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## **Regional policies and rural development in the Czech Republic in the context of European integration<sup>1</sup>**

### **Polityka regionalna a rozwój wsi w Republice Czeskiej w kontekście integracji europejskiej**

*Quality programs and policies are necessary for ensuring conceptual and sustainable development. Among programs implemented in individual EU countries, well planned and effectively used regional policies play an important role.*

*A great part of the area of all EU member countries is rural and a significant number of EU citizens inhabit rural areas. It is therefore essential that regional development is tightly connected with rural development. It should ensure conditions for improving quality of life and lead to eliminating of regional disparities. The aim of this paper is to bring overview of use of developmental policies currently implemented in the Czech Republic in the area of regional and rural development.*

#### **Introduction**

Sustainable and conceptual development of an area is not possible without the existence of quality programs and strategies directly focused on the development of individual sectors (economic, social, environmental etc.).

Well planned regional policies, which are subsequently effectively put into practice, play among other programs an important role in all EU countries. In each member country, the success of implementation of common European concepts of regional development depends on the consideration of concrete specifics of the country. When proposing and creating strategic documents on the national level, it is always necessary to base concrete measures and subsidies on deep analysis of the needs of individual regions and of possible developmental potential, which can be used in the future.

A large part of the area of all EU member states is rural. A considerable number of European citizens lives in these areas. Therefore, it is essential that regional development is tightly connected with the development of rural areas. This development should secure the conditions for increase of the quality of life in rural areas and should lead to decrease of regional disparities. Considering the character of rural areas, which have always been connected with agricultural production and food processing, rural development must be connected with the assessment of the Common Agricultural Policy (CAP). However, current approaches of the Common Agricultural Policy are not

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<sup>1</sup> The contribution includes parts of the text from: Majerová, V. a kol.: Český venkov 2007, Studie Jihočeského a Ústeckého kraje, ČZU v Praze, Praha 2008, ISBN 978-80-213-1768-0.

sustainable (the effectiveness of subsidies, financial expenses) and the policy is being revised by the European Union. New approaches and goals of the rural development policy focused on sustainable development in rural areas are applied by the second pillar of CAP.

### **Development of the Regional Policy in the Czech Republic**

Documents concerning regional development had already been anchored in the legislature before the Czech Republic has entered EU. It was the Act on Support for Regional Development<sup>2</sup> and the strategic document named Regional Development Strategy of the Czech Republic. The first document defined the sectors of support of regional development, the by state supported regions<sup>3</sup> and the role of regional and municipal authorities in regional development etc. This act also defined eight NUTS II statistical units, with the regard of the possibility to draw financial resources from pre-accession and structural funds of EU.<sup>4</sup> The second document included goals and visions, which the Czech Republic planned to realize in the frame of regional development up to the year 2010.

As an extension of the above mentioned document, the Ministry for Regional Development has each year prepared concrete regional programs. Table 1 shows the overview of these programs.

### **Program of Rural Renewal/Support of Rural Renewal**

Program of Rural Renewal was until 2004 the only program in CR focusing on the renewal and development of rural regions and municipalities. In past years, applicants could acquire financial support from following funds::

- Restoration and maintenance of buildings and public facilities in rural areas (Subsidy nr. 1);
- Complex adaptation of public spaces (Subsidy 2);
- Renewal and setting up of public greens (Subsidy 3);
- Reconstruction of local communications, construction of bike lanes and walking paths, construction of public lighting (Subsidy 4);
- Projects of municipalities on education and advisory services regarding rural development and renewal of municipalities (Subsidy. 6);
- Integrated projects of rural micro-regions (Subsidy 7);
- Urbanist studies and municipal plans (Subsidy 5);
- Project for development of infrastructure (Subsidy 8);
- Direct subsidies into technical infrastructure (Subsidy 9).<sup>5</sup>

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<sup>2</sup> Act nr. 248/2000 coll.

<sup>3</sup> Regions with concentrated state support.

<sup>4</sup> Source: Act nr. 248/2000 coll. On support of regional development. NUTS II cohesion regions: Prague; Central Bohemia; South West, North West, North East, South East, Central Moravia and Moravia-Silesia

<sup>5</sup> Source: [www.isu.cz/pov](http://www.isu.cz/pov).

