

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Petr Nový
Advisor:	Ing. Monika Martišková
Title of the thesis:	An analysis of the determinants influencing the probability of cancellation for projects receiving EU funding.

OVERALL ASSESSMENT *(provided in English, Czech, or Slovak):*

Proposed bachelor thesis deals with a highly relevant issue of the EU funding, the absorption capacity. Absorption capacity measured through cancelled projects is rather new form of the measurement and therefore the value added of the thesis is twofold. First, it works with unique dataset created by the author and second, it defines determinants of the project cancellation in the Czech Republic.

The thesis is organized into 6 chapters. First one deals with the history of the EU regional policy. Even though the political path to the current form of regional policy is necessary to mention, author of the thesis devote it rather excessive space while omitting the information about the vision of the EU regional policy in the future. Capturing the ongoing debate about the future programming period 2014-2020 would allow for the comparison of the research results of the thesis with the intentions in the field of regional policy. Nevertheless, introduction into the absorption capacity as such is conducted very well with sufficient information about the topic provided.

Further, chapter three deals with the Regional policy in the Czech Republic. This part should have been rather named as the EU regional policy in the country, since national regional policy may differ from the EU regional policy implemented in the country. In this part, the overview of the EU regional policy in the Czech Republic is prepared very well, but in rather extensive manner.

The empirical part begins with the chapter four. It aims to explain the relationship among the EU funds effectiveness and absorption capacity. At the beginning of the chapter, author claims that „the reason why the effects of the EU funds are rather ambiguous might also lie in the low absorption capacity“. This statement is worth to follow and examine in depth and this is done in the next sections.

Later in this part, the explanation about the sharp increase of the number of applications on the p. 23 does not seem to be relevant. Even though, the contribution of the applicant is required almost for each project, the sharp increase of the applications in the 1Q2011 should not be caused by the economic revival but rather by the increased calls for applications by EU funds authorities in the Czech Republic.

Description of the process of money allocation offered in part four represents a broad analysis of submitted and approved projects in the Czech Republic. Further, analysis of cancelled projects in the Czech Republic reveals that the amount allocated to the project which ends up as cancelled is in average 2 per cent of all allocations. In this part author is rather attentive to strong conclusions which highlights his awareness of the complexity of the issue.

Data used in empirical analysis were retrieved from the Operational Program Enterprise and Innovations and from the website about the EU funds in the Czech Republic. The database of the two different sources was emerged by the author himself therefore the empirical

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Petr Nový
Advisor:	Ing. Monika Martišková
Title of the thesis:	An analysis of the determinants influencing the probability of cancellation for projects receiving EU funding.

analysis is based on the original dataset. For the data analysis advanced econometric methods were used – Linear Probability Model and Probit model. Work with the data was done in precise manner providing interesting conclusions where author defines determinants of the project cancellation.

Besides the empirical part based on the dataset, author also conducted a survey among beneficiaries who cancelled their project. This part provides a remarkable value added to the whole analysis since it uncovers further problems with projects' implementation which cannot be captured by the quantitative analysis. Finally, the survey revealed that the most acute reason for project cancellation is the administrative burden of the EU projects which is also important information.

At the concluding part of the thesis, author proposes some further extensions of the thesis as well as some policy implications of his findings. In overall the thesis in some point of view exceeds the requirements for the bachelor degree and therefore I strongly recommend the thesis for defense and I suggest grade 1 (excellent).

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	90
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Ing. Monika Martišková

DATE OF EVALUATION: 27.8.2013



Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong Average Weak
20 10 0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong Average Weak
30 15 0

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong Average Weak
30 15 0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong Average Weak
20 10 0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě