

# Integrated projects of rural microregions: Experiences in the Central Bohemia region

## *Integrované projekty venkovských mikroregionů: zkušenosti ve Středočeském kraji*

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**Abstract:** The article brings the empiric reflection and results-based analysis of the “Programme of Rural Revival” realization in the territory of the Central Bohemia Region (NUTS II/III) in the time of regional self-governing organization in the Czech Republic. The primary interest of the authors was focused on the participation of microregions in the Programme activities, resp. on the item and object spectrum. The scope of the grant title 7 of the “Programme of Rural Revival” is assigned specifically for microregions. The successful request-analysis indicates varying spheres of activity and themes that microregions prefer in their demands for the Programme subsidy. It is, among others, observed through the interest for preparation of projects in the LEADER+ programme intention because the grant title 7 is also available for the LEADER+ preparation purposes. The preferences of microregions reflected in the requests indicate a further trend of territory-development supported activities. Unsuccessful requests analysis points towards broad relations of the Programme realization at the institutional-legislative level. Further evaluation concerned the fundamental Programme aims and their fulfilment presents the failure of agricultural undertaking in the grant requests. As the paper concludes, the authors suggest partial recommendations, in their opinion, for improving the “Programme of Rural Revival” application in the Central Bohemia Region.

**Key words:** Central Bohemia region, Programme of Rural Revival, analysis of microregions’ requests, grant

**Abstrakt:** Článek přináší reflexi zkušeností a analýzu výsledků realizace Programu obnovy venkova na území Středočeského kraje (NUTS II/NUTS III), a to v období krajského samosprávného uspořádání v České republice. Primární zájem autorů je zaměřen na zapojení mikroregionů do aktivit programu, resp. na jeho předmětné a objektové spektrum. Konkrétně je mikroregionům v rámci Programu určen dotační titul 7. Analýza úspěšných žádostí poukazuje na různé oblasti a témata, jež mikroregiony ve svých požadavcích na podporu programem preferují. Mimo jiné je sledován zájem mikroregionů o přípravu projektů LEADER+, na kterou lze dotační titul 7 Programu obnovy venkova také použít. Preference mikroregionů zobrazené v žádostech naznačují další směřování aktivit podporujících rozvoj oblastí. Analýza neúspěšnosti podaných žádostí poukazuje k širším souvislostem realizace programu v institucionálně legislativní rovině. Zhodnocení předmětného naplňování základních cílů programu ukázalo, že oblast zemědělského podnikání je žadateli podpor opomenuta. Závěrem autoři přinášejí dílčí doporučení zlepšující, dle jejich názoru aplikaci Programu obnovy venkova ve Středočeském kraji.

**Klíčová slova:** Středočeský kraj, Program obnovy venkova, analýza žádostí mikroregionů, dotace

## INTRODUCTION

The introduced article comes out of the collective interest<sup>1</sup> of the authors in the specific theme of the state and development of the Central Bohemia Region’s rural area and agriculture. The authors already solved these problematics in several works (see References). In analysing a partial sphere of the subject matter, we chanced into a problematic field not only connected with rural revival, but also with the problems of decentralisation, reform of state administration, and integration in rural microregions.

The article concerns the problems of realisation and current Programme conception that are aimed at rural space in its all breadth, the “Programme of Rural Revival” (further on PRR). The Programme is one of the most important ones and is the main unexpendable aid programme because the municipalities and associations of communities, for the present, have limited chances to obtain financial support for smaller projects from other resources<sup>2</sup>. The situation improvement is forecasted after joining the European Union when the municipality representatives anticipate possibilities to appropriate a structural funds budget. There is of course further expect-

<sup>1</sup> Elaboration of PhD – Thesis at the Faculty of Management and Economics, Czech University of Agriculture in Prague.

<sup>2</sup> E.g. Territorial Development Programme of the Central Bohemian Region.

tation in the use of supports for bigger projects with wider purchase. Smaller activities which improve rural life will probably be in the national sphere of interest, as well.

The PRR importance is especially apparent for smaller communities, but also for microregions. With limited budgets, the smaller communities can only hardly find finances for the revival of civic equipment (starting with schools, municipal offices, cultural institutions, and ending with municipal communications) or elaboration of territorial plans and urban studies which are necessary for the future development of municipalities.

There was no analysis focused on realisation of the PRR at the level of NUTS II Central Bohemia Region (further on CBR), until present. Thus far, there is no observation and evaluation on the microregional activities, which enter the object spectrum of the PRR. The primary motive for making such an elaborate analysis and writing this article was the bold activity of microregions in the Central Bohemia Region territory during the last period.

The PRR activities of microregions are carried out in the scope of the grant title 7 (next GT 7) that is specifically assigned to them. The PRR process and the way of support using the offered possibilities are elucidated in the following analysis. The incongruities discovered by working out of the sphere GT 7 in the year 2003, the authors endeavoured to broadly examine and to reflect about the current scheme of the PRR mechanism-function and institutional circumscription and ensuration.

### **Object – Central Bohemia region (NUTS II/III<sup>3</sup>)**

The Central Bohemia Region is one of the newly established regions that is a diverse and very heterogeneous region spread in the central part of the Bohemian Basin. The region makes a circle around the Capital City of Prague, which exists as an independent territorial-administrative complex, it means as a region. The Capital City is a significant diversifying factor for the Central Bohemia Region. The territories near Prague have an advantage in contrary to the outlying ones. The Regional Authority is located in Prague, but in difference to other Czech regions, it does not fall under the auspices of the regional territory. It is necessary to mention that because of the past development, when most investments were allocated in Prague, the Central Bohemia Region belongs to the less developed regions in the Czech Republic.

### **PRR FUNDAMENTAL PRINCIPLES**

The Programme of Rural Revival is based on the idea of sustainable development of society, and pertains to the regional policy context of the Czech Republic and the

European Union for its adherence to the foundational principles of the European Structural Funds. The Programme's motto is social, cultural and ecological non-substitution and the economic significance of the rural area. The Programme is based on the concept of independent rural territories, which with their own activity dispose the course and development of life in communities.

Primary principles of the PRR are essential. It is possible to express them in two ideas – the idea of good examples (or good praxis) and the idea of solidarity. The first idea should express how to build the community and in relation to it, there is prized the municipal activity. From the view of the balanced rural development, the second idea prevails. In compliance with the idea, the small communities with low tax incomes are supported.

Basic thoughts illustrate further principles like inhabitants' participation, territory integration, the intellectual dimension of rural revival, business advancement effort in rural regions, own constructive renewal of community and landscape care.

The item scope of the PRR is involved in the main principles of the PRR. The first four grant titles contribute to individual municipalities. They support the restoration and upkeep of rural building and civil equipment, qualifying of technique infrastructure and communications, construction of bicycle- and foot-passenger routes and construction of public lighting. The grant title 5 is, according to the authors, elemental and substantial; it allows the elaboration of town-planning studies and regional plans. The next two grant titles are also essential, in that within their framework, the associations of communities and microregions can acquire the subsidy. It regards the grant title 6 – Municipality projects on training and consultancy in rural development and village, and grant title 7 – Integrated projects of rural microregions, with which the next chapter deals.

The last grant titles should be included with regard to the topic complexity. The title 8 contributes to credit interests, to ensure that communities have an easier access to credits on infrastructure development projects. The last grant title which deals with the support of the Programme PHARE CBC (cross-border co-operation) has never involved the Central Bohemia Region for the reason that it is the only region of the Czech Republic, except the Capital City Prague, which does not have any international boundaries.

### **GRANT TITLE 7 – INTEGRATED PROJECTS OF RURAL MICROREGIONS**

In accordance to the PRR Principles<sup>4</sup>, the grant title 7 is oriented on integration of municipalities, so that they are supported in their microregional activities. Community

<sup>3</sup> The Central Bohemian Region is a region NUTS III, at the same time it creates NUTS II Central Bohemia.

<sup>4</sup> The principles of providing of grants to municipalities from budget means of the Ministry for Regional Development in the framework of the Programme of Rural Revival.

associations get grants to the extent of 70% of the total costs. The communities are motivated to create microregions, so that in other grant titles they can get amounts in the range of 30 to 50% of the total costs.