**TABLE 1. OVERVIEW OF REGIONAL PROGRAMS CARRIED OUT IN YEARS 2000-2007**

Year	Program Title
2000	<ul style="list-style-type: none"> <li>Regional Program for Support of Industrial Entrepreneurial Subjects in NUTS II Regions Northwest and Ostrava</li> <li>Regional Program for Support of Regions on NUTS II Level Northwest and Moravia-Silesia</li> <li>Regional Program for Renewal and Development of Technical Infrastructure in Former Military Compounds Ralsko and Mladá</li> <li>Pilot Regional Program for Support of Economically Weak Regions in the Area of Šumava</li> <li>Regional Program for Support of Industrial Entrepreneurial Subjects in NUTS II Regions Northwest and Ostrava</li> </ul>
2001	<ul style="list-style-type: none"> <li>Regional Program for Support of Regions on NUTS II Level Northwest and Moravia-Silesia</li> <li>Regional Program for Renewal and Development of Technical Infrastructure in Former Military Compounds Ralsko and Mladá</li> <li>Regional Program for Support of Development of Economically Weak and Structurally Affected Regions</li> </ul>
2002	<ul style="list-style-type: none"> <li>Regional Program for Support of Industrial Entrepreneurial Subjects in NUTS II Regions Northwest and Ostrava</li> </ul>
2003	<ul style="list-style-type: none"> <li>Regional Program for Support of Industrial Entrepreneurial Subjects in NUTS II Regions Northwest and Moravia-Silesia</li> <li>Regional Program for Support of Development of Economically Weak and Structurally Affected Regions</li> </ul>
2004	<ul style="list-style-type: none"> <li><b>Program of Rural Renewal</b></li> <li><b>Program of Rural Renewal</b></li> <li>Research and its Programs</li> <li>Programs for Support of Regional Development</li> <li>Regional Programs of Support for Entrepreneurs</li> <li>Program of Support for Development of Territories Substantially Affected by Reduction or Removal of Military Bases</li> </ul>
2005	<ul style="list-style-type: none"> <li><b>Program of Rural Renewal</b></li> <li>Research and its Programs</li> <li>Programs for Support of Regional Development</li> <li>Program of Support for Development of Territories Substantially Affected by Reduction or Removal of Military Bases</li> <li>Regional Program of Support for Development of North West Bohemia and Moravia-Silesia Regions</li> </ul>
2006	<ul style="list-style-type: none"> <li>Regional Program for Support of Industrial Entrepreneurial Subjects in NUTS II Regions Northwest and Moravia-Silesia and other Regions with Active Support of the State</li> <li>Regional Program for Renewal and Development of Technical Infrastructure in Former Military Compounds Ralsko and Mladá</li> <li>Regional Program for Support of Development of Economically Weak and Structurally Affected Regions</li> <li><b>Sub-program of Support for Rural Development Podpora obnovy venkova</b></li> <li>Renewal of Municipal or Regional Property Stricken by a Natural or Other Disasters</li> <li>Support for Development of North West Bohemia and Moravia-Silesia Regions</li> <li>Support of Industrial Entrepreneurial Subjects in NUTS II Regions Northwest and Moravia-Silesia and other Regions with Active Support of the State</li> </ul>
2007	<ul style="list-style-type: none"> <li>Support of Adaptations of Former Military Compounds for Public Use</li> <li>Support of Development of Economically Weak and Structurally Affected Regions</li> <li><b>Support of Rural Renewal</b></li> <li>Renewal of Municipal or Regional Property Stricken by a Natural or Other Disasters</li> </ul>

Source: [www.mmr.cz/Regionální politika/Regionální programy](http://www.mmr.cz/Regionální%20politika/Regionální%20programy) MMR

This year (2008), it was possible to acquire co-financing for realization of following projects<sup>6</sup>:

