the co-financing of European programmes, but could lead to the elimination of a number of weak points in the entire system of national support programmes. The strength and weaknesses of all of the variants of relations between the system of national and European programmes discussed above are summarised in the table below.

Table 1: Variants of relations between national and European programmes – strengths and weaknesses

Name of variant	Strengths	Weaknesses
The zero variant – a two-track system	<ul style="list-style-type: none"> ▪ saving on costs on the transformation of the support programme system 	<ul style="list-style-type: none"> ▪ high costs ▪ low clarity ▪ low level of coherence ▪ potential overlaps
The “elimination”	<ul style="list-style-type: none"> ▪ ensuring a significant value of resources for co-financing 	<ul style="list-style-type: none"> ▪ political (im)possibility

variant	European programmes ▪ simplification of the system	▪ a significant risk of "gaps" in public support
The "co-ordination" variant	▪ reduction in costs ▪ greater coherence and effectiveness ▪ ensuring a certain volume of resources for the co-financing of European programmes	▪ difficult to find political consensus ▪ high demands on the preparation for the launch of the new system ▪ high management costs

As has been indicated above, it is likely that in individual public support intervention areas, different ways and forms of transforming support programmes will be used. Programme co-ordination can be considered the initial variant of the regulation of relations between both lines of support. In this variant, the national branch of programmes could be eliminated in certain intervention areas, or it may, on the other hand, become evident that the closing down or merger of a certain segment of national programmes is not politically acceptable and the "two-track" system will be retained to a certain degree. Because co-ordination of the programmes is the basic variant of transformation, the next chapter will describe it in more detail.

5.1.2 Co-ordination of programmes as the basic variant of transforming the relations between national and European programmes

The variant of programme "co-ordination" has two basic sub-variants:

- 1) programme supplementation
- 2) programme interconnection

Programme supplementation is understood as the division of spheres of support between national and European programmes in the European fund intervention areas. National programmes would then be directed at covering the selected gaps in SF US intervention areas, on which the priorities of operational programmes will not be focused (i.e., in the event that the focus of the operational programmes is narrower, or more strategic).

Programme interconnection means a direct linking of programmes of the national and European lines of support. Programme interconnection may come in 2 forms:

1. The selected national programmes will be transferred under European programmes and will thus get more funding.
2. National programmes will serve to enhance absorption capacity.

ad 1) Transfer / transformation of national programmes under European programmes

The transfer of even a part of national programmes under European programmes may entail the following advantages:

- + Obtaining funds for co-financing

- + Greater interconnection of the two systems – preventing undesired overlaps
- + Simplification of orientation for potential applicants
- + Greater funds for the transferred national programmes

There are certain risks involved in this step, and transformation is not possible in all programmes. Certain risks related for example to an interruption in assistance for certain target groups in need must be eliminated in transformation. The transfer of national programmes under European programmes is not a simple procedure, but the experience of some other EU states which have transformed national programmes in a similar fashion (e.g. Austria), could be used.

ad 2) National programmes as an instrument for increasing absorption capacity

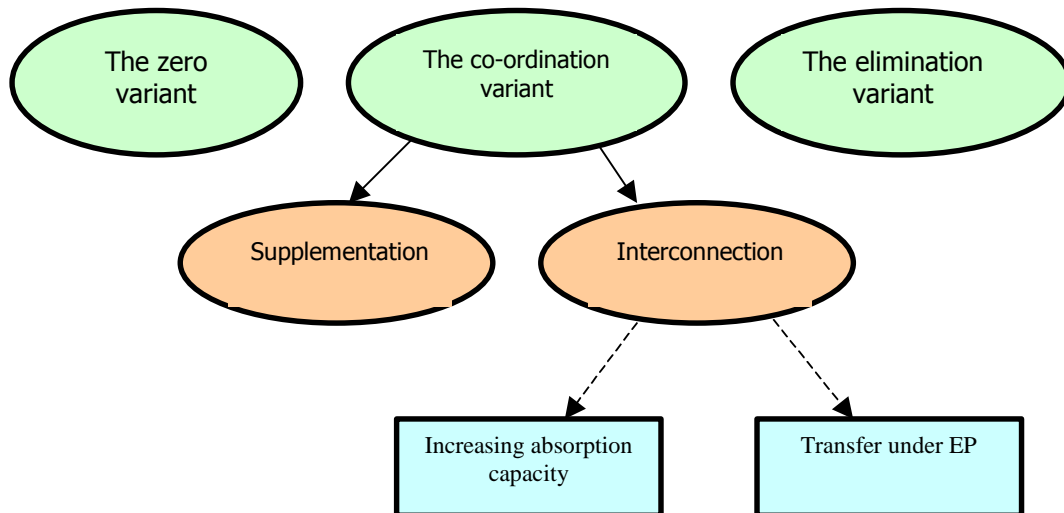
Absorption capacity, i.e., the ability of final beneficiaries to draw support for selected projects, can be enhanced through various means. The national line of support can be used, in this respect, primarily for:

- + Eliminating the leveraging effect of support from structural funds
- + Support for the elaboration of design documentation and for drafting support applications

Support from structural funds is provided primarily in the form of share subsidies which require the financial participation of the support recipient (leveraging effect), which may limit the ability of certain entities to “reach” the assistance provided to them. National programmes can thus be used to partially eliminate the leveraging effect through contributions to the mandatory financial participation.

Another problem which may reduce the absorption ability of applicants for support is the inclusion of the preparation of an application and project documentation among costs not eligible for support from structural funds, as in this programming period. Again, the use of national programmes for the financing of these project activities can be considered.

Both of the above-mentioned methods must be applied selectively to the support recipients, i.e., must be focused only on a selected and relatively limited group of entities or regions (e.g., voluntary associations of municipalities could be a good target group, as they usually do not have resources to co-finance large projects, or in the case of ROPs, selected economically weak micro-regions). An enhancement of a selective approach to support from European programmes would also strengthen the strategic dimension of those programmes.



5.2 Enterprise and Innovation (area A)

5.2.1 Basic Description of the Situation

In the area of "Research, development, innovation, and a knowledge economy", a significant shift has occurred in the Czech Republic in recent years. That is evident from the overview provided below.

The government has accepted two fundamental documents: the "National Strategy of Economic Growth" and the "National Innovation Policy of the ČR for 2005-2010". Both documents are significantly focused on implementing the goals of the Lisbon Strategy. Especially the national innovation policy sets clear priorities for the sphere of innovation development, and thereby also for the development of a knowledge economy.

In 2004, the structure was significantly changed of national programmes for supporting enterprise under the responsibility of the MIT, which presently suitably supplements European programmes. The Ministry also transferred the organisational arrangement responsibility for these programmes to the Czech-Moravian Guarantee and Development Bank (ČMZRB) and the agencies CzechInvest (CI) and CzechTrade. Given that both ČMZRB and CI have their own regional representations in individual regions, this made these programmes more available for small and medium-size enterprises. The MIT only takes care of the organisation of national research and development programmes.

In this context, the announcement of the National Research Programme II (NRP II) cannot be left out, which is the implementation tool for the priorities of the "National Research and Development Policy of the Czech Republic for 2004 – 2008" for 2006 to 2011. The programme contains four thematic programmes (Sustained prosperity, Healthy and quality life, Information technologies for the knowledge society, and Social and economic development of the Czech society) and three cross-sectional programmes (Human resources, International co-operation, and Support for the preparation and implementation of national policy, including technical

assistance). The thematic programme Sustained Prosperity is under the responsibility of the MIT and the remaining three thematic programmes and three cross-sectional programmes are under the responsibility of the MEYS. As is evident from the name, they focus on supporting R&D and will therefore need to be harmonised with in EU programmes in the future which will support the development of research and development capacity and infrastructure development for the cooperation of research and development stations with the business sphere.

5.2.2 Assessment of the suitability of variants of regulating relations in the sphere of enterprise and innovation

We can fairly say that in the area of enterprise and innovation, only the variant of co-ordination of national and European programmes is possible. That is due, primarily, to the above-mentioned interconnectedness of national and European programmes and also from the fact that in the Czech Republic, there are only national programmes supporting research and development, and related national programmes are missing which would support the co-operation of research and development stations with the business sphere. As we have already said in the introduction, the MIT chose this approach (co-ordination of national programmes) in the past for programmes to support enterprise and it is evident that it wants to continue to apply this approach, having again entrusted the organisation of the telematic programme NRP II Sustained Prosperity to CzechInvest. In the sphere of research and development, however, the act on supporting research and development (no. 130/2002 Coll.) and related regulations will have to be observed.

5.2.3 Recommendation of an Optimal Variant for Arranging Relations

As we have shown in the previous chapter, the co-ordination of national and European programmes in the sphere of Innovation and knowledge economy is the optimal variant for the Czech Republic. Given the above-mentioned absence of national programmes supporting the co-operation of research and development work-stations with the business sphere, co-ordination should not be too difficult in this respect. The conditions related to the announcement of NRP II, however, will have to respond, from 2007 (preparation in 2006), to the conditions of European programmes supporting the development of research and development capacities and infrastructure supporting the transfer of results of research and development into practice in a way as to ensure that national and European programmes support each other. Rather than possible overlaps, gaps between European and national programmes should be feared. Given the manner of financing, especially of research and development stations (universities and public research institutions), it would be suitable to prepare national programmes for the elimination of the leveraging mechanism in European programmes. Given the expected amounts concerned in projects relating to enhancing capacity and infrastructure (tens or hundreds of millions of crowns), difficulties may be expected with ensuring co-financing by these organisations. Partially, this problem could be addressed through assistance in searching for a suitable co-investor from the private sphere. Especially in the case of large-scale projects (such as science parks), the participation of an experienced investor (with the appropriate know-how from the work of those organisations), could bring a multiplication effect. Here, the experience and contacts of the agency CzechInvest could be used, which would not increase stress on the state budget in any dramatic way.