The grants requests are passed for both elaboration and realization of projects which connect the revival of civic equipment and technical infrastructure with active employment policies, support of small and middle non-agricultural businesses, support of agricultural undertaking and landscape care. The projects can be used for earning further financial aids, e.g. from the EU-funds (PHARE) and other foreign resources, where such measures are common.

Every municipality must, before PRR-requesting, enlist to the PRR and work out the "Programme of Village Revival". It is a municipal document ratified by the representatives. In the case of microregions, it is assumed to request in concordance with the designed development strategy of the microregion. Thanks in part to this requirement, the problems traced out are solved in a goal-oriented and systematic fashion.

## EXPERIENCE ANALYSIS

### Summary of successful projects

There were received in total 104 requests in the context of the grant title 7 in the Central Bohemia Region. Therefrom, 64 requests were chosen for realization. The requests for project preparation or realization in intention of the programme LEADER+<sup>5</sup> are involved in the figures. Firstly, in the year 2003, the requests for the LEADER+ preparation were supported within the scope of the mentioned grant title 7 and the project choice ran in its own

Table 1. Number of successful projects per microregion

Successful projects	Number of microregions in the category	Total
1	20	20
2	8	16
3	2	6
5	3	15
7	1	7
Total assessed		64

selection round. From 104 requests, 5 microregions applied for the LEADER+ project support, therefrom 3 were successful.

Our evaluation was made in steps. We firstly directed our attention to all receipted requests. All in all, 50 microregions requested for grants, therefrom 34 achieved the grant. It means that almost three-quarters of microregions received the support (rem. some microregions passed more requests, see Table 1).

A detailed view on supported actions (see Figure 1) enabled the authors to create categories in compliance with the thematic of requests. The majority of grants lead up to project realization (in total 72% of the contributed grants within the grant title 7), concretely to project realization spheres of tourism, renewal of public places, building maintenance of cultural monuments, infrastructure development, encouragement of internet linking and free-time activities of children and youth, elaboration of geographic information systems, social service development, innovation or implementation of security and warning systems.

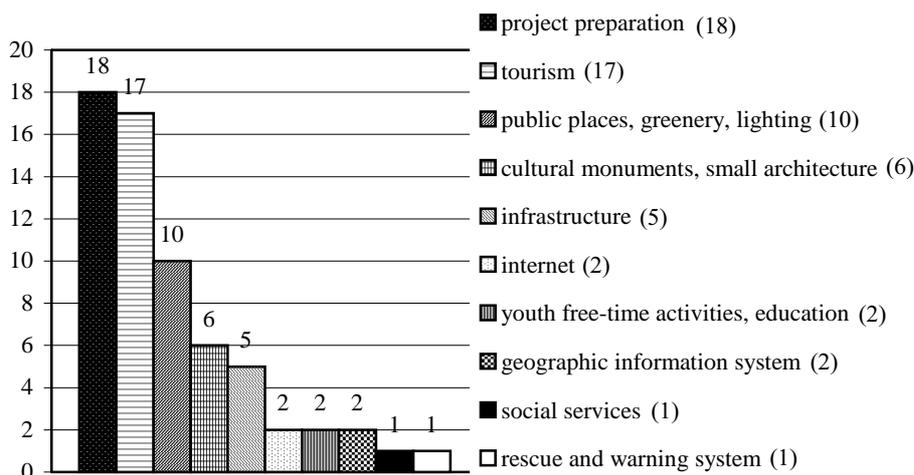


Figure 1. Classification of supported projects in grant title 7 of PRR

<sup>5</sup> European initiative LEADER+ is practiced on the principle of local partnership. One of the LEADER+ terms is foundation of so-called LAG (local action group). Representatives of public administrative, businessmen, non-profit-making sector cooperate within the LAG.

Table 2. Project preparation and realization-tourism categories dividing in subcategories

Project preparation	Absolutely	%	Tourism	Absolutely	%
Municipality infrastructure improvement	6	33.3	Information and orientation systems	7	4.2
Preparation for the EU- and CR-funds	5	27.8	Tourist-routes	4	23.5
Regional development strategy	4	22.2	Bicycle-routes	3	17.6
Tourism	2	11.1	Regional propagation	3	17.6
Security system	1	5.6			
Total	18		Total	17	

With regard to project preparation, 28% of supports from the GT 7 were granted to project preparation. The particular categories are sized according to the number of successful projects in the graph.