- Subsidy 1 – Support of winners of the competition Village of the Year
  - a) Restoration and maintenance of buildings and public facilities (for example town hall, school, pre-school facilities, cultural facilities, firefighters station, sacral buildings, cemeteries, small buildings),
  - b) Complex adaptation of public spaces,
  - c) Renewal and setting up of public greens,
  - d) Reconstruction of local communications, construction of bike lanes and walking paths, construction of public lighting,
  - e) Support for cooperation of municipalities in rural development,
  - f) Drafting and realization of promotional materials for the municipality in connection with the placement of the municipality in the competition Village of the Year;
- Subsidy 2 – Support for participation of children and youth in the community life of the municipality
  - a) Restoration and maintenance of buildings and public facilities (for example town hall, school, pre-school facilities, cultural facilities, small sacral buildings and memorable buildings),
  - b) Adaptation of public spaces,
  - c) Renewal and setting up of public greens,
  - d) Reconstruction or establishing of facility for free time activities (play ground, youth community room, bike/ in-line skating lane, educational walking paths);
- Subsidy 3 – Support of cooperation of municipalities on renewal and development of rural areas (activities of supra-regional significance)
  - a) Presentation of successful projects focused on rural renewal and development,
  - b) Exchange of experience with preparation of projects focused on rural renewal and development,
  - c) Support of cooperation and education of municipality representatives in rural renewal and development,

Every year, explicit and mandatory rules are set for drawing finances from this program also specifying provided subsidies.

Since the year 2004, a substantial change has been made in administration of these funds. All funds are not centrally controlled by the Ministry for Regional Development but a part of them is distributed from the state budget directly to individual regions. Regional administrations then announce the Program of Rural Renewal with subsidies according to the needs of their region. MRD operates on the national level the Support of Rural Renewal. This year, the ministry has received the total of 417 projects applying for subsidies of the total of 105 million CZK.<sup>7</sup>

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<sup>6</sup> Principles to the program Support of Rural Development for the year 2007, [www.mmr.cz](http://www.mmr.cz).

<sup>7</sup> Source: Ministry for Regional Development.

### **Application of European Regional Development Policy**

To enable the Czech Republic after entering EU to draw financial support for development as one of the member countries, a document called National Developmental Plan 2004 – 2006 had been created during the year 2003. This document was necessary for acquiring support from structural funds and the Cohesion Fund. To reach and fulfill the Goal 1<sup>8</sup>, laid down by the European Commission, the developmental plan was subsequently structured into 5 Operational Programs (OP):

- Industry and enterprise,
- Development of human resources,
- Rural development and multifunctional agriculture,
- Infrastructure;
- Common Regional Operational Program<sup>9</sup>.

Currently, has the National Developmental Plan 2004 – 2006 already been replaced by a new up-to-date National Developmental Plan of the Czech Republic 2007-2013. It lays down the strategy of developmental plan including the vision after 2013, strategic goals, priority axes etc.<sup>10</sup>

### **Common Regional Operational Program**

The last from the above mentioned operational programs – The Common Regional Operational Program was focused on regional development. Granting support from European funds was tied to the existence of NUTS II cohesion regions. Based on the analysis of current situation in individual regions and on the goals adopted by EU, 4 priority areas were drawn in the document. Namely<sup>11</sup>:

- Support of small and medium sized enterprises in chosen regions,
- Infrastructure improvement in the regions,
- Development of infrastructure necessary for development of human resources,
- Support of tourism.

### **Regional Operational Program**

For the program period 2007-2013, 7 Regional Operational Programs (ROP) were created according to the existing NUTS II cohesion regions. Although each ROP is an independent document administered by independent board and reacting to the needs of a concrete region, all programs focus on similar topics, which can be summarized as follows<sup>12</sup>:

- Transport accessibility and services

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<sup>8</sup> Source: Ministry for Regional Development.

<sup>9</sup> Besides above mentioned operational programs, the Ministry of Regional development has also prepared the Integrated Operational Program (IOP). This program focuses on the modernization of public administration, increasing of quality and accessibility of public services and support of territorial development. Exact wording is available at (version July 2007) [www.mmr.cz](http://www.mmr.cz).

<sup>10</sup> Exact wording of this document to be found at [www.strukturalni-fondy.cz](http://www.strukturalni-fondy.cz); version January 2006.