Another form of support which could be addressed through national programmes is support in the drafting of the required documentation. Research and development stations in the Czech Republic do not have sufficient experience with the building of an infrastructure for co-

operating with the business sector. The elaboration of a suitable project and the subsequent filing of an application for support are not only financially demanding, but it also requires co-operation with experts in the given field, of whom there is a shortage in this country. Using the construction of a large science park as an example again, it does not involve only the building of the technical infrastructure itself, but also the elaboration of a number of initial expert analyses and the setting of the future activity of the science park (including ties among the partners). The quality of such a project will naturally have an impact on its future effectiveness. It is evident that co-operation with foreign experts would be desirable in this respect.

Presently, the authors of this report are not clear as to the scope of support from European funds in the City of Prague. In this territory (outside of the areas of Objective 2), it has not yet been possible to support the development of research and development capacity from European funds or the building of infrastructure for cooperation of research and development stations with the business sector, or the introduction of new technologies. Prague is the country's centre of education and research and development. The use of this capacity is absolutely essential for the future economic and social development of the country. For that reason, adequate national programmes will have to be created in the event of an absence of European programmes (under similar conditions as European programmes on the Objective 1 territory).

Enterprise and innovation are two inseparably connected areas. This is due, among other things, to the fact that innovation is a primarily entrepreneurial phenomenon and the effectiveness of the use of the results of research and development in practice is only measurable by their success on the market. This fact is important in terms of the future structure of national and European programmes in this area. The above analysis shows that even in the sphere of Enterprise, there have not been significant overlaps between national and European programmes and that national programmes supplemented European programmes. With the expected change in the focus of European programmes on the sphere of development of a knowledge society and on creating support (rather than grant) instruments for the development of enterprise, the structure of national programmes will have to be adapted to those requirements. In this respect, we do not recommend creating national programmes for providing subsidies (aside from those to precisely defined groups), but rather, programmes eliminating the impact of the leveraging effect, especially for small companies, and programmes supporting project elaboration.

The last remark relates to the Framework Programme for the Support of Technological Centres and Centres of Strategic Services and to the Programme to Support for the Development of Industrial Zones (PSDIZ). Both programmes in their present form supplement the scale of investment incentive tools.⁴ The authors realise that this type of support is not compatible with

⁴ These programmes are not administered on the basis of the act on investment incentives (Act no. 72/2000 Coll.), nevertheless, the Framework Programme uses the same instruments as "traditional" incentives for the processing industry, but it does enable technological centres and strategic services to obtain support under softer conditions than those which apply to processing industry. PSDIZ presently functions only as a tool for incentive investments and project of strategic importance. All other projects (in the CzechInvest terminology) are already administered in the Reality programme in the OP EI.

the rules of SF administration, but do also think that these areas should be, in the long-term, completely supported under standard EU SF programmes and support of large investors should be addressed on a case-by-case basis. The transfer of those programmes under SF does, however, depend on the government's priorities and on its attitude to retaining the present form of investment incentives.

Table 2: Recommendations for modifying national XX programmes

National programmes	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
Framework programme to support technology centres and strategic service centres				✓	
Programme to support the development of industrial zones				✓	
Support for enterprise in the form of subordinated loans PROGRESS				✓	
Programme of setting up alliances and presenting them abroad ALLIANCE				✓	
Programme of research and development II SUSTAINED PROSPERITY		✓			
Program of research and development TANDEM		✓			
Program of industrial research and development IMPULSE		✓			
Programme for supporting SMEs actively participating in the 6 th framework EU programme for research and technological development	✓				
Programme of guarantees for SMEs GUARANTEE				✓	
Program of support for SMEs MARKET					Can be wound down, concerns mainly Prague
Programme of support for consulting and					

National programmes	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
innovative enterprise for SMEs CONSULTING				✓	
Programme to support design for small and medium enterprises DESIGN				✓	

Retain unchanged – the programme will remain as is, it is supplementary to SF, corresponds to national priorities

Transfer under SF – the programme corresponds to European priorities, will be transferred under SF a) practically in its present form or b) must be changed

Other – transfer to regions, merger, etc. (must be specified) or winding down (the programme does not correspond to national or European priorities)

5.3 Regional Development (area B)

5.3.1 Basic Description of the Situation

The occurrence (and gradual advancement) of a new paradigm of European regional policy seems key for resolving the relationship of European and national priorities. Its purpose remains support for economic and social cohesion, but not (only) by re-allocating resources to “poor” regions, but by a general enhancement of the competitiveness of the national economy, using the comparative advantages of all regions. The central idea of this shift is the change of regions from object of assistance into entities of self-assistance: “The new paradigm is probably in the point of intersection of a group of theories such as flexible specialisation, theory of the production district, the theory of learning regions and cultural and behavioural approaches to the study and organisation of production and the conduct of companies. A general phenomenon of these theories is a sway away from exogenous development (represented by the concept of development based on tax reliefs, subsidies, low wages, technology transfer, external investments, etc.) to endogenous development. A key aspect of endogenous approaches to regional development is the attempt to change the atmosphere in the region, enhancing competitiveness, the attempt to evoke positive expectations, and create partnerships leading to active adaptation.⁵” The role of the quality of the human factor and its abilities therefore grows significantly, and the construction of national and European regional development programmes must adapt to that.

There is – at least verbal – agreement as to the need for change in the paradigm of regional policy in Europe, which should not longer be concerned exclusively with poor regions, but should contribute to an overall long-term economic growth of the entire country⁶. In terms of the theory of regional policy, there is also agreement as to the fact that this change is not a

⁵ Blažek, J. (1998): Teorie regionálního vývoje: je na obzoru nové paradigma či jde o pohyb v kruhu?

⁶ HMT, DTI, ODPM (2003) A Modern Regional Policy for the United Kingdom, HM Treasury, Department of Trade & Industry, and Office of the Deputy Prime Minister, Great Britain, March 2003.

sudden turn, but only the peaking of development which this area has undergone in recent decades⁷ and which can be characterised as follows:

- ⇒ Focusing on both effectiveness and on comparing disparities;
- ⇒ Shifting attention away from a mere redistribution of resources towards supporting competitiveness; strengthening instruments focused immediately on economically productive activities;
- ⇒ Reflecting not only territorial but also sectoral aspects and at the same time, reduction of the intensity of public aid;
- ⇒ Implementation through a broader range of actors (with a more significant role of self-governing authorities and business entities) and various distribution mechanisms based on factual need;
- ⇒ Basing support on multi-year strategic frameworks;
- ⇒ By paying greater attention to the efficient use of the support provided and a much broader use of various methods of evaluation.

The result is a situation when regional policy is built on three main principles⁸:

- ⇒ Shifting from territorial redistribution to support of regional competitiveness, where attention is no longer paid to the mere reduction of inter-regional disparities, but to support for the economic potential of the region which can support economic growth;
- ⇒ Shift from a sectoral approach related to a specific place towards a more interdisciplinary approach focused on economic development;
- ⇒ Shift from directly provided support to indirect support for the business environment, which will replace direct payments with investments, and measures for the general improvement of that environment.

In practical EU intervention policy in the field of regional development in 2007-2013, however, these theoretical postulates will not be fully implemented, especially not in the Czech Republic. The primary obstacle are the diverse interests of public policy actors on the national and

7 Bachtler J. and Raines P. (2002), A New Paradigm of Regional Policy? Reviewing Recent Trends in Europe, podkladový dokument pro 23. setkání EoRPA Regional Policy Research Consortium, European Policies Research Centre, Ross Priory, 7-8 October. Bachtler J (2003) 'The Implementation of EU Regional Policy: Experience from EU-15 Member States', in V. Benč (Ed.) Readiness of the Candidate Countries for EU Regional Policy, Slovak Foreign Policy Association Conference Almanac, 3-5 November 2003, Bratislava.

8 Pezzini M. (2003) závěry z jednání, Setkání komise EU pro územní a městský rozvoj, Brussels, 18 Feb. 2003 in Polverari L. and Bachtler J. (2004), Assessing the Evidence: The Evaluation of Regional Policy in Europe, EoRPA Paper 04/5, European Policies Research Centre, University of Strathclyde, September 2004.

European level (i.e., "political acceptability"), but also other determinants, for example of a legal nature, which can have a significant impact on the final form of regional policy. In the background of these obstacles is the fact of the historically uneven development of various territorial parts of the EU, which therefore face different problems in the sphere of regional development, or, in other words, are in a different degree of "ripeness" for accepting the new paradigm. The Czech Republic itself is a typical example, where the insufficient equipment of regions with infrastructure is an obstacle which has largely been resolved in a large part of "old" Europe.

5.3.2 Assessment of the Suitability of Variants for Regulating Relations in Regional Development

The complete penetration of principles with which European documents operate into national regional development support programmes is – for objective reasons – illusory (see above). That means that the variant when national programmes in the ČR would be fully eliminated by European programmes, is not realistic for both factual and political causes. Similarly inefficient (due to the low level of concentration of funds, high transaction costs of small, fragmented support programmes, and the absence of mechanism for the evaluation of their effectiveness) would be the complete retention of the "two-track" system of European and national programmes.

