

9th
Evaluation
Conference
in Prague

Cohesion Policy:

Common Path to Results and Impacts

**Regional ex-post evaluation Czech Republic
(Non)success in meeting cohesion policy
objectives**

Alena Znamenáčková

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MINISTRY
OF REGIONAL
DEVELOPMENT CZ



EVALUATION
UNIT NCA

Agenda

The presentation encapsulates the key insights pertaining to the execution of cohesion policy and the reasons why, in certain regions, it has not been possible to fully channel EU fund resources towards addressing primary priorities.

The data presented on drawdown is accurate as of May 15, 2023.

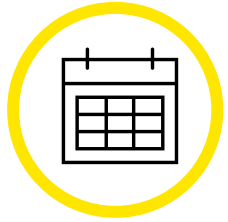
1.	Summary of the Evaluation
2.	Main Conclusions – Fulfilment of Cohesion Policy Objectives
3.	Factors Influencing the Success or Failure in Achieving Cohesion Policy Objectives
4.	Growth Opportunities for Less Developed Regions
5.	Discussion and Questions





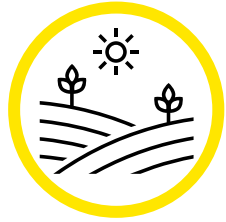
SUMMARY OF THE EVALUATION

Brief Overview of the Evaluation



34 months

The evaluation was conducted over a period spanning from the start of 2021 to October 2023.



14 Interim Reports + Final Report

The impact of EU funds were evaluated across all regions, including the capital city of Prague.



13 Case Studies

In each region, a municipality with extended powers (MEP) was selected as a case study.



