ECONOMICS
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SPATIAL CONCENTRATION OF THE COHESION POLICY PROJECTS IN NATIONALLY DELIMITATED INTERVENTION AREAS: THE CASE OF THE CZECH REPUBLIC AND POLAND

ABSTRACT. This paper deals with the topic of monetary support of the European Union cohesion policy to two Central European countries the Czech Republic and Poland. The main area of the interest is the spatial dispersion of said resources among regions of each country as it is related to special intervention areas that were delimited in both of them. The idea behind this delimitation is rather similar in both countries, targeting the economically less advanced areas. The results of virtually the same approach, however, are quite different as they are obtained through different implementation of cohesion policy. Poland is rather more successful in targeting economically weakest regions as the government prepared an architecture of operational programmes that allocates significant amount to the economically weak Eastern Poland ex-ante through regional and multi-regional operational programmes. The Czech government, lacking similar approach, is far less efficient in targeting economically weak regions. What both countries have in common is the worrying trend to invest prevalently into basic infrastructure in these regions and implementing projects with larger added value in economically sounder areas.

Introduction

The European Union cohesion policy is firstly aimed at the support of the underdeveloped regions. As the eligibility to either of the Convergence or the Regional Competitiveness and Employment objective is measured at the NUTS 2 level via the gross domestic product per capita, some countries emerge from this Union wide comparison as comprised mostly of the underdeveloped regions that occupy significant amount of their area and encompass also majority of the population (Becker *et al.*, 2010, Barcalente and Perugini, 2010). Such broad delimitation of problem areas does not comply with the proclaimed principle of concentration of the cohesion policy interventions which should ensure the spatial, topical and expenditure concentration to improve the intervention results although some (e. g. Farole *et al.*, 2011) propose that economic growth promotion policies should not target special territories. However, the economic growth is not the sole objective of the cohesion policy which also has a social and an environmental dimension (Mairate, 2006).

The question of delimitation of the intervention areas for the cohesion policy has long been discussed especially with focus on the power division between the European Commission and the group of member states. The current practice in programming period 2007-2013 is such that the Convergence objective eligible regions are determined by the European Commission ruling (Bachtler and Mendez, 2007). Although the following programming period 2014-2020 signifies wide changes in the territorial approach more focused on specific functional types of regions be it macro-regions such as Baltic Sea or Danube or smaller sized functional areas centred around cities, urban areas, and so on (Zuber, 2013).

The efficiency of the cohesion policy has been disputed (see e.g. Dall'Erba and Le Gallo, 2007, or Ederveen *et al.*, 2006) as well as the convergence of the member states with different outcomes (Simionescu, 2014 or Vonjović and Oplotnik, 2008). Bachtler and Gorzelak (2007) suggested maximising the effectiveness of the intervention especially in the Convergence regions by implementing widespread national policies that would further stipulate the use of eligible funds. In the light of this suggestion the paper compares the Eastern European member states the Czech Republic and Poland which have taken different approaches to delimitating the intervention areas at the national level and discusses their success in aiming interventions financed by the cohesion policy into said areas.

The objective of the paper lies in evaluation of the spatial dispersion of the cohesion policy in the Czech Republic and Poland. Both countries have delimited certain areas that are of special interest to their respective governments. This raises the question whether the state preferred areas in the Czech Republic and Poland are sufficiently targeted by the cohesion policy or at least profit from the overall support of the European Union more than other regions.

The paper is structured as follows, first chapter introduces the topics, deals with delimitation of the areas of interest to both governments and main theoretical findings connected with cohesion policy implementation in both countries. The second chapter introduces the methodology of the research. Third chapter summarizes the findings for Poland first, then adds findings for the Czech Republic which are already compared to previously introduced results concerning Poland. The last chapter presents conclusion and comparison of the Czech and Polish approaches.

1. Delimitating the intervention areas

Both countries are open economies with common communist past that strongly supported inter-regional equity. However, significant regional disparities became obvious in

the countries soon after the collapse of communist regime triggering economic changes and to a lower level interregional migration (Fidrmuc, 2004, Huber, 2004, Tvrdoň and Skokan, 2011, Bilan, 2012). So far there is little evidence of convergence process (Grosse, 2006, Czyz and Hauke, 2011). The accession process to the European Union and subsequent membership status resulted in flow of resources aimed at reducing regional disparities. However, as interregional disparities increased, both countries set to declare special areas that should benefit more than other as they are economically and socially worse off than others. To understand the delimitation of the areas of special interest it is necessary to understand the regional division and interregional differences in both countries. With respect to Poland the country is divided into 16 voivodeships (NTUS 2) with self-governing bodies and 308 districts (LAU 1) (Brusis, 2013). The LAU 2 level is represented by municipalities. The omission of NUTS 3 regions is due to its incompatibility with the present administrative division of the country.