In the sphere of regional policy, therefore, the only viable option is the **variant of co-ordination**, both in the sub-variant of programme "supplementation" and in the sub-variant of programme "interconnection". Our analysis does, however, show that rather than being in "interconnection" with European support programmes, national programmes will be supplementary.

Of the existing (analysed) national regional programmes, especially the today already decentralised **Programme of Rural Renewal** can be called **supplementary**. Although individual regions set different conditions for drawing its funds, a common feature is their orientation on very small projects which are presented by small municipalities – i.e., that entity which has very limited conditions for involvement in other support programmes – national, let alone European. From this point of view, we can justly call it supplementary. At the same time, however, a part of this programme could be oriented on enhancing absorption capacity (see below) of rural areas from European programmes (not only under ROPs, or other OPs, but also under the "European" Rural Development Programme), the more that rural development is one of the priorities of EU regional policy. The decision as to whether this will be the case is in the hands of regional political representation: thus far, analyses of the behaviour of regions indicated that PRR will run as it is already set and other subsidy titles from regional resources will be used to enhance absorption capacity of municipalities. Those are, however, usually focused on rural areas (i.e., small municipalities), but on recipients defined by sector or recipients in "regions for concentrated support" identified by the region.

In terms of the **centralised PRR sub-programme**, its existence seems to be an ineffective overlap, which exists de facto regardless of the existence or non-existence of European support programmes, only in relation to the decentralised PRR programme. It is therefore desirable to **wind down** this sub-programme and to transfer the funds allocated under it to regions.

It would be equally as useful to consider a decision on the "supplementary nature" in relation to ROP and IOP of both "traditional" regional centrally organised national programmes (with very similar content), i.e.:

- ⇒ **Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region**
- ⇒ **Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions**

Both those programmes work with multiple subsidy titles, which relatively precisely copy national priorities (see above), and their support recipients may only be municipalities from variously identified problem areas. These subsidy titles are focused primarily sectorally (support of enterprise, tourism development, revitalisation of living and natural environments, etc.) and the variant of "subordinating" them to analogically oriented priorities and measures of ROP and IOP offers itself. Given the present proposals of these OPs (including the areas, forms, and support recipients specified in them), adapting both regional programmes to "supplementary" ones seems more suitable. Both NUTS 2 (SZ and MS), and other economically weak regions (specified by the government) undoubtedly deserve assistance, given the seriousness of their economic and social problems, but this assistance should newly focus on sectors and recipients with a small or no chance of reaching support from ROPs and IOPs. Preliminarily, we could consider limiting them to smaller municipalities (of up to 10,000 inhabitants, for example), smaller projects or projects whose sector falls more or less outside of the definition of OPs (e.g., social care, health care, creating a new image of settlements, etc.).

In the case of both preferred NUTS 2, one of the subsidy titles is directed directly at supporting the preparation of "European" projects, but here, too, the variant of "interconnection" with ROPs, IOPs, or even different OPs does not seem ideal, although it seemingly offers itself (increasing absorption capacity). Both experience from the not very successful practical implementation of this subsidy title and the fact that ROPs in both NUTS 2 receive (or will receive) relatively high amounts of funds as part of "technical assistance", speak for the cancellation of this subsidy line and for giving the funds thus saved to direct investment support in newly defined national support areas (see above).

The second variant of relations between national programmes and OP measures consists of their interconnection. That means a direct link between the national and European lines of support. The interconnection of programmes may come in one of 2 forms:

- ⇒ Selected national programmes will be transferred under European programmes and will thus obtain more funding
- ⇒ National programmes will serve to enhance absorption capacity

The first case, i.e., "subordination" of national programmes to the contents and form of European programmes, would, of the present regional development support programmes, only concern the last "key" national support programme: **Regional Programme of Support for the Development of Industrial Business Entities in the NUTS2 Region Northeast, Moravia-Silesia, and in Other Regions**. Here, too, only on the condition that the content of the programme is adapted in order for the subject of support to be "in harmony" with OP PI, in particular. Thinkable in this connection is for example an increase of the percentage of public

aid to business entities in the 24 districts of the Czech Republic concerned, i.e., of state co-financing of "European" support.

The second example does not concern any existing regional development support programme.

The last national programme analysed, i.e., the **Regional Programme for Supporting the Renewal and Construction of Technical Infrastructure in the Former Military Areas in Ralsko and Mladá**, is, as has been said above, in such weak harmony with both national and European and "operating" priorities in the sphere of regional development, that we recommend to **wind it down entirely** and to transfer the funds allocated under it to specific NUTS 2 (Central Bohemia).

Overall, the proposed solution, preferring either the winding down of existing national programmes (transferring the funds allocated through them to different national entities), or their retention as supplementary to ROP and IOP measures, responds also to the practical risks involved in the "dissolution" of the programmes in the European line of support, related for examples to the interruption of assistance to certain target groups in need.

The transfer of the analysed national programmes under European programmes could thus become the subject of discussion only in a longer time-perspective – especially once experience is acquired with the practical implementation of OPs.

The above-mentioned proposals for the co-ordination of national and European regional development support programmes will, however, have a positive effect only if certain general problems are resolved, including:

- ⇒ A real strengthening of the programming principle in the allocation of public aid to regional target groups (improved preparation and enhancement of public acceptance of programming documents)
- ⇒ Simplification of the complex implementation mechanism in European support programmes
- ⇒ Adaptation of the presently inadequate legal framework
- ⇒ Enhancement of the co-ordination role of regional policy in relation to sector-specific support tools.

5.3.3 Recommendation of an Optimal Variant for Arranging Relations

On the basis of the analysis provided above, the following can be recommended for the area of regional development:

- ⇒ Closing down the following programmes (without compensation):
 - Regional Programme for Supporting the Renewal and Construction of Technical Infrastructure in the Former Military Areas in Ralsko and Mladá,
- ⇒ Transfer to another entity (regions):
 - Programme of Rural Renewal (centralised sub-programme)

⇒ Transfer under European programmes:

- Regional Programme of Support for the Development of Industrial Business Entities in the NUTS2 Region Northeast, Moravia-Silesia, and in Other Regions⁹

⇒ Retain with changes in content:

- Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region
- Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions

Table 3: Recommendations for modifying national regional development programmes

National programmes	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
Programme of Rural Renewal (Centralised sub-programme)					Wind down - transfer to regions
Regional Programme of Support for the Development of Industrial Business Entities in the NUTS2 Region Northeast, Moravia-Silesia, and in Other Regions				✓	
Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region		✓			
Regional Programme for Supporting the Renewal and Construction of Technical Infrastructure in the Former Military Areas in Ralsko and Mladá					Wind down – transfer to NUTS 2 Central Bohemia and North-east
Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions		✓			

Retain unchanged – – the programme will remain as is, it is supplementary to SF, corresponds to national priorities

Retain with a change – the programme will be modified, it is supplementary to SF, corresponds to national priorities

⁹ As at next year, a transfer of this programme under OP II is planned, where one of the support areas will focus solely regionally, on the Ústí nad Labem and Moravian-Silesian Region.

Transfer under SF – the programme corresponds to European priorities, will be transferred under SF a) practically in its present form or b) must be changed

Other – transfer to regions, merger, etc. (must be specified) or winding down (the programme does not correspond to national or European priorities)

5.4 Human Resources (area C)

5.4.1 Basic Description of the Situation

Human resource development is one of the most important aspects of overall economic and social development, which has a fundamental impact on the competitiveness of the country and of the regions. Therefore, increasing amounts of space are given to it in European and gradually also in national strategies and programmes.

National programmes focus primarily on the development of initial education and on labour market development, whether in terms of retraining people or creating new jobs, and also on the sphere of social services, where they assist in the integration of disadvantaged groups of inhabitants in society and in the labour market. Other programmes are focused on the development of science and research, on supporting culture, and on ecological education.

An area which has been practically neglected by national programmes, although the present national strategic documents pay great amounts of attention to it, is the sphere of further professional education and increasing of the qualification of employees in productive age (increasing the qualification of the labour force). Small exceptions exist, in the form of department-based education at the Ministry of Agriculture, support to starting-out entrepreneurs in a Ministry of Industry programme, or programmes for the further development of pedagogic staff announced by the MEYS. Outside of programme support stands the education of public administration employees, which is implemented directly by state administration and self-governing institutions, from their budgets.

Many national programmes are highly fragmented (*Active employment policy, programme for supporting social services, etc.*), certain programmes are supplementary measures in nature rather than being autonomous programmes (*Contribution for transport*), or comprise mandatory expenditures (*the provision of financial funds to businesses which employ more than 50% of citizens with a reduced ability to work status*). Certain national programmes include innovative parts which may be addressed under European programmes, but they also serve to cover operating costs or social benefits not eligible under structural funds (*Support for Romany secondary school students*), or address the involvement of Czech entities in other European programmes (*Programme to support the development of internationalisation at public universities*). These aspects must be considered in evaluating whether a national programme can be transferred into a line of programmes drawing funds from structural funds or whether and how national programmes should be adapted to prevent undesired overlap or the occurrence of gaps in the implementation of national priorities.

A fundamental change in the preparation and financial support provided to national programmes came with the country's accession to the European Union and with the related

opportunity to use structural funds. As compared to pre-accession assistance from Phare, which was very limited as compared to structural funds (whether in terms of financial volume or geographic coverage), the use of structural funds and the ESF specifically, makes it possible to enhance and expand most national programmes and hitherto unimplemented national priorities through European co-financing. Consultations at various ministries (especially at the MEYS and MLSA) have indicated, however, that the shifting of whole programmes is not on the agenda, rather, only the shifting of selected activities under them.