The most frequent category of project preparation and realization-tourism we continued to subcategorize (Table 2). Subcategories of project preparation showed a higher internal diversity than the subcategory realization-tourism.

From the above analysis, it is indicated that microregions mostly seek to enhance the public cognizance of their territory, to revise tourist- and bicycle-route-infrastructure, to increase traffic approachability and to perfect the participating municipalities. So, it shows the microregion's focus on the tourists' affinity enhancement of the microregion-territory, amelioration of life-quality for the municipality inhabitants and also for the municipality guests.

### Reasons of projects unsuccessfulness

In total, 40 requests failed and did not receive any grant. There are many reasons why these requests did not succeed. The main reasons relate to the basic rules of requests receipting. Most of the applicants did not fulfil the conditions of the ordinary request passing in the instant that they did not pass the proper annexes<sup>6</sup> in the right term.

The grant title 7 requests were accepted until 21<sup>st</sup> of June, the annexes had to be delivered up to the end of

November (the former term of the end of August was shifted in consequence of the floods). Therefore, the time allocated to the annexes did not factor as a reason for the non-delivery of the annexes. The analysis of requests examined by us makes apparent the difficulties that municipalities faced. The problems were in the formal-correct elaboration of the annexes and in the appropriate content applied in the annexes. The problem is also to observe the defined structure, not to mention the time-framework and timetable.

The next project selection was made in cause of the next annexes non-delivering. These were the forms RA 81 or 82 in accordance to the action character, if it is investment or a non-investment activity (the form outlines the needs and resources of project financing). 21 requests did not fulfill the requirement.

The evaluation further highlighted the need to explicitly write down in the request, which a municipality gives<sup>7</sup>, the name of the microregion and the names of the participating municipalities involved in the project. The evaluator would then have a precise overview about the grant receiving and the amount of supports per each microregion only if this condition<sup>8</sup> is fulfilled.

A further significant finding not related to the requests failure mentioned above, is that some microregions refuse the given project grant. This is caused by an incongruency between the time when the grant is released, and when the project requirement is passed. Often the project requirement is no longer actual by the time of the release of grants.

<sup>6</sup> Some annexes were demanded firstly this year like the EU structural funds demand. These are logframe and project fiche. Project fiche means a project abstract worked out in accordance with the assigned structure. Logframe helps the project defining, project information sketching, planning, realization and project-evaluating. It summarizes briefly and lucidly the whole project. It is useful, on the one hand, for problem identification and analysis, on the other hand, it aims at activities defining and solutions assessing to the specified problems. Logframe method tests the upcoming project both from the viewpoint of suitability and adequacy for solving the problem and from the viewpoint of feasibility and sustainability. According to these documents, the project is evaluated and that in both the phase of grant deciding, in project realisation process and in final phase after project finishing.

<sup>7</sup> Up to the year 2003, the municipalities passed requests for microregion. Since this year, the microregions have the possibility to make a request by themselves. Consequently, a complication appears. It is not transparent how many requests in fact the microregion has passed.

<sup>8</sup> E.g. this year experiences have shown that one microregion can gain support for 7 actions if 7 microregional communities request for one action. However, we did not get any case of microregional action that would be demanded in requests of more communities, although the Programme enables it. This assessment we consider as positive.

## Problems connected with grant title 7 Realisation in PRR scope in Central Bohemia region

### 1. *Overlapping of the PRR Aims and the Conditions in Requests Items of Supported Projects*

Realisation analysis of the PRR observed fundamental aims of the “Programme of Rural Revival” and their fulfilment in the scope of the grant title 7. We diagnosed that the praxis narrowed far down the fundamental aim spectrum of the PRR.