The interregional differences mostly present themselves in the Eastern Poland, a region consisting of five voivodeships Lubelskie, Podkarpackie, Podlaskie, Switokrzyskie and Warminsko-Mazurskie. These NUTS 2 regions are characteristic by lower productivity, larger percentage of people being employed and goods being produced by the agricultural sector, poor infrastructure, undesirable qualifications of present human resources, and resulting migration out of the region (Ferry, 2013). Due to the concentration of negative regional disparities Poland has taken the following way with respect to delimitation of the intervention areas stemming mostly from rather good compatibility of the Polish administrative structure with the NUTS system, particularly from correspondence of Polish voivodeships with NUTS 2 units. In the pre-accession period there was a national delimitation of supported areas on the administrative level of voivodeships (NUTS 2) a districts (then NUTS 4, now LAU 2). It was abandoned after the European Union accession when Poland fully adopted the delimitation of the economically weak regions by the European Commission at the level of NUTS 2 (Churski, 2010). Poland represents precisely the case when the whole country is comprised of lagging regions. A suggestion of delimitation of the so called problem areas at the national level was made in 2008 when National Concept of Spatial Development was introduced (Korcelli *et al.*, 2008). This delimitation stirred some controversy as it was imprecise and still included much of the total area of the country (Szlachta and Zaucha, 2010), therefore it is not included in the final version of the document.

According to the architecture of the Polish programme documents the five voivodeships of Lubelskie, Podkarpackie, Podlaskie, Switokrzyskie and Warminsko-Mazurskie can be regarded as problematic, lagging regions. These were given their very own Operational Programme (OP) Development of Eastern Poland. The architecture of the Polish operational programmes in the 2007-2013 period includes, apart from the mentioned OP, 16 more regional operational programmes for each voivodeship one, and national Ops Infrastructure and Environment, Human Capital, Innovative Economy, and Technical Assistance. All the aforementioned operational programmes belong within the frame of the Convergence objective.

The region of Eastern Poland is primarily composed of agrarian regions characterized by small degree of urbanization whose economies have not sufficiently changed since the transformation process began in the early 1990s notwithstanding the pre-accession help or the resources allocated to them in the first period of Polish membership in the European Union (Czyz and Hauke, 2011). The absorption of structural and Cohesion funds resources and its influence on the Eastern Poland is mostly researched by domestic authors (see e.g. Pawełek *et al.*, 2010, Zembaty *et al.*, 2011 or Smętkowski, 2012) with the conclusion that the Union contribution indeed proves to be beneficial for Eastern Poland, however, it is unable to prevent increase in interregional disparities within the entire country. The benefits of the

cohesion policy interventions are of course not limited to Eastern Poland and as a whole have prevented more serious impact of recent economic crisis (Clowes and Bilan, 2014).

The Czech Republic and Poland approached the topic of the preferred intervention areas for the cohesion policy activities rather differently. The reason lies in the administrative structure of the Czech Republic which is rather fragmented and combines too many points of view attempting to adapt to both internal administration needs and European Union requirements (see Jurčík, 2014). The regions of the Czech Republic do not fit to the NUTS classification as seamlessly as Polish regions do, mainly due to the difference in the size and population of the above-mentioned countries. The NUTS 2 regions in the Czech Republic are comprised of one to three NUTS 3 regions which represent the level with elected self-governing bodies. This is mostly result of widely different population between Czech Republic and Poland because the NUTS 2 level does not correspond to the structures of the Czech administration as it does to the Polish. Yet it is a necessary level to have and to manage because of the importance the European Union itself gives to these units. LAU 1 level is represented by districts, of little use now but for statistical evidence. Finally, LAU 2 is represented by municipalities, albeit in average much smaller than in Poland (Siwek, 2012). The Czech Republic aims for the support to be spent preferably in the disadvantaged regions from the national point of view (Ferry and McMaster, 2013). Therefore the government has delimitated so called regions with concentrated state support at the level of districts – LAU 1 and the level of municipalities with extended scopes of power that do have a direct counterpart in the NUTS and LAU system. The second mentioned are smaller than LAU 1 but contain several LAU 2 units (municipalities). The delimitation happened twice during the programming period 2007-2013. The first delimitation was made in 2006 and was valid until 2009. The second one was made in 2009 for the 2010-2013 period. These regions, as they can be seen later in fig. 4, are rather more dispersed within the Czech Republic than the problematic voivodeships in Poland are. They are often located near borders and there are several clusters of them in the inner peripheries of the Czech Republic. Being also much smaller than Polish voivodeships there is no special operational programme targeting them in the architecture of the Ops for the Czech Republic in 2007-2013. The architecture differs from Poland mainly by the fact that the capital of the Czech Republic, Prague, which is in and of itself a NUTS 2 region belongs among the areas covered by the Regional Competitiveness and Employment objective. Within this objective the capital has two specific operational programmes Prague Adaptability and Prague Competitiveness which were not included in the later presented research. Within the Convergence objective there are 7 regional operational programmes, one for each NUTS 2 apart from Prague, complemented by eight thematic programmes: Transport, Environment, Enterprise and Innovation, Human Resources and Employment, Education for Competitiveness, Research and Development for Innovation, Technical Assistance, and Integrated Operational Programme.