5.4.2 Assessment of the Suitability of Variants for Regulating Relations in Human Resources

The previous stage of the evaluation project defined 3 basic variants for modifying the relations between national programmes and programmes of co-financing from structural funds:

- ⇒ The zero variant
- ⇒ The elimination variant
- ⇒ The co-ordination variant

Taking a closer look at the content of national programmes and the opportunities afforded by the structural funds regulations, and specifically by the regulation on the European Social Fund, the advantages and disadvantages of each variant solution can be identified.

a) The zero variant

This variant, where there is no modification of the relations between national and European programmes, is generally understood as a variant with low demands as to management and represents nearly no requirements as to the modification of the present national programmes. But its drawbacks are more significant than its positive aspects: it preserves the two-track system where identical or related programmes are financed twice, from two different sources (an example may be the *active employment policy* in the 2004-2006 programming period) and a separate implementation infrastructure is build to manage each of them, which greatly increases administrative costs and there is a lack of well-trained staff. Where parallel programmes exist, the potential applicant finds it hard to get oriented in the programme description and furthermore, if the conditions are not equal (grant amount, duration of project, inclusion of public aid, project pre-financing, etc.), the applicants opts for the more advantageous variant and the financial funds under the other programme remain undrawn. If all national programmes are retained, there will also be a problem with the sufficient allocation of national resources for the co-financing of European programmes. The only way of making national programmes for effective under the zero variant is to merge small and overlapping programmes (e.g., *Programme to support the creation of new jobs in regions most struck by unemployment*, *APZ – Socially useful jobs*, and *Support for the creation of jobs with a reduced ability to work status*) or transfer programmes from the national level to regions, for example (grant schemes in the sphere of education).

Given the present state of national programmes (fragmentation, overlap, and failure to reflect national priorities), we consider this variant unsuitable, not addressing the situation at hand.

b) The elimination variant

This variant would mean a significant reduction or complete elimination of national programme and the financing of European programmes only, using resources from structural funds, i.e., from the European Social Fund. Although this variant has its radical proponents and seems to offer a quick solution for the clumsy system of two-track programmes and an opportunity for acquiring available resources for the co-financing of European programmes, it has its opponents, especially in the conservative circles of programme administrators. They defend established ways and warn about the danger of losing programmes which are not entirely in line with the intervention areas of structural funds in terms of their contents. It is entirely suitable to warn here against an across-the-board application of this variant, which would eliminate those parts of national policy in the specified areas which differ from European policy or which supplement it suitably. As an example, we can state the accent put by European equal opportunities policy on the participation of women in education and employment, whereas the Czech reality in this sphere required, rather, interventions into the functional position or in the pay sphere. Another example is the creation of new jobs, where European documents emphasise primarily the quality of new jobs (attractiveness of work), whereas the relatively high unemployment rate in the Czech Republic stresses the quantitative aspects of the policy.

National programmes often include areas which can be covered by structural funds interventions. Equally as frequently programmes support activities which are not eligible for support from structural funds (*Contribution in the event of a transfer to a new business programme, Support for Romany secondary school students, Support for the development of relations among communities* (as at 2006, this area was newly integrated in the programme of support for social services on the national level)), or they are entirely or partially designed for target groups absolutely ineligible in terms of the focus of European programmes (*Programme of state support for working with children and youth for non-governmental non-profit organisations for 2004-2006*).

National programmes can only be eliminated in those cases when European programmes may encompass the full breadth of activities and target groups covered by national programmes. In a situation when national programmes focus on intervention areas standing outside of the EU cohesion policy or on the margins of its interest (leisure-time activities, operation of social facilities for seniors, etc.), they would be retained. An across-the board elimination of national programmes would mean that the above-mentioned programmes would completely cease to exist or that the scope of their activities would be radically reduced.

c) The co-ordination variant

The co-ordination variant seems most suitable and effective as concerns the final result, as it makes it possible to retain all activities pursued to this point and gradually removes undesired overlaps and the two-rail system of the programmes and their implementation structures. It cannot, however, be covered that the application of this variant would require an enormous effort at the stage of preparation of operational programmes. Those are nearly all in their final form now. If the co-ordination variant were used, national programmes and the gaps identified (only those which are in line with national or European priorities) would have to be analysed in detail in terms of the activities and target groups and be divided into those which can be financed from structural funds and those which stand outside of the scope of EU economic and social cohesion policy and do not comply with the requirements for financing from structural funds. Subsequently, those programmes can be separately included under various lines of support.

If the concept of supplementation is used, eligible activities and target groups must be defined which can be supported from structural funds, and these must be included in a suitable operational programme. For the remaining activities and target groups, national programmes must be retained, modified, or created. The route of gradual steps must be taken and careful consideration must be given to the issue of where it is suitable to merge programmes under the European line and how national programmes can support the implementation of European programmes. We recommend using national programmes not only to cover national priorities, but also in preparation for the drawing down of funds from European sources – they will represent a source of ready projects, which will contribute to the enhancement of absorption capacity. On the basis of negative experience from the implementation of the 2004 – 2006 programming period, we consider crucial for the drawing of European funds the development of implementation structures in terms of quality and effectiveness, and we also propose to support such an increase in quality from European and national resources.

In the area of human resource development, we recommend to massively use national public resources in the co-financing and pre-financing of European programmes, for several reasons:

- ⇒ The low volume of available financial resources and inaccessibility of loans for most actors from the non-profit sector,
- ⇒ The unwillingness of employers to invest into the education of their employees who can easily transfer their knowledge and skills to another employer,
- ⇒ Saving on the costs of education endangers the long-term performance of a company, but does not pose an immediate threat to the operation of the company, and is therefore an easily dispensable expenditure,
- ⇒ Investment into initial education, employment, and social integration does not bring any profit to the project sponsor (usually the public or non-profit sector), therefore, there is insufficient motivation for co-financing.

5.4.3 Recommendation of an Optimal Variant for Arranging Relations

In selecting an optimal variant for arranging the relations of national and European programmes, the fact needs to be taken into account that national and European programmes are not two separate worlds. Both contribute to the fulfilment of strategic goals which the Czech Republic proclaims, whether they are defined in national or European strategic documents. They are two financial resources which can be used together, if national and European programmes correspond, or if the Czech Republic has taken as its own the priorities existing on the European level. If the Czech Republic also defines other national priorities, which are not reflected in European priorities, a portion of the national budget must be allocated separately, without using European resources. There are rules set for the use of both of these financial resources, of which some are identical, but some very different and limit the simple merger of programmes under the European line. Fortunately, this situation is beginning to change, too. National and European funds are gradually integrated and structural funds and the Cohesion Fund will be included in the national budgeting process.

In addressing the future form of programmes in the area of human resource development, we find it useful to use, above all, the co-ordination variant, although inconsistencies in the system must be in part resolved through the zero variant and the elimination variant.

A. Evaluation of the existing national programmes

There is a relatively great number of programmes which are relevant to the area of human resources. They have, therefore, been divided into several groups:

- ⇒ The existing programme does not reflect either national or European priorities – then it should be wound down (we have not found any such programme among the present programmes).
- ⇒ The link of the existing programme to national and European priorities in the area of human resources is not significant and it would be suitable for this programme to become a part of another suitable programme, which has a strong link to another area (as is the case of education in the *Programme to support energy savings and renewable sources of energy of the ME and MT*).
- ⇒ Several programmes are focused on the same or similar intervention areas and it seems effective and suitable to merge them into one, with regional differences as to the intensiveness of support, for example, but with uniform conditions for the same applicants (*Programme for the creation of new jobs in regions most struck by unemployment and APZ – creation of socially useful jobs*).
- ⇒ Some programmes have a similar focus although they are administered by different sponsors. An agreement must be reached as to their integration (*Programme supporting the integration of foreigners - MLSA* (although as at 2006, the programme is not announced separately, but as a part of a competition for subsidies in the provision of social services) and the *Programme to support activities in the area of integration of foreigners in the Czech Republic – MEYS*).
- ⇒ Certain programmes, although they may be focused on the same intervention area, have a different target group, include a different type of activity and it is suitable to retain them as separate programmes (*Programme of support for social services on the national level* and *Programmes of support for social services on the local and regional levels*).
- ⇒ Certain national programmes are fully compliant with European priorities and there is a strong overlap with operational programmes, and they can be transferred under the European line of support. This concerns even those programmes whose focus is narrower and overlap with only some of the activities or target groups of the support areas, thereby constituting their sub-section (e.g., *Programme to Support the creation of social structures among universities and the customer sphere*, which is only designed for public universities, but both public, state, and private universities may submit their projects under programmes financed from the SF)

B. Proposals for programmes filling the gap in the implementation of priorities defined by strategic documents:

- ⇒ Identify the gaps where European priorities are not reflected in any national programme and define a programme in the European line (support for further professional education, support for education for innovation, research, and development).

- ⇒ Identify national priorities which do not constitute a part of European priorities and are not reflected in any existing national programme, and define a programme on the national level (e.g., *support for language education in life-long learning*).