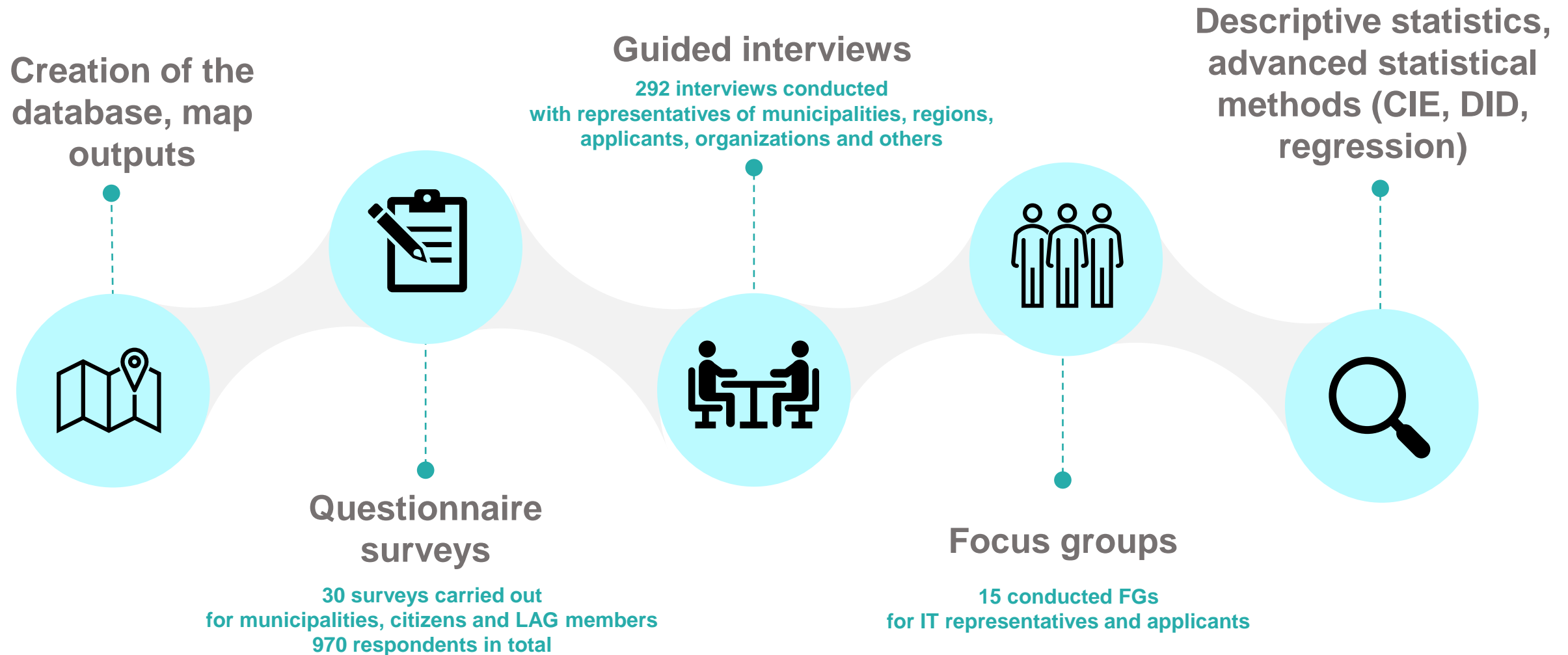
Integrated tools

Integrated tools (CLLD, ITI, IPRÚ) were also evaluated

Main Barriers of the Evaluation

- ▶ Detecting impacts poses a challenge, especially measuring the impacts of "soft" projects;
- ▶ Some impacts/effects are of a long-term nature and can be monitored for up to (tens) of years;
- ▶ The territorial dimension is a complex concept and is perceived differently by various actors;
- ▶ Shifts in political leadership – there has been changes in the leadership of some municipalities/regions throughout the 2014-2020 programming period.

Brief Overview of the Evaluation





SUCCESSSES AND FAILURES IN FULFILLMENT OF THE OBJECTIVES OF COHESION POLICY

Contradictory Objectives in Relation to EU funds

- ▶ On one hand, there's an **endeavor to efficiently utilize EU funds and accomplish the objectives of the programmes.**
 - This perspective often contradicts the effective allocation of resources to regions where they are most needed.
 - This perspective promotes the "sugar-coating" of funds, not only broadly distributed across regions, but also scattered across a wide array of topics.
- ▶ On the other hand, there's a contrasting tendency to **support the weakest regions, or to cultivate centres of excellence** which can partially propel the development of the entire territory.



The diverse types of regions have distinct needs, which must be acknowledged and reflected in the context of EU funds.

DEVELOPED REGIONS AND REGIONAL CENTRES

- ▶ Higher capabilities to concentrate on **implementing superstructure projects and creating linkages between activities and stakeholders**;
- ▶ Higher focus on the implementation of projects in the fields of digitization or SMART solutions;
- ▶ Concentration of research and business entities
- ▶ Even though there is a need for basic infrastructure development (such as building pavements and road infrastructure), these regions possess the capability to finance these needs from their own resources.

WEAKER AND PERIPHERAL REGIONS

- ▶ **Addressing basic needs** (such as improving the quality of education, business, and transportation accessibility) is a critical step towards aligning them closer to the rest of the regions in Czech Republic;
- ▶ Support for superstructure topics (for example R&D&I) is irrelevant and reduces their participation in the absorption of EU funds;
- ▶ A vital need is the **development of local public administration and the provision of leaders** who would commit to the development of the territory.



The evaluation results indicate that EU funds were predominantly directed towards more developed regions.

- ▶ Support from EU funds has been more effectively utilized in developed or stabilized regions without structural problems.
- ▶ There were **disparities among regions in their capacity to utilize EU funds**;
- ▶ Significant differences are evident in the case of the **entrepreneurial and innovation ecosystems**.