<sup>11</sup> Source: Common Regional Operational Program of the Czech Republic for 2004-2006, Prague, December 2003, [www.mmr.cz](http://www.mmr.cz).

<sup>12</sup> Source: <http://www.strukturalni-fondy.cz/regionalni-op>, from 24.8.2007.

Construction, reconstruction and modernization of roads of II. and III. class (regional and minor roads), construction of walking and bicycle lanes, infrastructure for public transport services – transport terminals, bus and train stops, information systems, vehicles for public transport, reconstruction of regional airports.

- Territory development

Preparation of developmental territories for entrepreneurship, living and services, revitalization of town centers and historic town parts, construction, reconstruction and furnishing of public facilities, cultural and free-time facilities, social and educational infrastructure, renewal of public areas, town squares, removal of not used buildings or ecological burdens, etc.

- Regional development of entrepreneurship

Reconstruction, modernization and revitalization of objects for entrepreneurship including brownfields, investments into transport and technical infrastructure of industrial zones and localities of smaller areas, support of investments improving material-technical facilities of companies, schools and other educational establishments focusing on training high-school graduates in practical abilities.

- Development of tourism

Construction and reconstruction of tourist paths (walking trails, bike trails, horse trails, water ways, ports) including associated infrastructure and marking, reconstruction and modernization of accommodation facilities and construction of accompanying facilities such as sport facilities including sports gear rental, wellness services, entertainment facilities, etc. ). Reconstruction of cultural or technical historical sights or other buildings of interest for use tourism, development and renewal of sports areas used primarily for tourism, modernization and development of spas' infrastructure and accompanying facilities, marketing campaigns with supra-regional impact, information and communication technologies for management and promotion of tourism. .

All supported activities are co-financed from the European Rural Development Fund (ERDF). Supported projects are investment (infrastructure) projects. For implementation of project in the framework of priorities of individual ROP will the Czech Republic receive 4.6 milliard € from the European funds, this represents approximately 131,4 milliard CZK.

### **Current regional development strategy**

In current period, the Strategy of Regional Development of Czech Republic for 2007-2013 is the key document focused on regional development. This document is based on the goals and priorities adopted by EU and, at the same time, takes national specificities of the Czech Republic into account.<sup>13</sup> As a part of this binding document, concrete measures were adopted. Following table summarizes these measures.

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<sup>13</sup> The regional policy has three goals within the period 2007-2013. To reach them, 308 041 000 000 € are available in mid-term budget framework through structural funds – the Cohesion funds. Sourcej:www.strukturalni-fondy.cz,from 21.8.2007.

**FIGURE 1. PRIORITY AREAS PROPOSED IN CURRENT STRATEGY OF REGIONAL DEVELOPMENT IN CR**

Priority areas	Priorities
<p>PO 1 European and state economic strategic framework</p>	<ul style="list-style-type: none"> <li>- Institutional system of support of regional development and inter-regional cooperation</li> <li>- Efficient and effective regional public administration</li> <li>- Securing financial resources for regional policies</li> </ul>
<p>PO 2 Regional Economy</p>	<ul style="list-style-type: none"> <li>- Creating conditions for dynamic economic development of Czech regions</li> <li>- Increasing competitiveness of small and medium sized businesses</li> <li>- Support of innovative enterprises and research in regions</li> <li>- Creating jobs</li> </ul>
<p>PO 3 People and settlements</p>	<ul style="list-style-type: none"> <li>- Support of investments into human capital</li> <li>- Settlement structure of living</li> <li>- Social cohesion in regions based on equal opportunities</li> <li>- Development and regeneration of towns</li> </ul>
<p>PO 4 Infrastructure</p>	<ul style="list-style-type: none"> <li>- Securing regional and supra-regional transport accessibility</li> <li>- Securing quality regional, interregional and supra-regional transport services</li> <li>- Development of energy and connection nets and facilities in regions</li> <li>- Development of IT in regions</li> </ul>
<p>PO 5 Nature, landscape and environment</p>	<ul style="list-style-type: none"> <li>- Protection of nature and environment</li> <li>- Economical and use of material and energy resources</li> <li>- Environmental education and counseling</li> </ul>
<p>PO 6 Tourism</p>	<ul style="list-style-type: none"> <li>- Organization and management of tourism</li> <li>- Development of tourist infrastructure</li> <li>- Development of tourist products and services</li> </ul>
<p>PO 7 Culture</p>	<ul style="list-style-type: none"> <li>- Organization and management of cultural activities</li> <li>- Development infrastructure and services connected with culture</li> <li>- Preservation and use of cultural sights</li> <li>- Education and information</li> </ul>
<p>PO 8 Problematic areas</p>	<ul style="list-style-type: none"> <li>- Increasing economic efficiency of problematic areas</li> <li>- Intervention into the labor market in areas with disproportionately high unemployment</li> <li>- Support of finding solutions to specific problems of rural and periphery areas</li> </ul>