Table 4: Recommendations for modifying national human development programmes

Proposal Programme	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
ME – State programme to support energy savings and use of renewable sources of energy					
MIT – Programme of support for the development of industrial zones – Accreditation of industrial zones					
MIT – Programme for the support of business activities and the promotion of equality of men and women				Transfer under OPHRE, creation of new jobs with the horizontal them of equal opportunities	
MIT – Programmes of support for SMEs creating conditions for the employment of citizens from problem groups. SPECIAL					
MT – State programme to support energy savings and the use of renewable sources of energy in the transport sector					
MI – National computer literacy programme	Retain – is not immediately connected with the job market				
MI – Education and human resource development	Retain – is not immediately connected with the job market				
MI – Information society	Retain – is not immediately connected with the job market				
MI – Subsidies to support high-speed internet					
MLSA – Programme to support the creation of new jobs in regions most stuck by unemployment				Merge under OPHRE and creation of new jobs in OPHRE	
MLSA – Programme of support for social services on the national level			Transfer under OPHRE, PO social integration and equal opportunities		
MLSA - Programme of support for social services on the local and regional level			Transfer under OPHRE, PO social integration and equal opportunities		
MLSA – Programme to support the equal opportunities of women and men					

Proposal for a new distribution of development programmes and for the co-ordination of national and European support programmes vis-a-vis the utilisation of money from EU funds in 2007-2013

Proposal Programme	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
MLSA – Programme to support the integration of foreigners					
MLSA – Programme of support for the establishment of social exclusion prevention services for parents caring for children up to 6 years of age		Merge with programmes supporting facilities providing advice, prevention and social services in general			
MLSA – Programme to support education to harmonious marriage and responsible parenting		Include in a general support programme, see above			
MLSA – Programme of support for consulting for women and girls with so-called unwanted pregnancies					
MLSA – Programme for helping families with children threatened by dysfunction		Include in a general support programme, see above			
MLSA – Programme of support and assistance for children leaving institutional or foster care		Include in a general support programme, see above			
MLSA – Active employment policy	Retain those parts which cannot be financed from the SF – e.g., pay support for existing jobs		Transfer under OPHRE – retraining, consulting, contribution to transport as an auxiliary measure	Expand by other auxiliary measures (e.g., support while watching over a dependent)	
MLSA - Programme to Support the Renewal or Technical Appreciation of Tangible Fixed Assets Used in the Work Application of Persons with a Reduced Ability to Work	Retain those parts which cannot be financed from the SF – evaluation of existing jobs			Auxiliary measure in the creation of new jobs	
MLSA – Provision of financial funds, subsidies, to business entities employing more than 50% of citizens with a reduced ability to work status					
MLSA – Investment incentives			Transfer under new job creation		
MEYS – Support for specialised education					
MEYS – Programme to support the work of civic associations working in regional education					Transfer to regions
MEYS – Programme of support for schools with a high share of students from a socially and culturally disadvantaged environment					
MEYS – Programme of support for education in the languages of national minorities and for multicultural education	Retain				
MEYS – Programme for the integration of the Romany community		Transfer and merge with activities of the Government Council for the Affairs of the Romany Community			

Proposal for a new distribution of development programmes and for the co-ordination of national and European support programmes vis-a-vis the utilisation of money from EU funds in 2007-2013

Proposal Programme	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
MEYS – Programme to support activities in the integration of foreigners in the ČR		Partially merge with the MLSA programme or link to MI priorities	Educational activities for OPHRE		
MEYS – Programmes to support infrastructure development at public universities			Transfer under OPEC		
MEYS – Programme to support the development of internationalisation at public universities	Retain as national co-financing of international programmes				
MEYS – Programme to support the development of long-term plans for educational, scientific, research, development, artistic and other creative activity of public universities and their parts	Retain as national policy-making				
MEYS – Programme of support for Romany secondary school students			Transfer under OPEC		
MEYS – Programme of state support for working with children and youth for non-governmental non-profit organisations	Retain				
MEYS – Programme for the preparation and development of study programmes for teachers			Include in OPEC		
MEYS – Programme for the preparation and development of human resources			Include in OPEC		
MEYS – Programme for the development of modern technologies	Retain				
MEYS – Programme to support handicapped students and applicants from socially disadvantaged groups	Retain				
MEYS – Programme to support the creation of joint structures of universities and the customer sphere			Include in OPEC		
MEYS – Programme to support increasing the quality of management at public universities				Include in OPEC or OPHRE as part of further education	
MAG – Support for acquiring minimum agricultural qualification				Merge with the OPHRE retraining programme	
MAG – School plants				Include in support for initial professional training OPEC	
MRD - Regional Programme of Support for the Development of Industrial Business Entities in the NUTS2 Region Northeast, Moravia-Silesia, and in Other Regions					



The programme is not primarily focused exclusively on HRD

The programme was wound down / will be wound down / or it is not a programme

Retain unchanged – – the programme will remain as is, it is supplementary to SF, corresponds to national priorities

Retain with a change – the programme will be modified, it is supplementary to SF, corresponds to national priorities

Transfer under SF – the programme corresponds to European priorities, will be transferred under SF a) practically in its present form or b) must be changed

Other – transfer to regions, merger, etc. (must be specified) or winding down (the programme does not correspond to national or European priorities)

5.5 Transport Infrastructure (area D)

5.5.1 Basic Description of the Situation

There are three basic types of programmes in the sphere of transport:

- ⇒ Programmes to support serviceability of regions by transport;
- ⇒ Programmes focused on the safety of transport and accessibility for persons with handicaps,
- ⇒ Programme to support sustainable forms of freight transport.

The aim of these programmes is to, above all, remedy inequalities in the transport market. Mass transport is supported, which has to compete with individual car transport, where the price of the vehicle is usually not taken into account when the decision to use it is made. Greater safety is aided, and barriers are removed to persons with restricted sensory perception or mobility. Support is also given to those forms of freight transport which are less burdensome for the road network and friendlier to the environment. Another programme focuses on energy savings, which is therefore evaluated in the section on the environment.

Support programmes for the renovation of mass urban transport and public bus line vehicles focuses on supporting carriers in acquiring new buses, tramways, and trolleybuses for public transport in cities and regions; the implementation of this programme will overlap with support under OP Transport in the future (support for the purchasing of tramways) and with some ROPs (occasional occurrence of support for the purchase of buses – for example in combination with the use of alternative types of fuel). This duality will, however, in most cases only continue in the present situation, when support could be obtained in both the national programme and JROP.

The way in which public transport fleet renewal is addressed can therefore be called non-systemic, and this situation will improve only minimally with the employment of OP Transport and ROP (each grant of the operational programme usually prefers those carriers whose activity is financially supported from the its own budget level: the national level – railway carriers, regional level – regional bus carriers, national and regional level – mass urban transport

carriers; this uncoordinated division will lead to uneven access by carriers to the given type of support).

The Programme of Support for the Introductory Stage of a New Combined Transport Line is very specific and marginal in terms of the volume of funds allocated. Although it practically does not overlap with European support in the next programming period, the next proposal will also concern its future.

The programme for increasing the safety of transport and its accessibility to persons with reduced mobility or orientation is, together with the programme supporting the construction of bike paths, a member of the family of State Transport Infrastructure Fund (STIF) support-investment programmes. Both programmes are relatively problem-free, although the construction of bike paths is usually supported also under ROPs and overlaps therefore threaten.

5.5.2 Suitability of the basic variants of modification in relations for the sphere of transport infrastructure

In line with the previous stage of the evaluation project, three basic variants of the modification of relations between national programmes and programmes co-financed from structural funds are evaluated: the zero variant, the elimination variant, and the co-ordination variant. The variants are – in direct relation to specific programmes and sub-programmes – rather diverse in terms of the effectiveness of their use.

a) The zero variant

This variant, where there is no modification of the relations between national and European programmes, is generally understood as a variant with low demands as to management and represents nearly no requirements as to the modification of the present national programmes. But its drawbacks are more significant than its positive aspects and it cannot be recommended for using for any one of the transport infrastructure programmes evaluated.

b) The elimination variant

This variant would mean a significant reduction or complete elimination of national programme and financing exclusively through European programmes. Although the application of this variant in the transport sector may seem logical given the existence of only one real support programme, this solution would be hard to implement given the two-track arrangement on the level of OP Transport x ROP.

c) The co-ordination variant

In terms of the practical application to the one support programme in the area of transport, the co-ordination variant seems to be the most suitable, although it cannot be concealed that it will only mitigate the existing disproportions and will not bring, by far, the optimum results (those could only be achieved with the complete transfer of the programme to the European support environment, which is not realistic in this area, given the discord between OP Transport and ROP).

5.5.3 Recommendation of an Optimal Variant for Arranging Relations

We recommend using the variant of co-ordination of the national Programme of support for the renovation of public urban transit and public bus line vehicles with European support under OP Transport and ROP.

Given that only some ROPs (a significant minority) include this area of support, its availability for individual applicants from the regions in this form cannot be expected, and in the future, it would be suitable to take support for the renewal of the fleet of public carriers out of ROPs. Then only the issue of the two sources for the renovation of tramways would remain to be resolved (OP Transport x Programme of support for the renovation of public urban transit and public bus line vehicles), which should ideally be subsumed only under OP Transport (with the prospect of unifying all support for the renovation of public transport vehicles under OP Transport). Transferring the issue under ROPs, which is being presently considered, would only be possible and desirable after the new allocation of funds for individual ROPs is resolved (support for the renovation of vehicles is at present significantly financed from the state budget).

For the programme Support for the Introductory Stage of a New Combined Transport Line, we recommend to retain the present programme in unchanged form, because its significance is very specific and its use will thus remain relatively flexible.