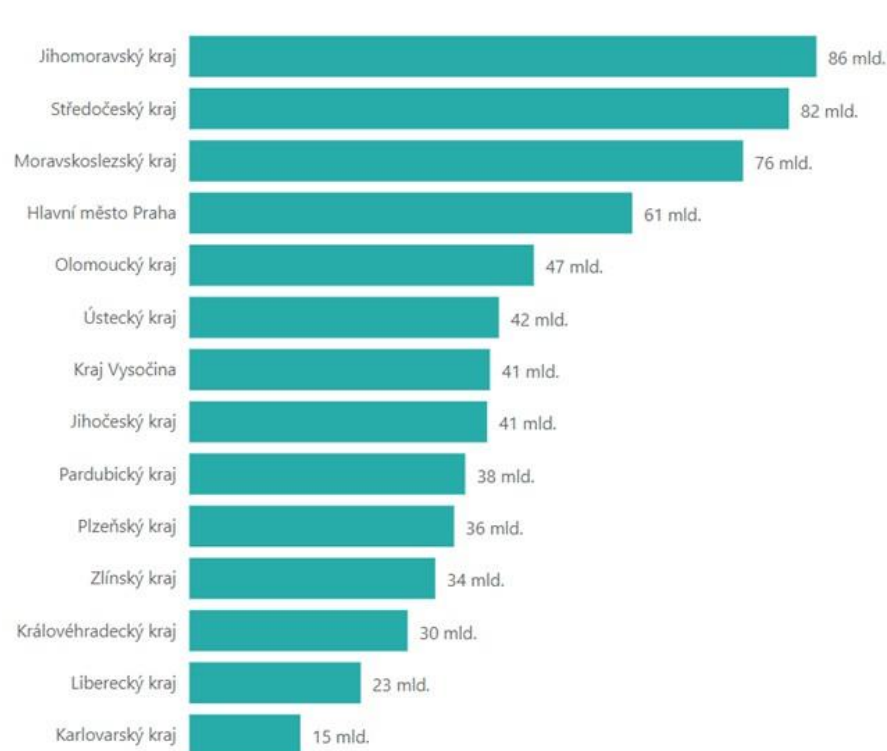
WEAKER REGIONS CONTINUE TO LAG BEHIND IN THE CZECH REPUBLIC

- ▶ **Regional disparities continue to persist**, visible in socio-economic indicators and other phenomena such as population decline and shortage of job opportunities;
- ▶ These disparities are observable both at the regional level (in structurally affected regions) and at a micro-level (as seen in instances like the Kraslice MEP);
- ▶ These regions **lag behind the rest of the regions in terms of economic and social levels**, and complex issues continue to pile up. Another challenge is the low appeal of these areas for investment and new inhabitants.

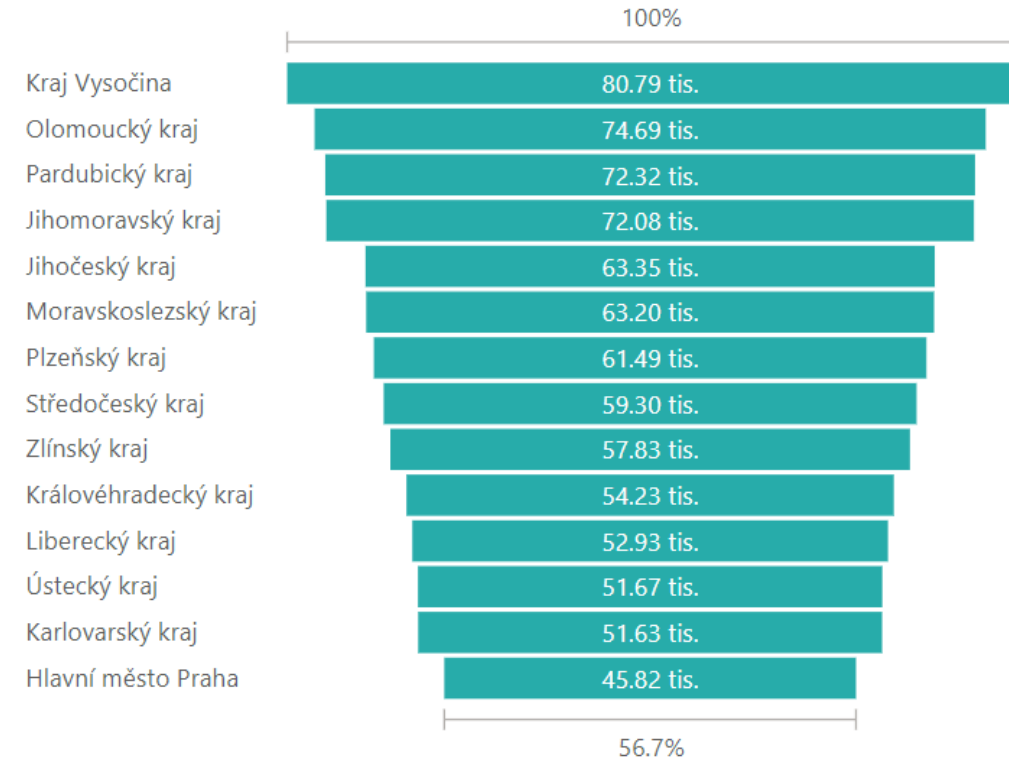


Summary of EU Funds Utilization for the Period of 2014-2020

- ▶ Applicants from more developed regions, particularly those in proximity to the largest cities like the South-Moravian and Central-Bohemian regions, utilised the largest share of the allocation.
- ▶ **The least successful regions in terms of fund utilisation were the Ústí and Karlovy Vary regions, along with the capital city of Prague.**