Source: *Strategy of Regional Development in Czech Republic for 2007-2013, May 2006, www.mmr.cz*

### **Application of European programs and initiatives in the period of 2004-2006 in the Czech Republic**

This section describes in particular initiatives of the European Union, which were established by the European Commission in the last period (until 2006) and touched many problems and areas (eliminating discrimination on the labor market, support of local partnerships, initiation of over-border cooperation, development of areas and towns). In the Czech Republic, the initiative LEADER+, put in practice in the frame of OP Development of Rural areas and Multifunctional Agriculture, as well as the initiative INTERREG IIIA proved successful. Successful cooperation with all states bordering with CR has been established:

- INTERREG IIIA CZECH-BAVARIA
- INTERREG IIIA CZECH-POLAND
- INTERREG IIIA CZECH-AUSTRIA
- INTERREG IIIA CZECH-SAXONIA
- INTERREG IIIA CZECH-SLOVAKIA

### **Programs for rural renewal and development in 2004-2006 period**

In the Czech Republic, rural development is not managed and coordinated by one governmental institution (ministry). The issues of rural development are in competence of the Ministry for Regional Development as well as the Ministry of the Environment and the Ministry of Agriculture.<sup>14</sup> During the last program period, two independent programs were created and carried out by the Ministry of Agriculture; the Horizontal Plan of Development of Czech Rural Areas and OP Rural development and Multifunctional Agriculture. The experience with realization of programs SAPARD, Phare and ISPA during pre-accession period was taken in account when preparing these programs.

Horizontal Plan of Development of Czech Rural Areas for period 2004-2006 was proposed so that the fulfilling of individual goals and measures would not overlap with the strategic priorities determined in the OP Rural Development and Multifunctional Agriculture. Sustainable development of agriculture, rural areas and their natural resources were set as the priorities of this plan. To reach them, measures were adopted focusing on support of agriculture (LFA and areas with environmental limits), education and improving age structure of agricultural workers, increasing sales for primary producers, maintenance of landscape and protection of environment and non-production use of agricultural land (forests, renewable energy resources).<sup>15</sup> Following table summarizes the budget planned for all adopted measures in individual years:

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<sup>14</sup> Three state institutions are in CR in charge of rural development. As mentioned above, the Program of Rural Renewal focused on development and renewal of rural areas is prepared and declared by the Ministry for Regional Development

<sup>15</sup> Exact wording of all proposed measures to be found in the Horizontal Plan of Development of Czech Rural Areas for period 2004-2006 from May 2004, [www.mze.cz](http://www.mze.cz).



**TABLE 2. PLANNED FINANCIAL RESOURCES IN THE FRAME OF HPDRA FOR THE PERIOD 2004-2006 IN MILLIARDS CZK**

Year	Total for all measures
2004	6,49
2005	7,24
2006	7,85
Total	21,58
From that EU contribution	17,26

*Source: Ministry of Agriculture, Annual Evaluation Report on the program Horizontal Plan of Development of Czech Rural Areas for the year 2004*

One year after commencing this program, Czech Republic has made an appeal to European Commission for amendments of the original document and new subsidy title - Integrated production of fruits and grapevine was added. Further amendments of the program document were made in following two years in connection to Order of European Commission nr. 817/2004 and the Order of the European Council nr. 447/2004.<sup>16</sup>

In 2005, 6.776 milliard CZK were allocated for this program. The Ministry of Agriculture has received 19 155 grant applications amounting to 6.337 milliard CZK. For the year 2006, the budget was set to 6.997 milliard CZK. The total of 20 658 grant applications amounting to 6.601 milliard CZK were received by the ministry. During the three year period 2004-2005, the Ministry has paid to the applicants the sum overreaching 505.791 milliard EUR.<sup>17</sup>

The Ministry of Agriculture has fulfilled the 5<sup>th</sup> of six priority axes defined by the National Developmental Plan for 2004-2006 by carrying out the OP Rural Development and Multifunctional Agriculture. This operational program emphasized balanced support and development of both main areas – primary sector and rural areas.

The goal of the OP RDMA (OP Agriculture) was, in concordance with the global and specific goals of the National Developmental Plan, the support of sustainable economic development and the growth of life quality among inhabitants based especially on<sup>18</sup>:

- increasing competitiveness of sectors,
- securing employment and development of human resources,
- lowering differences in social conditions,
- maintenance of cultural landscape
- protection and improving of living environment.

Based on the proposed and adopted document has the European Commission granted the Czech Republic the contribution of 173 million EUR for the OP Agriculture. In the first year, the MA has announced three rounds of calls for applications and

<sup>16</sup> Source: Ministry of Agriculture, Annual Evaluation Report on the program Rural Development and Multifunctional Agriculture in 2005

<sup>17</sup> Source: Ministry of Agriculture, Annual Evaluation Report on the program Rural Development and Multifunctional Agriculture in 2005, Annual Evaluation Report on the program Rural Development and Multifunctional Agriculture in 2006

<sup>18</sup> Source: OP Rural Development and Multifunctional Agriculture, March 2004, www.mze.cz.

received the total of 1346 project proposals. In 2005, 4 rounds of calls for applications were carried out and 1619 project had registered. This was also the first year to draw finances from this program. The allocated subsidies amounted to 521 million CZK and were divided among 356 projects. Most of them were dedicated to purchase of agricultural machines. In the closing year 2006, the total of 1525 applications were registered in five rounds. Throughout the period, 1566 projects were granted finances in the amount of 2 415 million CZK. The most projects were focused on investment in agricultural properties, agricultural enterprises (977 projects).

Although the Union's initiative LEADER+ was not open in the plan period 2004-2006 as an independent financial resource, the activities of LEADER+ type were integrated in the framework of individual program documents. The Czech Republic has decided to carry out an interim measure LEADER+ within OP Rural Development and Multifunctional Agriculture as a limited number of pilot projects for local action groups and co-financing the realization of their integrated strategies of local development. In this binding document was the second priority especially dedicated to rural development; Development of rural areas, fishery and education. Namely the measure 2.1 Strengthening adaptability and development of rural areas, sub-measure 2.1.4 Rural development (sub-measure type LEADER+) and 2.1.5 Diversification of agricultural activities and activities tightly connected to agriculture.<sup>19</sup> The measures build up on experience acquired in the pre-accession program SAPARD.<sup>20</sup>

The programs of the LEADER initiative were in the periods immediately after accession of the Czech Republic to EU completely new and there were no active partnerships or associations, which would be able to prepare projects and to draw allocated finances. Therefore, it was at in the first step necessary to found them. Starting in 2004, a National program – LEADER CR was thus launched.<sup>21</sup> This program fulfilled its goal and in March 2008 the Czech Republic had 156 LAGs and micro-regions. The beginning of the new program period 2007-2013 was connected with the creation of a new fund the European Agricultural Fund for Rural Development (EAFRD) and after the request from EU the Program LEADER CR was ended. Following table shows the amounts of financial resources provided in each year for chosen projects.

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<sup>19</sup> Exact wording of all proposed priorities and measures to be found in OP Development of Rural Areas and Multifunctional Agriculture, March 2004, [www.mze.cz](http://www.mze.cz).

<sup>20</sup> Source j: <http://www.strukturalni-fondy.cz/leader>, from 27.8.2007.