The grants support both project elaboration and realization. The granted fields are the revival of civic equipment and technological infrastructure, landscape care, support of small and middle *non-agricultural* business (especially rural tourism) and support of *agricultural* undertaking. Although the natural-climatic conditions in the Central Bohemia Region are more or less favourable like in other Czech Republic regions, no request for agriculture undertaking support<sup>9</sup> was receipted. The agricultural sector is, from the view of microregions’ management, the least attractive sector. Nevertheless, the programme LEADER+ demands the engagement of the agro-businessmen in local action groups. The first experiences with support for the LEADER+ preparation has proved that in many microregions, the co-operation with the agricultural sector is even the problematic issue.

The condition for regional activation in the programme LEADER+ simultaneously connects public and private subjects of several types. One of the programme participants should also be an agro-businessman, resp. a self-employed farmer. Currently, the participating subjects do not communicate under the usual circumstances, resp. communicate in a quite different way. In this connection, a typical phenomenon appears that the engaged participants are not interested in others’ problems and do not comprehend that of the others (e.g. businessmen do not comprehend the needs, dues and roles of the non-profit sector, representatives of public administration the needs of farmers and so on). Ideally, success comes in the situation conditioned by leaving of the inveterate communication stereotypes and criticizing of the participating partners, and also in comprehending the needs, dues, and roles attributed to all parties. In the groups where every participant minds only his/her own business and does not admit a possibility of the effectual extension of the interest spectrum, a real chance for asset achieving of the microregion joining the programme does not exist. Needs, demands and at the same time gains of one side very often penetrate into quite different interests of the others and through understanding of

this need, positive results can be reached which flow from synergic effect. The overlapping of interest spheres of the individual subjects of the action group is broad, conditions and requirements of the LEADER+ reflect it and assist subjects to notify it individually.

Participation of the agricultural subject, as demanded by the programme, is in this connection a precedent example because of the agriculture’s role in the cultural landscape and in the rural commune, we cannot leave out the context in form of employment, care of countryside, tourism etc. It is not possible just to circumscribe solutions onto intimately specified territorial or sector interests, and to it attached competencies and responsibility. At the minimal communication/information level, it is necessary to regard all interest fields of the possible local action group (LAG) of the microregion, to learn what partnership is and what is to come from it by project preparation.

### 2. *General problems of public administration reform in relevance to PRR realisation*

The “Programme of Rural Revival” is directed by the Ministry of Regional Development and is a part of regional policy of the Czech Republic. The Ministry still decided about the grants after proceeding in the PRR “Intra-Resort Direct Commission”, which sets the concrete rules and limitations of each PRR grant title.

Public administration reform in the area of the PRR has raised appreciable complications in running of this Programme. After the regional establishment in the Czech Republic, the regions play their own role (and they should play a still more important role in the future). Since two years, the Regional Authority<sup>10</sup> is (in accordance with the PRR Principles) a secretariat of the “Regional Selection Committee” which proposes grant allocation in the region. The Authority acts in a far wider role – started with the role of the municipality coordinator in its administration, necessary development measures, ending with the role of the communities’ informant. The main problem at first was the absence of fixed communication modes, and in consequence the communication failed. The absence, resp. non-availability of a written information caused considerable time-delays, because to find the needed information relied only on verbal communication.

The break-point represented the abolition of districts when the the PRR administration<sup>11</sup> was moved from the already experienced district offices to the “communities with extended authority”. Not only technical problems, but also conceptual and legislative<sup>12</sup> problems have complicated the direction of the Programme. Questionable

<sup>9</sup> The PRR results of other regions in the Czech Republic had proved that the PRR also in other Czech regions did not support agricultural activities.

<sup>10</sup> Resp. its Regional Development Department, Section of Regional Development.

<sup>11</sup> It means collection of requests, applications, ex-ante and ex-post control. The work is relatively time-consuming and non-balanced during the year.

<sup>12</sup> Act No. 320/2002 Coll. did not enter the PRR into the register of activities which were passed over to communities with extended authority. Communities with extended authority did not have the necessary legislative field for the PRR administration and so

situations arose because the right solutions were not suggested from the beginning, consequently diverse problems have appeared. For example, some communities with extended authority did not institute any officials for regional development resp. The PRR, nor did they calculate with the labour costs in the budget. In the reform framework, a lot of communities with extended authority did not make a requirement for the PRR officials' allotments. Concretely, in the Central Bohemia Region, the result is that eight experienced workers from 12 former districts went out to other working places. The existing fixed PRR-operated system was thus disrupted.