Graph 1: Inter-regional comparison of resources drawn in the programming period 2014-2020 (source: MS2014+)



Graph 2: Inter-regional comparison of resources drawn in the programming period 2014-2020, per capita (source: MS2014+)

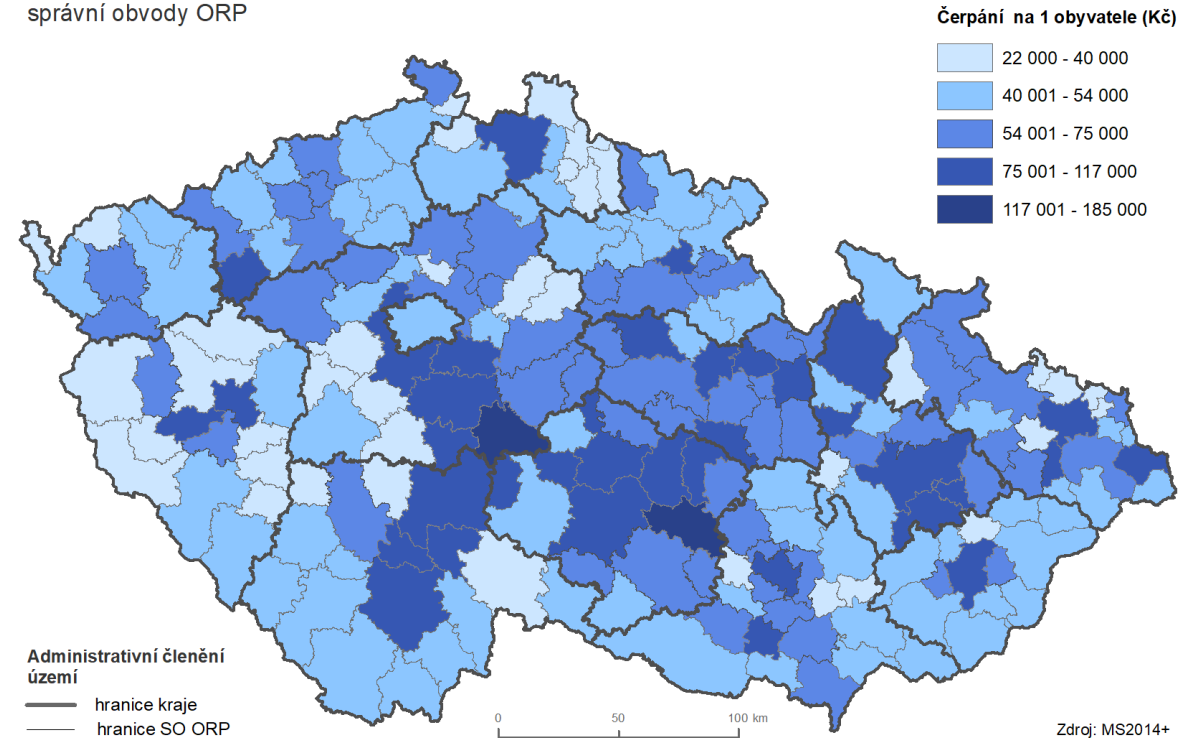
Absorption of EU Funds in Peripheral and Rural Areas

- ▶ Above-average fund utilization was typically associated with **population centers and economically stronger MESs**;
- ▶ Resources from the EU funds were **less concentrated in peripheral and rural regions** with lower population densities and smaller population centers;
- ▶ Even distribution of fund utilization can be observed in the **Pardubice and Moravian-Silesian Regions**