<sup>21</sup> Program SAPARD 2000-2003 enabled the preparation and realization of 210 local developmental strategies. The first 29 LAGs have from 2004-2005 got experience in the framework of the sub-measure LEADER+ OP Development of Rural Areas and Multifunctional Agriculture and the national program LEADER CR. The land in competence of LAGs involved in the Leader method amounts to 12 414 km<sup>2</sup>, which is 15,7 % of the area of CR and 743 ths. Inhabitants that is 7,3 % of CR live there. In 2006, 7 further LAGs were accepted. In 2007, around 70 LAGs were ready to realize strategies of rural development using the Leader method in the framework of the new Program Development of Czech Rural Areas 2007–2013 (and further 133 LAGs that are currently forming themselves are registered). Source: Program Development of Czech Rural Areas for period 2007-2013, May 2007, [www.mze.cz](http://www.mze.cz).

**TABLE 3. FINANCIAL RESOURCES USED FOR THE PROGRAM LEADER CR IN 2004-2007**

Year 2004		Year 2005		Year 2006		Year 2007	
Number of LAGs	Amount in ml. CZK	Number of LAGs	Amount in ml. CZK	Number of LAGs	Amount in ml. CZK	Number of LAGs	Amount in ml. CZK
16	77	20	70	23	70	24	50+10 <sup>*)</sup>

\*)Note: Original budget was in the second half of the year increased by 10 ml CZK

Source: Ministry of Agriculture

### Current Program for Rural Renewal and Development

In current program period 2007-2013, is the concept of rural development based on the strategic document Program of Development of Czech Rural Areas for Period 2007-2013 prepared by the Ministry of Agriculture.

The applicants can based on the proposed and subsequently adopted project acquire substantial financial resources for renewal and development of rural areas from the European Agricultural Fund for Rural Development (EAFRD). As stated in the chapter Finance plan in the Program of Development of Czech Rural Ares for period 2007-2013, the resources from this fund will be used for rural regions covering the whole area of the Czech Republic (all regions fall into the Convergence Objective) with the exception of Prague.<sup>22</sup> The Czech Republic has acquired the amount overreaching 2,8 milliard € to fulfill the Program of Development of Czech Rural Areas. Following table shows the amounts of finances used in individual years.

**TABLE 4. ALLOCATION OF FINANCIAL RESOURCES FROM EAFRD IN PERIOD 2007-2013 IN EUR**

Year	Amount of total finances from EAFRD	From that for regions of Convergence Objective
2007	396 623 321	395 869 737
2008	392 638 892	391 892 878
2009	388 036 387	387 299 118
2010	400 932 774	400 171 002
2011	406 640 636	405 868 019
2012	412 672 094	411 888 017
2013	417 962 250	417 168 121
Total	2 815 506 354	2 810 156 892

Source: Ministry of Agriculture, Program of Development of Czech Rural Areas for the period 2007-2013, May 2007, chapter 6., Finance plan

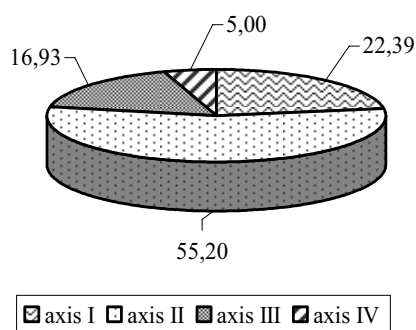
<sup>22</sup> Source: Program Development of Czech Rural Areas for period 2007-2013, May 2007, chapter 6 Finance plan.

The Program of Development of Czech Rural Areas is a very complex document structurein into 4 axes carried out as following measures<sup>23</sup>:

- Axis I – improving competitiveness in forestry and agriculture,
- Axis II – improving environment and landscape,
- Axis III – life in rural areas and diversification of rural economy,
- Axis IV – LEADER.

The Czech Republic has, according to the set goals and priorities, laid down following shares of financial allocations for individual axes.

**GRAPH 1. SHARE OF AXES ON THE TOTAL FINANCIAL ALLOCATION FROM EAFRD ON %**



*Source: Ministry of Agriculture, Program of Development of Czech Rural Areas for the period 2007-2013, May 2007.*

The first applications from applicants from rural regions were accepted in mid 2007. Following table brings an overview of finances paid up to now within each axis.