This delimitation of the regions with concentrated state support, where the allocation of cohesion policy funds should preferably be spent, follows the line of arguments that the economically lagging regions invest less into the innovations and related activities. This investment is supported by the regional policy even though the absorption capacity of said regions is somewhat limited in this regard (Oughton *et al.*, 2002) and still more complicated by system issues such a human resources fluctuation in public institutions, public procurement and legislation changes, or political and media interests (Jurčík, 2015, Horváth and Machyniak, 2014). A research into the absorption capacity of said regions in the Czech Republic was conducted by Smékalová (2012) who focused on entrepreneurship support in Operational Program Entrepreneurship for Innovation. The entrepreneurship support, however, is somewhat special even within the range of cohesion policy as it uses not only the general subsidy scheme but also schemes oriented on loans and guarantees in areas such as

start-ups, development of entrepreneurial environment, or brownfield regeneration (Novosák *et al.*, 2013, Smékalová, 2012). As such the entrepreneurs are shifted from mere beneficiaries to the role of bank clients with all advantages and risks that this process entails (see e.g. Belás *et al.*, 2013, Janda, 2009). Hájek et al. (2012 and 2014) assessed the overall cohesion policy implementation within all the Convergence regions and related operational programmes in the Czech Republic and found no significant evidence of preferred position of the state supported regions in comparison with other regions.

2. Methodology

The research into spatial targeting of the EU allocation in all countries is based on extensive study of the cohesion policy implementation at the project level in the reference period January 2007 – March 2013 within the Convergence objective. Excluded from this analysis were the technical assistance projects. As required, the countries publish basic information about individual projects and the beneficiaries of such projects which created the foundation of comprehensive project matrixes for each state which was complemented by information from other available public resources (see *Table 1*). In total there were approximately 41,000 projects to be analysed for the Czech Republic and 117,000 for Poland. All these projects were listed as either finished or in-progress as of March 2013.

Table 1. Data available in project matrixes and their sources

Attribute	Source of information – Czech Republic	Source of information – Poland
Project name	List of beneficiaries	List of beneficiaries
Project description	Project database of the Centre of regional development of the Czech Republic	Individual project websites
Project location	Project database of the Centre of regional development of the Czech Republic	List of beneficiaries
Operational program	List of beneficiaries	List of beneficiaries
Beneficiary name	List of beneficiaries	List of beneficiaries
Beneficiary location	Registry of economic subjects	Registry of economic subjects
EU allocation	List of beneficiaries	List of beneficiaries
Date of contracting allocation	List of beneficiaries	List of beneficiaries

Source: compiled by the authors.

The location of the beneficiary and the project site were of special interest for the purposes of this paper. Detailing the location of the project through the administrative levels of respective countries (NUTS 2, NUTS 3, LAU 1, and LAU 2) was not always possible which constitutes limitation to this particular research. This paper therefore only deals with projects where such identification was possible that enabled the author to discern low enough administrative level on which could be determined the location in or outside the state delimitated intervention areas. In case of the Czech Republic some state delimitated regions are LAU 1 others LAU 2 level. Poland specified intervention areas at the NUTS 2 level. If such identification could not be achieved the project was not considered in further analysis. This is particularly the case of large national projects with no precise specification of the realization site. After applying this criteria remaining 39,500 projects for the Czech Republic and 114,700 for Poland were suitable to further analysis. The geographical location of both the beneficiary and the project site was in both countries coded in terms of being inside or

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outside of the intervention areas by a binary variable where 0 meant out and 1 inside the areas of state interest.

The obtained data relating to both beneficiary and project both in nature and location were classified and processed with the use of descriptive statistics detailing the share of institutional sectors and thematic areas on project allocation in and outside of the specific country delimited problematic areas. Classification of the data was tied to the main findings presented in later chapters. Within the attribute of institutional sector the authors distinguished among private sector, non-profit non-governmental sector and governmental sector with the distinction of local and central government. The topical analysis of projects stems from slightly modified concept of regional competitiveness pyramid as introduced by Lengyel (2004). The basis of the pyramid is created by success determinants which further influence the development factors and directly contribute to regional performance. The basic factors according to Lengyel (2004) are economic structure, social structure, innovative activity, decision centres, regional accessibility, environment, skills of workforce and regional identity. By combining several of those this paper differentiated seven topics of investments: efficient public administration and public services, transport infrastructure and services, environmental infrastructure and environmental education, development of business environment, human resources development, social infrastructure and development matters and last but not least research, development and innovation (RDI).

The graphic outputs detailing the dispersion of Union monetary assistance per capita in municipalities with extended scope of powers of the Czech Republic and in Polish voivodeships were processed in ESRI ArcGIS software showing the distribution of European Union allocation among voivodeships (NUTS 2) in Poland and municipalities with extended scope of powers (equal to no NUTS level) in the Czech Republic.

Monetary value of the European Union assistance was originally published in national currencies. Both Czech Crown and Polish Zloty were converted by annual exchange rate to Euro according to the year in which the contract about awarding financial assistance was signed. The annual exchange rates for both Czech Crown and Polish Zloty were published by the respective national banks (Narodowy Bank Polski, 2015, Czech National Bank, 2015).

3. Results and Discussion

3.1. Poland

The interest of Polish government in targeting the voivodeships of Eastern Poland manifests mostly in the form of creation of a special operational programme which is used exclusively for the implementation of the projects within the boundaries of the five voivodeships of Eastern Poland. Combined with regional operational programmes that each voivodeship in Poland has for their purposes this guarantees certain amount of allocation to be spent in the Eastern Poland. Unlike in the Czech Republic, Polish government has rather firmly secured approximately 10,5% of the total national allocation to be spent in these regions in advance notwithstanding the other operational programmes aimed at the whole Polish territory.