➡ presence of stronger population centers of micro-regional importance

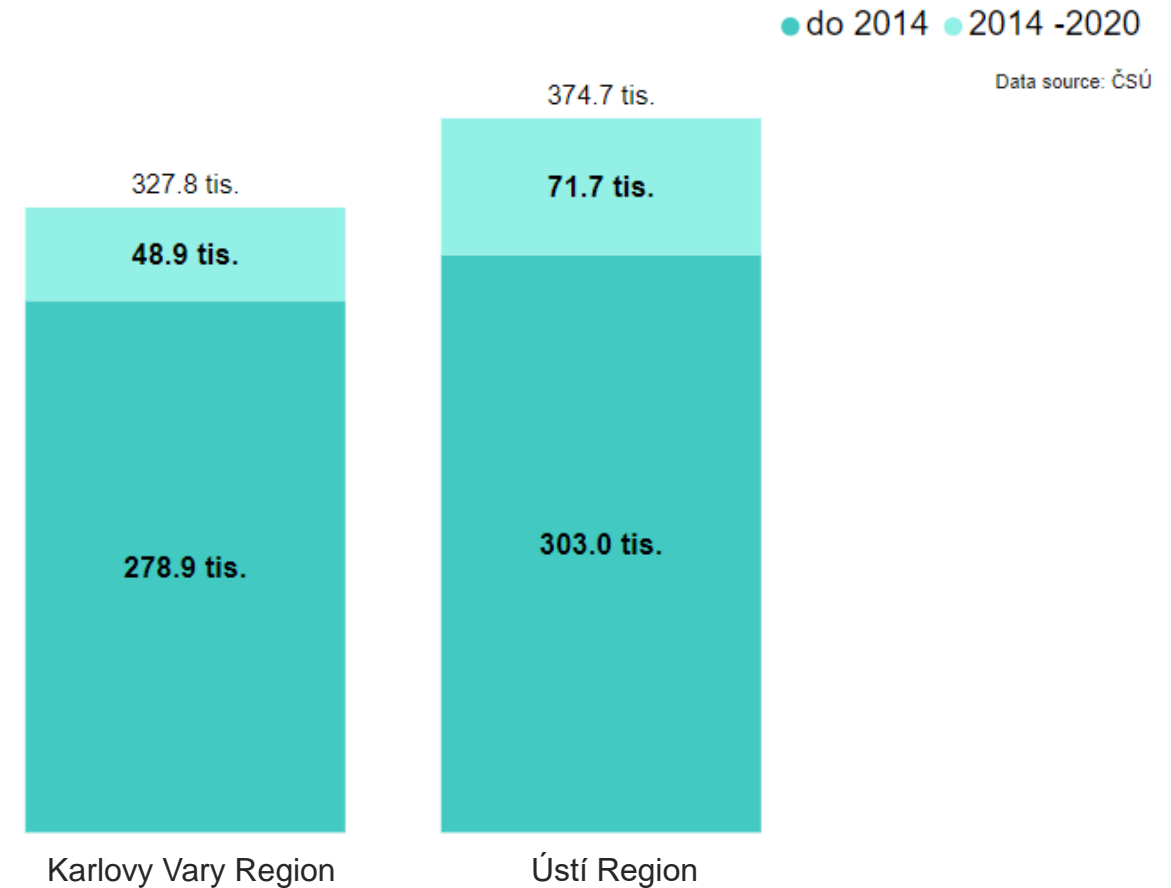
effort to ensure a more even development among MEP (Example: a **pilot project to enhance the absorption capacities of its disadvantaged regions**)