We recommend retaining both investment-support programmes guaranteed by the STIF (support for making public transport accessible and development of bicycling infrastructure) once overlaps are removed, either for the independent financing of individual events and for providing for the co-financing of regional projects already supported by EU programmes.

Table 5: Recommendations for modifying national transport programmes

National programmes	Retain		Transfer under SF		Other Must be changed
	No change	Must be changed	No change	No change	
Programme of Renewal of Public Urban Transport Vehicles and Vehicles of Public Bus Lines				✓	
Support for the introductory stage of a new combined transport line	✓				
Increasing the safety transport and making it accessible to persons with reduced mobility and orientation	✓				
Construction and maintenance of bike paths		✓			

5.6 Environmental Infrastructure (area E)

5.6.1 Basic Description of the Situation

The environment is a sphere on which all other areas have a greater or lesser impact. Currently, there are inadequately addressed types of problems in the environmental area, which must be addressed in the long-term and whose adverse condition would have a significant negative impact on certain other areas (regional development, industry, etc.). The key document which, *inter alia*, addresses these problems, is the Sixth Action Plan for the Environment adopted by the resolution of the European Parliament and EU Council on 22 July 2002.

In 2005, several changes occurred in national programmes, especially in connection with the possibility to draw from European funds. The most significant change was that acceptance of applications into national programmes of the SEF was stopped as at 1 April 2005 due to the fact that applications had exceeded the financial possibilities of the fund. That was, however, caused by the setting of a spending limit for the SEF due to the fact that co-financing of investments from EU funds was set as a priority. In 2006, the same trend continued and acceptance of applications for certain support programmes and sub-programmes was not renewed (and its renewal is not planned in the near future).

In line with the Community Strategic Guidelines for 2007–2013 and the OP Environment 2007–2013 which is in preparation, investment in the following areas may be expected:

- ⇒ Infrastructure related to water, waste, air, and protection of nature and species
- ⇒ Revitalisation of the physical environment, including natural heritage
- ⇒ Use of renewable sources of energy
- ⇒ Prevention of risks through improved management of natural resources

In relation to documents concerning rural development in 2007–2013 changes can be expected primarily in the area of protection of nature and landscape. Programmes implementing this priority presently constitute the most significant portion of national programmes in the area of the environment and significant changes in them can be expected. The fulfilment of the priorities of axis 2 of the Programme for Rural Development 2007-2013 will have the greatest impact. This axis is directly concerned with improving the environment and landscape and its priorities are focused on the following areas: biological diversity and preservation of systems of agriculture and forestry with a high added value; protection of water; mitigation of climate changes (where 75% of the financing should go towards the first priority). Also the impact of the horizontal axis no. 4 will be significant, which is focused on the programme Leader and which will, among other things, mean that the programme Leader ČR will be closed down, or more precisely, transformed into Leader +.

5.6.2 Suitability of the basic variants of modification in relations for the sphere of environmental infrastructure

In line with the previous stage of the evaluation project, the following three basic variants of the modification of relations between national programmes and programmes co-financed from structural funds are evaluated: the zero variant, the elimination variant, and the co-ordination variant. The variants are – in direct relation to specific programmes and sub-programmes – rather diverse in terms of the effectiveness of their use.

a) The zero variant

In this variant, there is no modification of the relations between national and European programmes. This variant is, on the one hand, suitable given that it requires no modification of the present national programmes, but on the other hand, is very inadequate in many respects (double financing, excessive programme administration, more problematic drawing of funds due to more difficult orientation in programmes for applicants, etc.).

b) The elimination variant

This variant is factually the opposite of the previous variant. It requires an extensive modification of the existing system of national programmes, with the final goal of ultimately reducing or eliminating them entirely, and using only funds from EU sources. The application of this variant would bring a relatively effective solution for the system of two-track programmes, but the application of this method would have a negative impact on areas and target groups which are specific on the national level, or traditional and successfully utilised by users.

c) The co-ordination variant

This variant is generally the most advantageous, as factually, it enjoys the advantages of the two previous variants while eliminating their negative impact. The results of its application would be the preservation of all present activities and a sensitive removal of the two-track system from programmes and implementation structure. A certain disadvantage lies in the relative laborious preparation of programmes related to the need to thoroughly define activities and target groups as eligible and non-eligible for financing from EU sources.

The subsequent co-ordination of national support systems and the EU support system would save some of the national resources and could also reduce the weak points in the entire system of national support programmes.

5.6.3 Recommendation of an Optimal Variant for Arranging Relations

The optimum variant for arranging the relations between national and European programmes is the co-ordination variant. Before co-ordination of national and European programmes is addressed, the correspondence of various national programmes must be addressed. This concerns, namely, the following programmes or sub-programmes:

- ⇒ Sub-programmes of the former State Programme for Energy Savings and the Use of Renewable Sources of Energy for 2004 – ME and MIT are responsible for programmes of the same focus with slightly different areas of support and recipients – greater co-ordination or the merger of the two programmes would be suitable

In terms of the further functioning of national programmes, the following situations may arise:

1. the existing programme does not correspond even weakly to a national or European priority: no programme falling into this category occurs in the present national programmes (if it had, it would be desirable to wind it down or consider the selection of national priorities)
2. the existing programme corresponds to a national or European priority only weakly – the programme may be terminated and its area will be covered by an EU programme, or it can be shifted under the European line or can be retained as a supplementary programme
3. the existing programmes are fully in line with European priorities: these programmes can be transferred under the European line of support.

Table 6: Recommendations for modifying national environmental programmes

National Programmes	Retain		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
Protection of sources of drinking water or natural medicinal sources and sources of natural mineral waters or measures at the sources of pollution in national parks and protected landscape areas and their protective zones (SEF)			✓		
Programme for reducing emissions of substances polluting the air in air pollution sources operated for a publicly beneficial purpose (SEF)			✓		
Territorial programme for reducing air emissions and air pollution (SEF)			✓		
Programme of implementation of territorial programmes for reducing air emissions and air pollutions (SEF)			✓		
Programme to assess ecological measures leading to a significant reduction of greenhouse gases (SEF)			✓		
Treatment of trees and revitalisation of alleys and parks (SEF)				✓	
Implementation of approved plans for caring for especially protected zones (SEF)	✓				
Purchasing land in especially protected zones (SEF)	✓				
Programme for creating plans of measures required to improve the environment in municipalities in national parks and in their protected zones (SEF)	✓				
Programme of support for the construction and renovation of environmental centres (SEF)				✓	
Investment support for environmentally friendly forms of heating and hot water generation for apartments and houses for natural persons (SEF)				✓	
Investment support for environmentally friendly ways of supplying energy in municipalities and parts of municipalities (SEF)				✓	
Investment support for environmentally friendly forms of heating and hot water or electricity generation in education, health-care and in social-care buildings (SEF)				✓	
Investment support for the heating of apartments and family houses for natural persons with heat pumps (SEF)				✓	
Investment support of environmentally friendly ways of heating and hot-water generation in special-purpose facilities (SEF)				✓	
State programme for the support of energy savings and use of renewable sources of energy (MIT, MD, MAg)		✓			Co-ordination by ministries
Rural Development Programme – Improving the environment and landscape (MAg)		✓			
Rural Development Programme – LEADER (MAg)	✓				
Agro-environmental measure – ecological agriculture (MAg)		✓			
Agro-environmental measure – treating grassy areas (MAg)		✓			
Agro-environmental measure – care for landscape (MAg)		✓			
Programme for the construction and renovation of water-main and sewage infrastructure (MAg)	✓				

Retain unchanged – – the programme will remain as is, it is supplementary to SF, corresponds to national priorities

Retain with a change – the programme will be modified, it is supplementary to SF, corresponds to national priorities

Transfer under SF – the programme corresponds to European priorities, will be transferred under SF a) practically in its present form or b) must be changed

5.7 Tourism (oblast F)

5.7.1 Basic Description of the Situation

Tourism is a significant economic sector, although its role in national economy and regional or local economies is often overestimated. In any event, tourism may be a key sector of the regional or national economy only in exceptional cases (e.g., the most attractive large protected areas, attractions of supra-regional importance or monuments registered as UNESCO World Heritage Monuments).

The content of tourism policy on the national level is defined in a relatively extensive document Concept of the Czech State Tourism Policy. Presently, the version of the document applicable for the 2007–13 period is complete. A sub-area of tourism, promotion of the country abroad, is addressed by the Strategy for the Promotion of the Czech Republic.

The concept of the state tourism policy defines a broad range of priorities (goals) supplemented with several priorities of the Strategy for the Promotion of the Czech Republic. Aside from formulations which are in effect policy instruments or which are too general as goals, the priorities of tourism development focus on 6 areas:

- ⇒ Development of regional economy,
- ⇒ Education in tourism,
- ⇒ Sustainable tourism,
- ⇒ Sue and protection of natural and cultural historical potential.
- ⇒ Marketing and promotion,
- ⇒ Enhancing incoming tourism.

The priorities of the state tourism policy therefore cover a broad range, both in terms of the topics (investment into infrastructure vs. “soft” projects) and in regional terms (although priorities focused on the entire country prevail, certain priorities explicitly concern the development of tourism on regional level or even in specific regions).

Priorities of European policy in the area of tourism, formulated in line with “convergence” objectives, are specified more narrowly, i.e., are more concentrated. Two of the three priorities of the European policy more or less overlap with the themes of priorities of the state policy:

- ⇒ Promotion of natural and cultural riches as potential for the development of sustainable tourism – partially overlaps with sustainable tourism and marketing and promotion
- ⇒ Protection and renewal of cultural heritage in order to support economic development – overlaps with the utilisation and protection of cultural and historical potential.