Within the contracts that were concluded in the reference period the regions of Eastern Poland obtained allocation of 13 920 mil. €, approximately 24,3% of the entire spent amount within all the operational programmes. The programmes specially aimed at the areas of Eastern Poland show various degree of drawing the funds. The Eastern Poland programme has already spent circa 95% of the total allocation, within the regional operational programmes the spending ranges from 80% to 88%.

Per capita conversions of so far spent allocation are depicted in *Fig. 1* which shows that the Eastern Poland voivodeships are quite well supported as all of them exceed the national average support of 1 398 € per inhabitant.
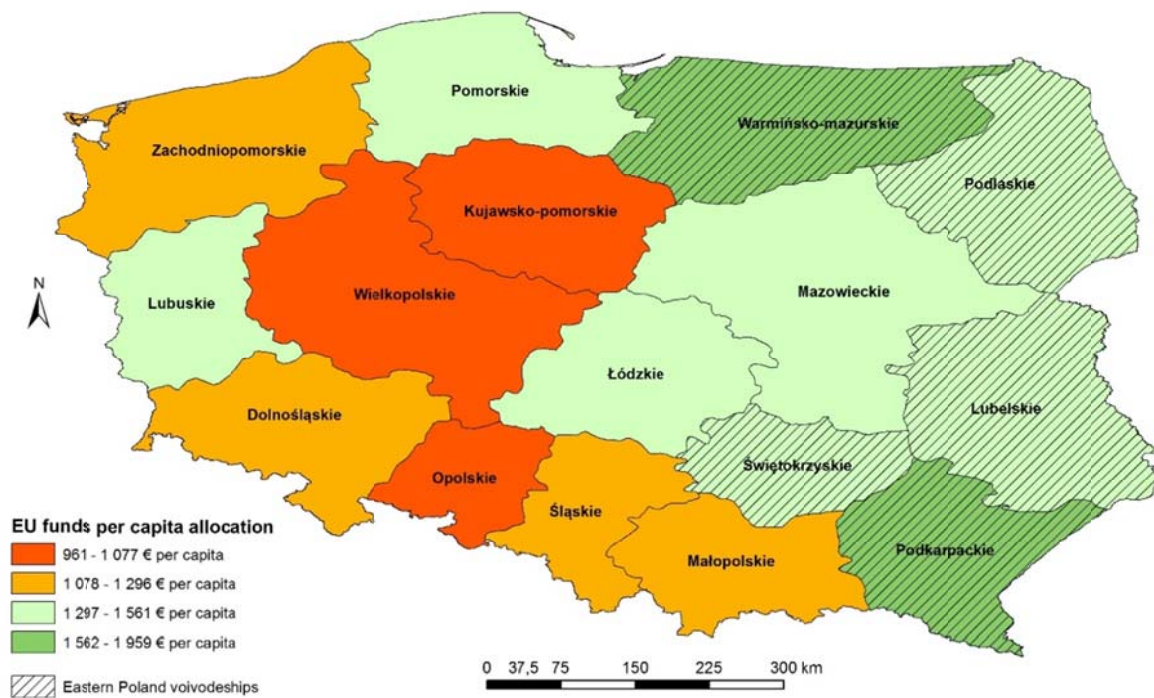

Figure 1. European Union per capita allocation in Polish voivodeships
Source: Compiled by authors based on List of beneficiaries published by Polish Ministry of Infrastructure and Development.

The share of identified sectors on beneficiary activity is shown in *Table 2* and their shares in *Fig. 2*. The combined activity of governmental institutions is somewhat higher in Eastern Poland than in more advanced regions calling into the question the ability of the non-governmental subjects from economically weak regions to put forward successful applications for financial support. However, the governmental share on the spent amount is not as prominent which presents an opportunity for larger direct support of the private enterprises that are notably more successful out of Eastern Poland in economically more advanced regions. Their activity in Eastern Poland voivodeships is smaller and their share is cut especially by the local government and very little by the non-profit non-governmental organizations.

Table 2. Involvement of the four institutional sectors in project implementation (mil. €)

Institutional sector	Other voivodeships	Eastern Poland voivodeships
Central government institutions	14 827	4 761
Local government institutions	14 923	5 489
Non-profit NGO	1 193	493
Private sector	12 365	3 177
Total	43 307	13 920