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správní obvody ORP



Development of GDP per capita

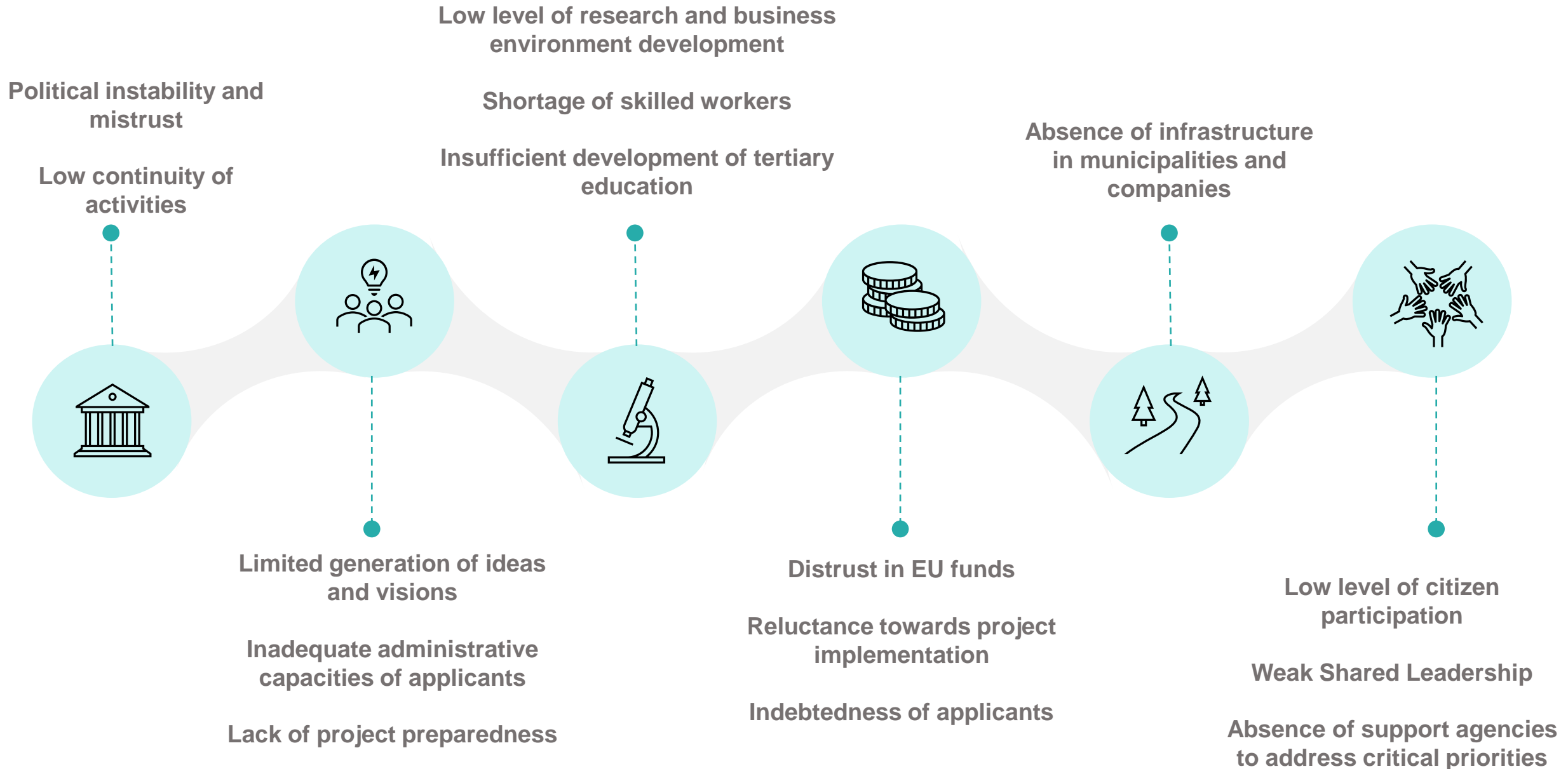
- ▶ **Lowest GDP per capita is in Ústí Region (13. position) and Karlovy Vary Region (14. position) – every year in 2014-2020 period**
- ▶ **Highest GDP per capita is in Prague and South-Moravian region**
- ▶ Karlovy Vary Region – GDP growth of 17.5% in the period under review, the lowest growth in the inter-regional comparison
- ▶ Fastest growing is Hradec Kralove region (38%) and Olomouc region (35.9%)
- ▶ The total GDP of the Czech Republic increased by 29.2% in the period





DETERMINANTS OF SUCCESS AND FAILURE IN ACHIEVING THE OBJECTIVES OF COHESION POLICY

Influencing Factors for Success and Failure in Drawing EU Funds



The deployment of calls with a territorial dimension was not optimal; however, the benefits of integrated instruments were viewed positively.