The third European policy priority is focused on improving the provision of tourist services through new services with a high added value.

It is characteristic for the tourism intervention area that it is – to a greater or lesser extent – contained in other programmes, which, however, have a different focus (e.g., programmes for the specific education of public and business sector employees, development of small and medium enterprise, construction of infrastructure for cyclists, etc.). These programmes are analysed in the respective intervention areas, as the development of tourism is only a “side effect” of those programmes.

The basic problems in the setting of development programmes in the area of tourism presently consist of (but are not limited to), the following:

- ⇒ Regional specification of support,
- ⇒ Specification of entities which can apply for support,
- ⇒ Specification of the activities supported.

Most programmes are designed for entities throughout the country. Those programmes which have a regional focus do not focus exclusively on tourism and are therefore focused, in general, on problem regions, rather than on natural tourist areas. In tourist regions, municipalities and in part also business incur greater costs related to tourism, without being compensated for them from public sources. Municipalities do not recover the expenditures into tourist infrastructure development and into the elimination of the undesirable effect of tourism, which are essential (not only required) in these areas. Given that in the 2007-2013 programming period, the shifting of the European line of support especially into ROPs is expected, it can be assumed that the regional specification of European support will be relatively more flexible and sensitive in upcoming years (in reality, however, the activities supported by individual ROPs differ only slightly). The national line of support can then be adapted in a way as to suitably supplement the regional focus of the European line support, and completely abolished in certain cases (this applies to both sub-programmes of the State Tourism Development Programme, which financed activities practically identical to ROPs or IOPs; as at 2007, this programme will be wound down).

Support for tourism development is, given the size of the projects presented (especially in the case of the JROP, where the aggregate volume of support is higher by several orders than national programmes), is designated primarily for large public or business entities. Again, the assumption applies here that given the shift of tourism in the European line of support, primarily to ROPs, new programmes (measures) contained therein will enable even smaller entities with relatively small projects to reach support.

Another problem is the partial specification of the activities supported. Support can be drawn primarily for “hard”, infrastructure projects. Practically absent is support for “soft” projects (specialised education in the sphere of tourism, etc.) and, above all, for projects supporting both types of activities. At this point, entities which could apply for support from integrated projects, i.e., voluntary associations of municipalities, usually do not have a system of management and financing sufficient to enable them to prepare such projects, manage them and co-finance them. Under JROP programmes (sub-measures) funds can often be drawn for the same activities as from national programmes. In the next EU programming period, support for tourism under ROP will again be built on investment into infrastructure, and partially, promotion and management in tourism will also be supported. A part of the support for “soft” projects will be reserved for the sector-oriented OP Education for Competitiveness, which is, on the one hand, a benefit, but on the other, will continue to make it difficult to interconnect it

with support for the development of tourism infrastructure. But because at least promotion, regional partnerships and tourist destination management do appear in ROPs, at least partial support for "soft" projects and more comprehensive support of tourism will be possible.

5.7.2 Assessment of the Suitability of the Variants of Arranging Relations in the Sphere of Tourism

a) The zero variant

In the short-term, the zero variant is the easiest and institutionally least demanding solution. It makes it possible to retain the present structure of national programmes or – in the event of a modification of the state tourism policy – to change them flexibly regardless of the focus of European programmes. That also eliminates the costs of transforming the system of support programmes.

The disadvantages of the zero variant are primarily mid- and long-term, and undoubtedly exceed its advantages. From the long-term point of view, higher institutional demands arise as well as higher financial costs in the administration of the programmes, especially due to the two different implementation structures at the MRD (separate for European and national programmes). The present structure of programmes would be retained, which on the one hand, is characterised by many overlaps between national and European programmes (e.g., in the area of support for the construction or renovation of tourism infrastructure or in the creation of new tourism services), but on the other hand, does not make it possible to finance projects integrating these activities with activities in the area of human resource development in tourism.

If the zero variant were used, one of the options would be to change the definition of support recipients, i.e., to focus national programmes for example on small businesses or on voluntary association of municipalities (including a reduction in the [amount of] assistance provided, with the result that more entities would be able to reach it), and European programmes would be designated for regions or large companies, for example. Also a more specific regional focus of national programmes is possible (e.g., only municipalities in protected areas or otherwise narrowly defined regions).

b) The elimination variant

The elimination variant is a transparent and fast solution. Its advantage lies in the elimination of overlaps of national and European programmes and in the concentration of funds into several spheres of activity. The system of implementation would be, as in the zero variant, significantly simplified and would only involve one implementation structure at the MRD.

The main potential disadvantage of this variant is the creation of gaps in public support for tourism. These would be thematic gaps (some supported activities may be left out), as well as "hierarchical" gaps (there is a risk that certain municipalities, especially smaller micro-regions and smaller companies, would be cut off from support). This drawback could be in part eliminated by a modification in the development of tourism on the regional level, but in the case of certain activities, for which state support is desirable (e.g., the spa business or promotion of the country as a whole), support on this level would be missing.

In certain cases, it is, however, good to be partially inspired by the elimination variant. For example, general support for the development of tourism infrastructure and services, is sufficient on the European level and a reduction on the national level would therefore be

suitable, whether in terms of the volume of support, the type of entities who may receive support, or the regions to which support will be directed. This solution, however, already constitutes a transition to the co-ordination variant.

c) The co-ordination variant

The co-ordination variant represents the most effective solution in the long-term. It is, however, demanding in terms of preparation (the need to create a system for the supplementation or interconnection of programmes) as well as in terms of management. The great demands on institutional involvement are compensated by the precise focus of support and therefore also by the high effectiveness of the use of the financial funds. The state programme for supporting tourism presently seems to be an indispensable part of public support for tourism; the provider (MRD) is of the same opinion.

A more detailed proposal of the variants of the co-ordination of the programmes is the subject of the following sub-chapter.

5.7.3 Recommendation of the Optimal Variant of Arranging Relations

An arrangement of the relations between programmes must take into account the difference (of orders) between the volume of financial funds available to European and national programmes. The following two forms of co-ordination / elimination can be considered:

- ⇒ Focusing “weaker” national programmes on specific spheres of activities and support areas which cannot be covered by more broadly defined European programmes;
- ⇒ Elimination of national programmes and the transfer of the freed up resources to co-finance assistance from structural funds (while understanding the drawbacks of the solution).

A key condition for both forms of co-ordination or elimination is the fact that the European support, more significant in terms of content, will be retained in the 2007–13 period. From it may evolve support on the national level, whether using the variant of co-ordination (adaptation of national programmes on the basis of European programmes), or the variant of elimination (a significant reduction or complete elimination of support on the national level).

The following principles can be proposed for arranging the system of support in the new programming period:

- ⇒ on the European level:
 - increase the decentralisation of support, while maintaining support for projects of national importance (to be assured by shifting support in the area of tourism to ROPs on the European level, and in the case of certain supra-regional projects to IOPs),
 - enhance the focus of the system of support on the sphere of “small” recipients (small businesses, associations of municipalities, etc.) through simplifying the system and reducing the average size of the projects supported (to be executed in ROPs on the European level),
 - reduce support for large business projects presented by one entity,

- to integrate more thoroughly the subject of support with strategic tourism development priorities in the Czech Republic;
- ⇒ on the national level (State Programme for Supporting Tourism):
- in the event of a modification of the system of European programmes in line with the above, the complete elimination of a part of support on the national level could be considered (both sub-programmes of the state tourism development programme will be cancelled by 2007),
 - alternatively, a change in the focus of support on the national level could be considered, on technical assistance, and an increase in the absorption capacity of especially small entities to draw support from EU SF (e.g., support in the drafting of application),
 - support for the renovation of architectural and cultural and historical monuments and sets should be retained only if they are not used for tourism, or transfer the released funds to co-finance assistance from structural funds.

Specific proposals for modifications in national programmes in tourism are provided in table 7.

Table 7: Recommendations for modifying national tourism programmes

National programmes	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
MRD - Regional Programme of Support for the Development of Northwest Bohemia and the Moravian-Silesian Region (subsidy title "Support for investment into tourism development")		✓			
MRD - Regional Programme of Support for the Development of Economically Weak and Structurally Challenged Regions (subsidy title "Support for investment into tourism development")		✓			
MRD – Support for the development of the spa business					✓ (cancel, appears in ROPs)
MRD - Support for building auxiliary tourism infrastructure for sports and recreation					✓ (cancel, appears in ROPs)
MK - Programme for the regeneration of urban heritage reserves and urban heritage zones		✓			
MK - Programme for saving architectural heritage		✓			
MK - Programme of caring for village heritage reserves and zones and landscape heritage zones		✓			
MK – Programme for restoring movable cultural monuments		✓			

Retain unchanged – – the programme will remain as is, it is supplementary to SF, corresponds to national priorities

Retain with a change – the programme will be modified, it is supplementary to SF, corresponds to national priorities

Transfer under SF – the programme corresponds to European priorities, will be transferred under SF a) practically in its present form or b) must be changed

Other – transfer to regions, merger, etc. (must be specified) or winding down (the programme does not correspond to national or European priorities)

5.8 Housing (area G)

5.8.1 Basic Description of the Situation

Given the weak involvement of the EU in the housing area, the Czech Republic's accession to the EU did not bring any significant changes into this sphere of public policy. National housing support programmes (including the six analysed herein), therefore only brought slight corrections dictated by the regulation of public aid by the EU. In 2006, the PANEL Programme was notified, without it requiring a sway from its traditional structure and focus. Most national support programme can boast a relatively long-standing tradition, in which positive experience prevails. An analysis of the application of those programmes in practice definitely does not lead to recommendations for their abolition; furthermore, their high level of correspondence with national priorities of the given sphere was demonstrated above. In principle, nothing needs to be changed in the system of priorities as presently set – aside from the low volume of national public funds allocated to the system.