Source: Compiled by authors based on List of beneficiaries published by Polish Ministry of Infrastructure and Development.
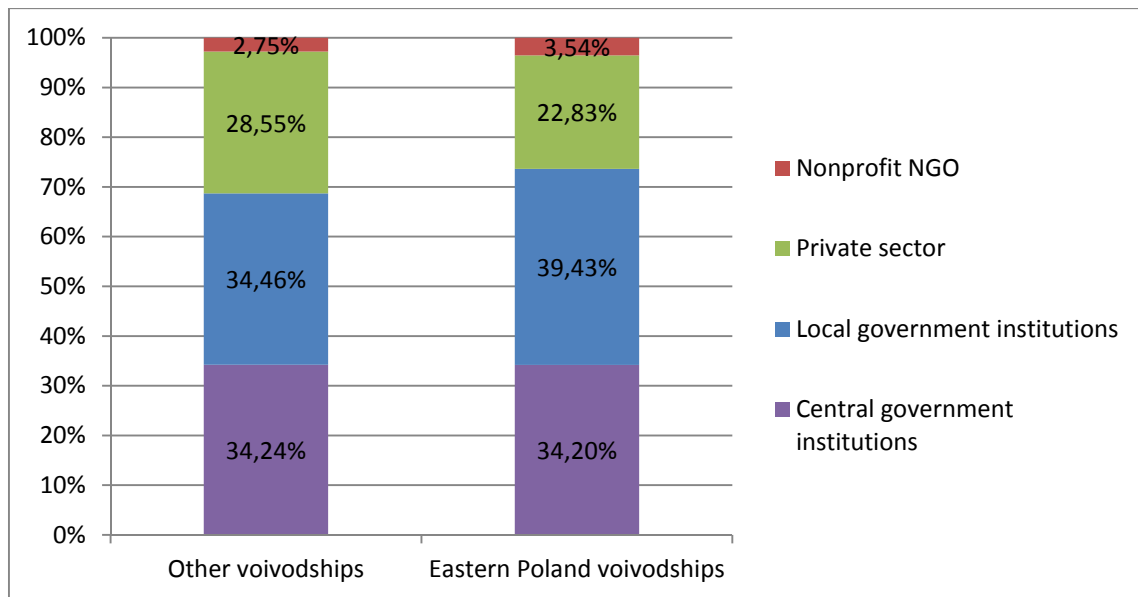
Figure 2. The share of the institutional sectors on the amount of the allocation, Poland
Source: Compiled by authors based on List of beneficiaries published by Polish Ministry of Infrastructure and Development.

The importance of the small and medium enterprises in Poland is very similar as in other countries and on the Union level. Their significance is, however, somewhat lesser in Eastern Poland where especially micro and small enterprises create smallest number of jobs in comparison with other voivodeships. The overall entrepreneurial activity is also smaller in the Eastern Poland (Gajewski, 2011).

The support of small and medium enterprises from the European resources in the period of focus seems to be tilted more in favour of the large enterprises than is usual. Outside the Eastern Poland voivodeships the large enterprises were rewarded 47,5% of the allocation within the private sector. In Eastern Poland their support was approximately 36%. In compliance with Gajewski's (2011) findings the investments in Eastern Poland are more specifically targeting micro and small enterprises than in other voivodeships and especially so at the expense of the large enterprises of Eastern Poland.

The thematic focus of the structural and Cohesion fund investments is illustrated in *Fig. 3* which cements that Poland focuses strongly on topic of transport infrastructure and services. The strengthened emphasis on the transport topics in Eastern Poland is of somewhat systemic origin. In the strategic documents the importance of creating quality infrastructure connecting Eastern Poland to the other parts of the country is often mentioned and strongly encouraged. It even appears in Gajewski's (2011) recommendation for strengthening the small and medium enterprises in Eastern Poland. The other thematic categories show similar share of investments in and outside Eastern Poland. Most significant differences are in the area of environmental issues and RDI investments which are both somewhat downplayed in Eastern Poland.
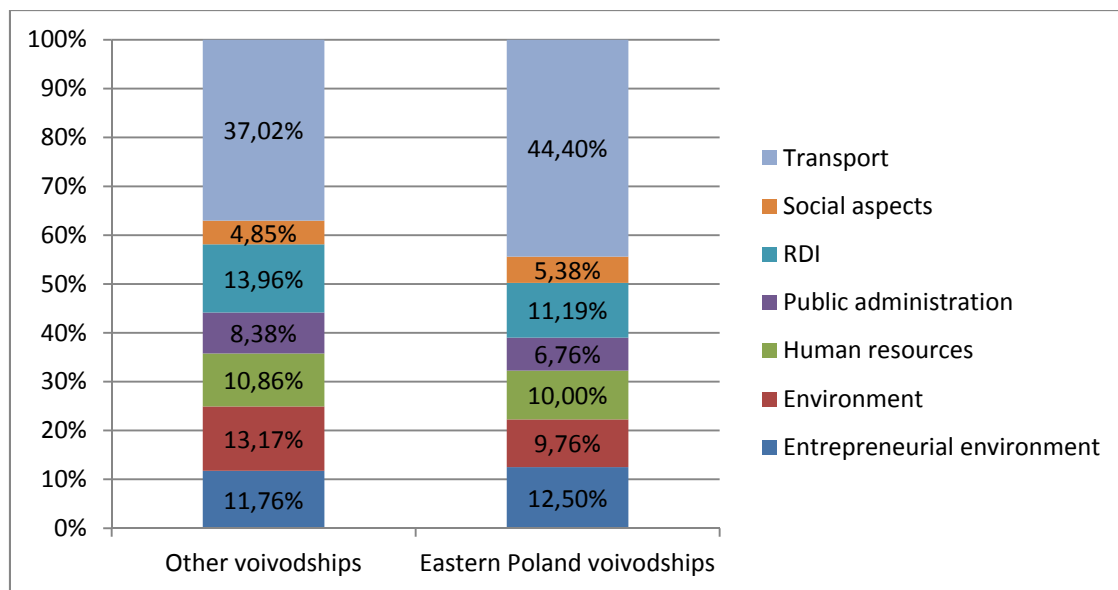
Figure 3. Thematic support in Polish voivodeship types
Source: Compiled by authors based on List of beneficiaries published by Polish Ministry of Infrastructure and Development.