The reform result is that some communities with extended authority still do not administrate the PRR because of principal reasons. There are two municipalities in particular (in one of the former district) in the case of the Central Bohemia Region, which are not doing the PRR-administration, but there are signals from other municipalities that the PRR is a not supported activity. Well, for further maintenance of the present principles, it is urgent to solve this problem systematically for whole Region resp. all Czech Republic.

The next potential pitfall is in the context of the proposed change of budget principles<sup>13</sup> and tax distribution. In this proposal, the idea is to transmit the PRR from the ministerial to the regional level. Now the question is how the PRR will exist with all the present and future problems. It is more than probable that from a state Programme, it will become a regional one. According to an announcement of the regional governors about the "Programme of Rural Revival", there is declared the PRR support in minimal financial amounts that were assessed by the state budget for the year 2003. Based on the announcement above mentioned, there is anticipated the maintenance of the PRR.

## CONCLUSIONS

### Generally

The "Programme of Rural Revival" represents principally a broad range of the possible supported activities from support of the civic equipment revival to support of the municipality association. The most requested items are those which cannot be financed with other public resources.

From the rural development viewpoint, the PRR will be irreplaceable – not so considerable for financial support amounts to communities, but significant in the Programme aims and ideas. The Programme has a year-long history behind it and gradually it has formed to the pre-

sent image (it has been the "Programme of Village Revival" formerly since the year 1991).

It is evident from the Programme realisation in praxis, that not every community can achieve supports of the Programme. Especially small municipalities, which do not fulfil the conditions for the Programme admission, and do not have enough resources for town-planning studies or regional plans elaboration and have frequently an additional problem how to ensure the project co-financing.

It is expected that PRR will operate in national interest sphere in the scope of the JROP (Joint Regional Operation Plan) and more expensive actions will be led up to structural funds after the EU accession. The PRR saving at the regional level is essential from development point of view, as a number of municipalities will be handicapped after joining the EU, therefore, it will be more appropriate to request by the regional authority than by outlining the EU authorities. The PRR high utilisation and acquisition with many support exercise possibilities proved a major community interest for development in the Central Bohemia. The grant title 7 appears as interesting and significant, especially from the aspect of municipality education. Consequently, the advantage for communities is learning three request procedures and project preparation in compliance with the example practised in the EU. Concurrently, the communities learn how to cooperate with each other, to associate and to pursue common interests.

### Concrete – possible solutions ensued from first experiences

It came out that it is required to process a certain way of standardisation by the PRR implementation, *i.e.* to set clear rules, particularly to set terms, methodology, annexes etc. We recommend keeping the rules of the requests collection at the beginning of the request year and of the grant release by June of the request year, so as to accelerate the whole request administration process. This will make the support recipients able to realise their plans<sup>14</sup>. Next it is necessary to set up clearly the competences of each Programme participator and to improve their intercommunication. It is very important for the Programme transparency to introduce a feed-back between the suggested actions and their realisation. A proposed possibility is also to set a specific maximum request number for certain subject (microregion) so as to keep concentration of powers and finances on a solved problem.

In case of the grant title 7, it is possible to spread out the powers on individual communities. So, it is recom-

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rejected the co-operation, resp. the concurrence in accordance to Act No. 248/2000 Coll., which ensued from the Regional Development Act.

<sup>13</sup> In the time of article preparation, there still were not concluded the discussions about the novelisation of the Act No. 243/2000 Coll. about the budgetary assignment of taxes in the Parliament.

<sup>14</sup> Some communities/microregions do not pursue the realisation of the action until the end of the year, specifically thanks to climate conditions, and then they must refund the grant.

mend to respect the number of microregion municipalities which are participating and to appraise if the request has a microregional character. The communities could, thanks to this grant title, learn the exact meaning of what is "microregional" as it is not about a request of one community for itself.

As more microregions, resp. municipalities fail to fulfil the conditions of a successful request application (in particular, the necessary annexes joining), it would be apposite to enable them to rewrite it in a given term, resp. to supply the missing annexes and so to solve the additional problems connected with the requests.

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