- ▶ Though 62% of the funds were allocated via calls that considered the territorial dimension, it primarily translated into a **breakdown into regions without much specific targeting**;
- ▶ Another issue was the **varying understanding of the methodology by managing authorities** (some viewed it merely as a "necessary evil" to be formally addressed)
- ▶ **To address specific issues in a specific area, topics need to be territorially focused.**
- ▶ **ITI / IPRÚ bolstered the development of cooperation in developed areas of agglomerations.**
 - The evaluation results suggest that the ITI/IPRÚ tool was effective in identifying the main needs of the territory and directing the allocation accordingly.
- ▶ **Local Action Groups (LAGs) have facilitated support for small applicants in rural areas.**
 - The impact of the projects don't significantly extend beyond the boundaries of their municipality. It was rather crucial to set aside funds for applicants who wouldn't succeed or wouldn't apply at all in the national calls.





POTENTIAL WAYS TO SUPPORT THE DEVELOPMENT OF LESS DEVELOPED REGIONS

Promoting the Development of Governance

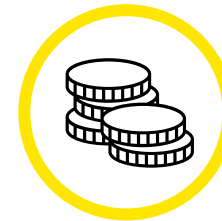
- ▶ **Consistent support for the development of public administration and its institutions, as well as strategic management and planning abilities, is essential for the successful development of regions.**
- ▶ This became evident in the disparities among regions, **with those that had a clearly defined vision and strong leadership being more successful.**
- ▶ **Crutial is methodological and financial support:**



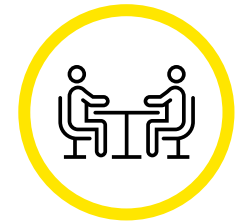
Education for stakeholders,
financing for the preparation
of strategic documents



Consultation services for
applicants (through LAG,
Regional Standing
Conference)



Financing for the preparation
of project applications in
places with low absorption
capacity or in vulnerable
regions



Funding for shared
managers for smaller
applicants

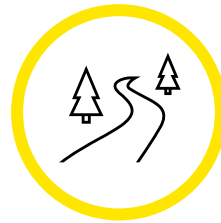
Enhancing the Image of Regions, Quality of Education, and Living Conditions of Residents

- While EU funds may not single-handedly solve the complex issues faced by regions, they can contribute significantly towards addressing them:



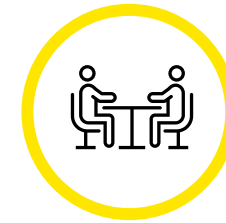
Quality Education:

- the professional development of teachers
- activities to prevent early school departures
- establishment of a regional university in the Karlovy Vary Region



Transport Accessibility:

- improve the transport accessibility of peripheral areas
- facilitate better commuting options for accessing services and education



Promoting Entrepreneurship:

- support the establishment of innovation centers
- provision of services in peripheral regions

Boosting Regional Autonomy in Defining Needs

- ▶ **Thematic concentration** has emerged as a crucial prerequisite for addressing major needs. However, it's important to consider the regional perspective, meaning **that these major needs may vary among different types of regions**;
- ▶ **Integrated tools provide the only opportunity for regions to partially influence the usage of funds** and support less competitive applicants in national competitions;
- ▶ Thus, we propose not only a thematic concentration of resources, but also an **increase in autonomy for defining needs at the regional level**;
 - Maximize the potential of integrated tools
 - Moving away from broad, comprehensive strategies towards shorter-term and more targeted materials

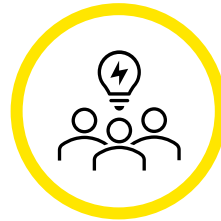


Enhancing the Absorption Capacity of Applicants

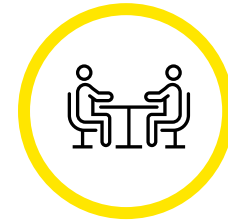
- ▶ **Regions are often confronted with centrally set topics and call conditions which, however, do not align with the heterogeneity of individual territories;**
- ▶ **Often, the conditions of the calls do not cater to the needs of rural and peripheral areas;**
- ▶ **There is a need to strengthen the bottom-up approach to mobilize applicants by adapting EU funds to their limitations:**



Effective use of bonus through increasing point preference for endangered areas



Directing support (both financial and human capital) to a specific area



Engaging in discussions on topics and conditions before the call announcement

THANK YOU FOR ATTENTION

Contact for any questions and comments:

Alena.Znamenackova@cz.ey.com

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