3.2. The Czech Republic

The focus on regions with concentrated state support which were delimitated as intervention areas in the Czech Republic is not as explicitly promoted as in Poland where the areas of interest acquired their own operational programme. Their position is more evident at the level of individual calls for proposals (see Smékalová, 2012 for more in depth analysis of the Operational Programme Entrepreneurship for Innovation). Altogether the state supported regions have absorbed 30,1% of all allocated resources (6 029 mil. €) in the reference period. The rest was spent in the other regions making them notably more successful in terms of total sum of the awarded allocation. This situation stems from the fact that other regions represent the economically more advanced areas and as such attract and are able to absorb larger share of the allocation which points at problems concerning absorption capacity in the state supported regions.

Per capita conversion of the spent allocation is shown in *Fig. 4* and while there are regions that belong among the state supported and have attracted fair share of the European Union resources, majority of them belong among below average supported. Also generally the regions which are the most supported lie along the routes of major transport infrastructure constructions. Among some of the least supported count especially those economically weak regions that are at the same time located peripherally in geographical sense, both at the state borders and at the internal borders of the administrative regions of the Czech Republic.
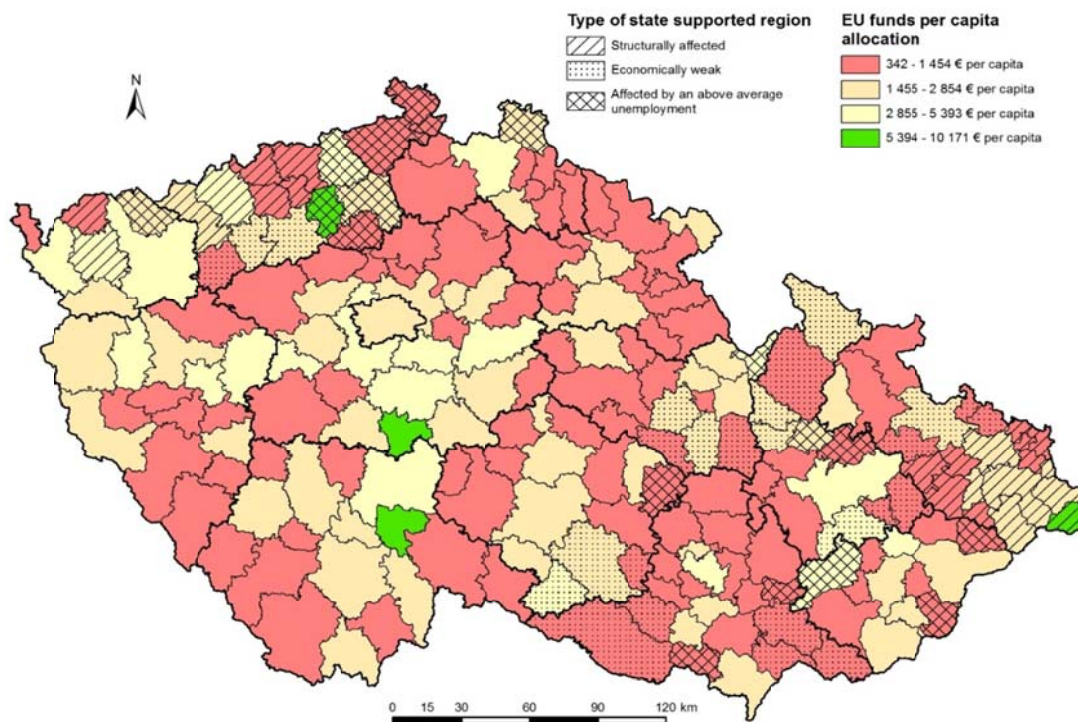
Figure 4. European Union per capita allocation in Czech municipalities with extended scope of powers
Source: Authors based on Centre of regional development of the Czech Republic and list of beneficiaries published by Ministry of Regional Development.

The share of the four identified sectors on the total allocation is depicted in *Table 3* and *Fig 5*. The difference between Poland and the Czech Republic in the supported areas lies in larger involvement of central government institutions and lesser activity of the local government institutions. Greater differences are in non-supported regions where the activity of Polish central government is significantly lower than Czech giving more space to the local governments but especially to the private sector whose share on investments in the non-supported regions exceeds that of the Czech private sector by 10%. The activity of the non-profit non-governmental organizations is of moderately stronger importance in the Czech Republic than in Poland. Still this sector represents the smallest share of allocation mostly due to administrative burden (Dabrowski, 2008).

Table 3. Involvement of the four institutional sectors in project implementation (mil. €)

Institutional sector	Non supported regions	Regions with concentrated state support			
		Total	1*	2*	3*
Central government institutions	3 842	1 911	817	676	418
Local government institutions	488	235	134	47	54
Non-profit non-governmental organizations	2 400	1 295	566	424	304
Private sector	7 273	2 589	1 245	653	691
Total	14 003	6 029	2 761	1 801	1 467