A specific problem was created by a **novelty in the EU intervention policy**, which makes it possible for new EU member states to draw a portion of support (not a very large one) in the 2007–2013 period from ERDF funds for selected national housing priorities. In the case of the Czech Republic, that priority was the Revitalisation of concrete-block housing estates. This novelty, however, has an immediate impact on the fate of two existing national support programmes, whereas it does not concern at all the rest of the support system. Therefore, the recommendations given below do not, *de facto*, concern it at all, or only limit themselves to stating that these programmes need to be retained, without any connection to the European line of support (i.e., the so-called “**the zero variant** of the relationship”).

The evaluation of the contents of the IOP (version from June 2006) and of the contents of national housing support programmes therefore indicates that the recommendations as to variants for arranging the relations between Czech and European programmes, only concern the **Programme of support for the revitalisation of concrete-block housing estates** and the **PANEL Programme**.

5.8.2 Assessment of the Suitability of Variants for Regulating Relations in Housing

Both of the programmes mentioned above, which do not fall under to so-called zero variant, only the **co-ordination variant** with EU programmes is possible, both in the sub-variant of programme “supplementation” and in the sub-variant of their “interconnection”. The analysis also indicates that the intensity of this “interconnection” could ultimately lead to a factual elimination of the national programme.

As concerns the **Programme of support for the revitalisation of concrete-block housing estates**, two possible solutions offer themselves:

a) Retain the programme

If the programme is retained, the specification of a clear line must be considered between the IOP support area and this national programme. Suitable seems for example the limit of 5

thousand inhabitants or a minimum cost threshold for a project under 5.1. IOP. Given that it is desirable to remove all overlaps, i.e., that the conditions of European and national programmes will make it possible for applicants to apply for support only in one programme, it is inadmissible for the programme of revitalisation of concrete-block housing estates to remain open for areas which will be covered by the IOP. A clear limit will have to be set not only in the IOP, but also by amending government decree no. 494/2000 Coll.

This solution does have its drawbacks. For example the fact that an applicant not successful in the IOP will not be able to submit its application in the national programme for the revitalisation of concrete-block housing estates. For that reason, the line between the IOP and the national programme needs to be defined considerably, in order that demand in both programmes would remain proportionate to the financial funds allocated by them.

b) Wind the programme down

If the national programme is wound down, we do not recommend to specify any limits as to the size of a municipality in the IOP support area 5.1, and to keep the IOP as open as possible. We recommend that the financial funds hitherto allocated to the national Programme for the revitalisation of concrete-block housing estates should be provided to IOP priority 5. This step is fully in line with the principle of supplementation.

This solution is threatened by potential difficulties in negotiating about the state budget, or in the form of weakening the arguments for retaining an allocation for the financing of the Programme for the revitalisation of concrete-block housing estates and transferring it under the IOP. There is also the threat of accepting too many small projects which may in effect overload the administrative capacity of the managing authority and the intermediary entity.

In spite of these risks, guided by the goal of simplifying the system, **we recommend to wind down the national Programme for the revitalisation of concrete-block housing estates and to defend the retention of the allocation in the state budget for the support of those activities, and merge those funds with funds allocated to IOP priority 5.**

We propose to keep a **clear line** in the relation between the support area under the national **Programme PANEL** and the IOP support area, so that the territory for support area 5.2 is explicitly defined by the MRD, using criteria specified in FS 66 or in the ERDF regulation.

In order to retain an integrated approach to the resolution of larger residential districts, a link to area 5.1 is required in support area 5.2. Evidence of this link would be the fact that also the Project of revitalisation of a concrete-block housing estate is also being implemented in the territory.

All other projects, i.e., in the territory outside the territory defined by the MRD for the support area 5.2 and territories specified for support area 5.2, where the Project of revitalisation of a concrete-block housing estate is not carried out, should be principally directed to the PANEL Programme.

A risk involved in this approach is the time-delay in starting to implement support under measure 5.2 and the possible construction and technical collisions in the implementation of projects supported under measures 5.1 and 5.2 (commencement of the revitalisation of a residential building in a situation when the adaptations of the external environment of the

housing estate are complete), only this way to the desirable **concentration** of the utilisation of European support in areas with the greatest effect.

That means that a relationship of **supplementation** between the PANEL programme and the IOP support area 5.2 is desirable.

5.8.3 Recommendation of an Optimal Variant for Arranging Relations

On the basis of the analysis provided above, we recommend the following steps in the housing development area:

⇒ Retain, without a relation to European programmes (the zero variant):

- Programme supporting the construction of apartments for lease
- Programme supporting the construction of co-operative apartments
- Programme supporting the construction of technical infrastructure
- Programme Loans to municipalities for repair and modernisation

Most of these programmes correspond strongly to national priorities in the area of housing. Housing policy is, generally speaking, a sphere which is fully in the competence of the member states and EU's involvement in has and will always remain limited (in the CR today to the allocation of ERDF funds to the revitalisation of concrete-block housing estates – see below). Public support for housing should not be stripped off instruments tested by practice, although they may pass the European line of support by.

⇒ Cancel and transfer under European programmes (the elimination variant):

- Programme of support for the revitalisation of concrete-block housing estates. The contents of the programme is identical to IOP measure 5.1 and could be wound down. Funds allocated to the programme to-date should serve to enhance national co-financing for IOP measure 5.1.

⇒ Retain with changes in contents as a supplement to IOP (the supplementary variant):

- The PANEL Programme. This programme overlaps with IOP measure 5.2 in terms of its contents, but it is designed for other final beneficiaries.

Table 8: Recommendations for modifying national housing development programmes

National programmes	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
Programme supporting the construction of apartments for lease					Retain without a relation to SF
Programme supporting the construction of co-operative apartments					Retain without a relation to SF

Proposal for a new distribution of development programmes and for the co-ordination of national and European support programmes vis-a-vis the utilisation of money from EU funds in 2007-2013

National programmes	Retain (will supplement SF)		Transfer under SF		Other
	No change	Must be changed	No change	Must be changed	
Programme supporting the construction of technical infrastructure					Retain without a relation to SF
The PANEL Programme		✓			
Programme of support for the revitalisation of concrete-block housing estates			✓		
Programme Loans to municipalities for repair and modernisation					Retain without a relation to SF

Retain unchanged – – the programme will remain as is, it is supplementary to SF, corresponds to national priorities

Retain with a change – the programme will be modified, it is supplementary to SF, corresponds to national priorities

Transfer under SF – the programme corresponds to European priorities, will be transferred under SF a) practically in its present form or b) must be changed

Other – transfer to regions, merger, etc. (must be specified) or winding down (the programme does not correspond to national or European priorities)

6. LIST OF ABBREVIATIONS

CR	tourism
ČR	Czech Republic
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
IOP	Integrated Operational Programme
ISPA	Pre-accession structural policy instrument
KSPRCR ČR	Concept of the Czech Republic's State Tourism Development Policy
MT	Ministry of Transport
MK	Ministry of Culture
MRD	Ministry of Regional Development
MIT	Ministry of Industry and Trade
MLSA	Ministry of Labour and Social Affairs
SME	small and medium enterprise
MEYS	Ministry of Education, Youth, and Sport
MAg	Ministry of Agriculture
NUTS	a system of territorial statistic units
HRD	human resource development
ROP	regional operational programme
SF	Structural Funds
SPCR	Strategy for the Promotion of the Czech Republic
SEP	State Environmental Policy
TOP	thematic operational programme
S&R	science and research

univ. university

env. the environment

7. LIST OF PEOPLE WHO HAVE PARTICIPATED IN THE PROJECT

List of people who have participated in the project and have contributed to its results (listed alphabetically):

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8. LIST OF INFORMATION RESOURCES AND LITERATURE USED

- Long-term Plan for Education and the Development of the Czech Educational System 2005
- Transport Policy
- Evaluation Project 5/04 "Identification, Analysis and Evaluation of Arrangement of EU assisted development programmes and programmes assisted exclusively by Czech means, with a view to proposing a more co-ordinated and rational system"
- Integrated Operational Programme for 2007–2013
- National Action Plan for Social Inclusion 2006–2008
- Housing Policy Concept
- Concept of Support for SMEs 2005–2006
- Concept of a Czech State Tourism Policy for 2007–2013
- The Lisbon Strategy
- National Employment Action Plan for 2004–2006
- National Innovation Policy of the CR for 2005–2010
- National Lisbon Programme 2005–2008
- National Research Programme II
- National Development Plan of the Czech Republic 2007–2013
- National Regional Development Strategy
- Regulation on the Structural Funds
- Community Strategic Guidelines of the EU
- Operational Programme Transport for 2007 – 2013
- Operational Programme Human Resources and Employment for 2007 – 2013
- Operational Programme Enterprise and Innovation for 2007 – 2013
- Operational Programme Education for Competitiveness for 2007 – 2013
- Operational Programme Environment for 2007 – 2013
- Regional Operational Programmes for the 2007–13 programming period
- Strategy of Economic Growth

- Strategy for the Promotion of the Czech Republic for 2004–2010
- Strategy of the Regional Development of the Czech Republic