<sup>23</sup> Source: Ministry of Agriculture, Program of Development of Czech Rural Areas for the period 2007-2013, May 2007, [www.mze.cz](http://www.mze.cz).

**TABLE. 4. FINANCIAL RESOURCES PAID FROM EAFRD FOR MEASURES IN CZK**

<b>Name of axis</b>	<b>Title of measure</b>	<b>Total number of accepted applications</b>	<b>Total finances paid in CZK</b>
<b>Year 2007</b>			
AXIS I	Modernization of agricultural enterprises – project a) Buildings and technologies for animal production	451	1 033 292 335
	Modernization of agricultural enterprises – project b) Buildings and technologies for plant production	135	302 866 561
AXIS III	Project b) Construction and modernization of bio-gas station	35	493 895 826
	Project c) Construction and modernization of biomass heating stations and boiler plants		766 341
	Project d) Construction and modernization of plants for bio-fuel bricks		21 478 181
<b>Year 2008</b>			
AXIS I	Launching of small farms	301	329 997 533
	Investments into forestry	267	364 054 938
	Added value to agricultural and food products	155	496 448 578
	Alteration of land plots	218	1 682 188 623
	Further education and information	61	40 582 111
	Diversification of non-agricultural activities	19	20 201 493
	Support of start and development of enterprises	111	216 456 493
AXIS III	Tourism support	126	264 848 470
	Renewal and development of villages	439	2 136 801 185
	Public facilities and services	124	516 192 209
	Protection and development of cultural heritage of rural areas	113	189 145 101
AXIS IV	Education and information	57	43 028 302
	Local Action Group: Realization of local developmental strategy	48	359 547 830

*Source: State Agricultural Intervention Fund, Report from Program of Rural Development.*

## **Conclusions**

Preparation and implementation of EU programs and measures on national level is extensively time demanding. Effective use and continual drawing of offered finances is dependent on the readiness of all interested subjects – the creators of national programs as well as those who will use these programs in practice. The Czech Republic has not underestimated preparation and providing information. Competent institutions on the ministerial as well as regional level have published booklets and organized series of seminars.

The common European policy on development of rural areas and regions has been for longer time focused on local actors. It is essential that they realize the necessity of their active involvement in and participation on development of their locality. The fact

that the inhabitants directly influence the activities for development of their home region undoubtedly works as a great motivation factor.

One of the preconditions of the interest of local subjects in prepared subsidy programs is the availability of information and effective communication with institutions in charge of these projects. Important role plays also the level of complexity and clear arrangement of the system of administration of proposed and realized measures. On the other hand, the success of individual subjects in drawing and use of finances from subsidy funds is dependent on the quality of their project, which has to clearly prove the benefit of the proposal for the region.

Realization of valuable developmental projects brings many positive effects for the locality. As important and crucial asset as the realization of the goal of the project itself is the initiation of new cooperation among individual partners participation on the project. If such cooperation proves successful for all sides it often leads to creation of long-time partnership, which is one of the key elements of further development of the region.

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## **Streszczenie**

Dla realizacji koncepcji zrównoważonego rozwoju niezbędne jest prowadzenie odpowiedniej polityki i wprowadzanie programów jakościowych. Wśród tych działań podejmowanych w poszczególnych krajach członkowskich Unii Europejskiej, które są dobrze planowane i efektywnie wykorzystane należą programy w ramach polityki regionalnej.

Ważną część terytorium wszystkich krajów członkowskich Unii Europejskiej stanowią obszary wiejskie. Na tych terenach zamieszkuje znaczna część ludności. Jest oczywiste, że polityka rozwoju regionalnego jest ściśle związana z rozwojem obszarów wiejskich. Poprzez rozwój regionalny można osiągnąć warunki dla poprawy jakości życia i złagodzić dysproporcje rozwojowe w układzie przestrzennym.

Celem pracy jest przedstawienie koncepcji wykorzystania polityk rozwojowych w Republice Czeskiej w zwiększenie rozwoju regionalnego i rozwoju obszarów wiejskich.

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## **CZEŚĆ II**

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### **INSTRUMENTY POLITYKI REGIONALNEJ**