* 1 – Structurally affected regions, 2 – Economically weak regions, 3 – Regions with above the average unemployment rate.
Source: Compiled by authors based on Centre of regional development of the Czech Republic and list of beneficiaries published by Ministry of Regional Development.
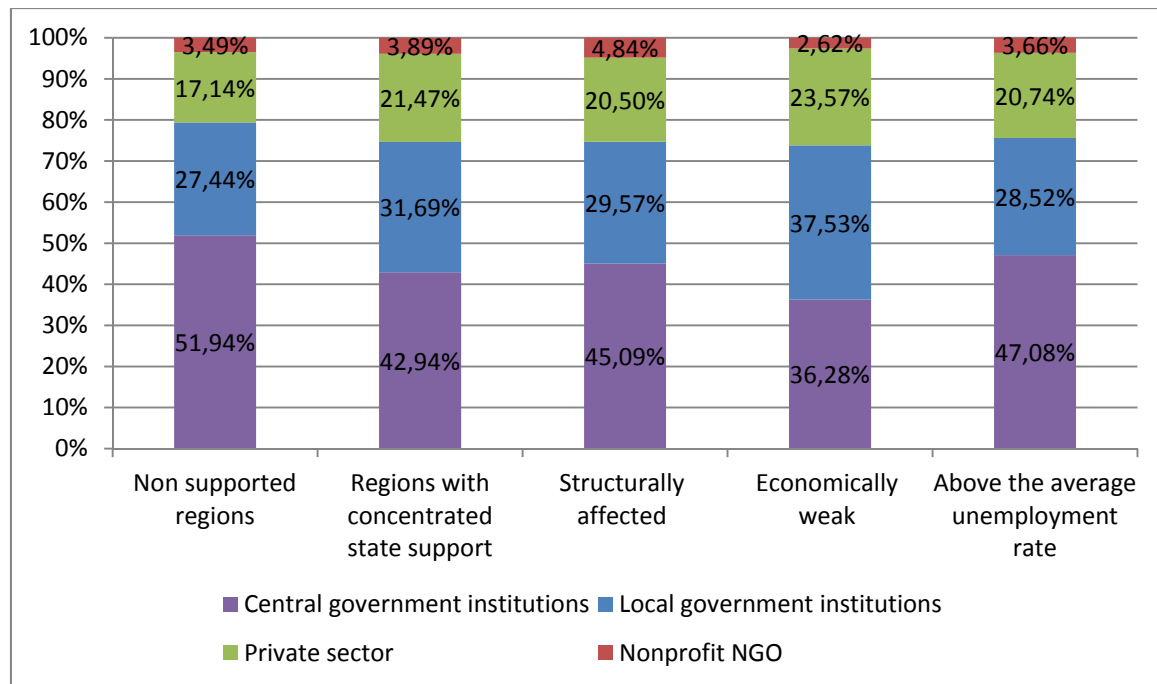
Figure 5. The share of the institutional sectors on the amount of the allocation, Czech Republic
Source: Combined by authors based on Centre of regional development of the Czech Republic and list of beneficiaries published by Ministry of Regional Development.

As with Poland the activity of small and medium enterprises is of interest to the Czech government even though Belás *et al.* (2015) indicate that the entrepreneurs in question do not believe the government understands their needs correctly and they are burdened by relatively complicated system of taxes (Paseková *et al.*, 2011). Their share on private sector allocation amounts to 75% and is equivalent in all region types. There is, however, stronger difference between the Czech Republic and Poland where on average large enterprises are gaining larger share of financial support in Poland than in the Czech Republic.

Thematic structure of allocation within the regions is shown in *Fig. 6* indicating some differences between the supported regions and the non-supported regions. The largest visible distinction being evident in the issues of transport which is a very prominent topic within the state supported regions especially at the expense of RDI projects. Other thematic differences are mostly minor perhaps with the exception of the human resources investments which are slightly larger in non-supported – economically stronger regions where infrastructural projects are perhaps of smaller importance.

The differences between the Czech Republic and Poland are moderate manifesting mostly in the way voivodeships outside the Eastern Poland focus more strongly on transport issues and approximately the same share of support is absent in the RDI support compared to the Czech Republic. The support of effective public administration is of less importance in Poland in general. The excess share of resources targets the direct support of the entrepreneurial environment.
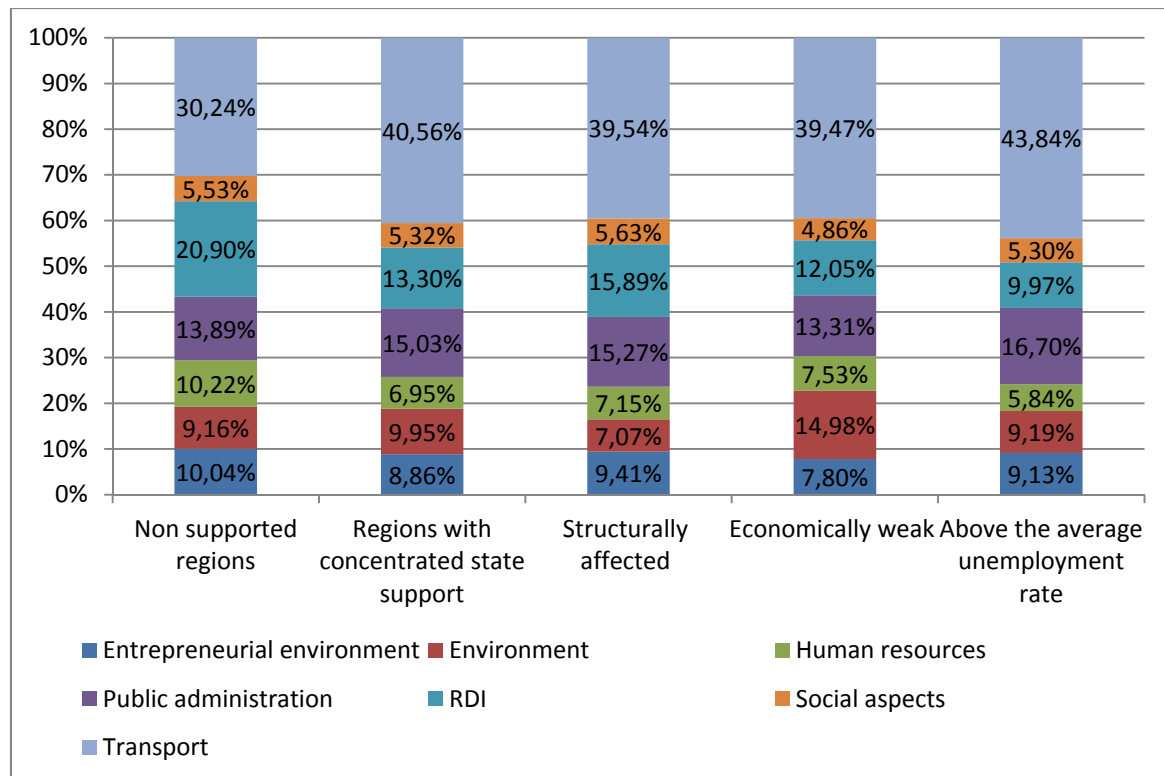
Figure 6. Thematic support in types of Czech municipalities with extended scope of powers
Source: Compiled by authors based on Centre of regional development of the Czech Republic
and list of beneficiaries published by Ministry of Regional Development.

Conclusion

This paper deals with the topic of spatial dispersion of the European Union resources allocated by the means of the cohesion policy financial instruments to the Czech Republic and Poland, particularly with their distribution among regions that are declaratorily targeted by the respective governments. There are significant differences in definitions of those areas as in the two countries as the Czech Republic targets economically weaker regions with the prospect of improving their situation as well as Poland does although they delimitate these areas on vastly different administrative levels. In the Czech Republic these regions are delimitated on the LAU1 level corresponding to national districts and on the level of municipalities with extended scopes of power corresponding to no NUTS unit directly but containing several LAU2 units. In Poland the intervention areas fully correspond with NUTS 2 units which in turn correspond with the Polish self-governing voivodeships.

While these approaches are different on the spatial level they do not significantly differ in the nature of targeted areas which are economically the weakest parts of respective countries. It is necessary to say that the characteristics used to delimitate these areas differ in both countries. Still the results are not entirely similar. The results of the Czech Republic are somewhat ambiguous as the regions with the concentrated state support are not so apparently promoted in the operational programmes documents as the leading beneficiaries from the cohesion policy with the exception of single operational programme targeting the entrepreneurs. The Polish situation is much more optimistic for the targeted economically weak voivodeships as they already belong to the most supported category and there are yet resources reserved exclusively for use in Eastern Poland which are still to be spent within the frame of Operational Programme Development of Eastern Poland as well as in the regional

operational programmes out of which each targets single voivodeship. In terms of numbers the average support of Polish voivodeship in general amounts to 1 398 € per capita, while the Czech municipality with extended scope of powers average support equals to 1 716 € per capita. The difference is in the support of the areas of special interest. Eastern Polish voivodeships average 1 677 € per capita, the other voivodeships average significantly less at 1 271 € per capita. The Czech supported regions average 1 775 € per capita the others at 1 687 € per capita – the difference between the two categories in the Czech Republic is much smaller than Poland indicating less successful targeting of regions with concentrated state support.

The involvement of different institutional sectors is similar merely by very limited involvement of non-profit non-governmental institutions. Other than that there is significantly lower involvement of central government institutions in Poland. The activities are shouldered more by the local government and the private sector. In both countries local government is more active in the lagging regions whereas private sector is more active in these regions only in the Czech Republic. As for the thematic division of allocation the lagging regions of both researched countries have in common significant emphasis on the transport related projects as opposed to the more advanced regions. In Poland the investments into transport in the Eastern voivodeships are at the expense of topics such as environment, RDI and also public administration support. In the Czech Republic the transport related investment gap between lagging and advanced regions is even more prominent. The transport investment in lagging regions are made mostly at the expense of RDI and human resources development signalling perhaps the inability of lagging regions to sustain projects with higher added value.

Considering the systematic approach Polish government has chosen it is prudent to say their objectives concerning the support of Eastern Poland will most likely be met in a more satisfactory manner than in the Czech Republic. The approach that allocated certain amount of national cohesion policy allocation ex-ante to supported regions is rather encouraging in terms of certainty of the potential beneficiaries and the local governing bodies. There is, however, also a worrying finding that concerns the thematic dispersion of the Union support among the economically weak and relatively stronger regions that is noticeable in both countries. The economically weaker regions are site of implementation to significantly different thematic structure of projects. Most often those we could describe as connected with the basic infrastructure. The activities of higher added value are implemented prevalently in economically stronger regions. Given this situation the easing of interregional disparities within both countries seems unlikely.

Acknowledgement

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