**2014 ANNUAL REPORT**

**Integrated Operational Programme**



**Intended for the 15th session of the Monitoring Committee of the IOP of 16 June 2015**

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EXECUTIVE SUMMARY

This report is presented in accordance with Article 67 of Council Regulation (EC) no. 1083/2006 laying down general provisions on the European Regional Development Fund, European Social Fund and the Cohesion Fund, as amended, relating to the obligation of the MA to provide Commission with 2014 Annual Report on the implementation of the Integrated Operational Programme (hereinafter "IOP").

IOP focuses on the development of information technologies in public administration, improving infrastructure for social services, public health, employment services and services in the field   
of security, risk prevention and management, promotion of tourism, cultural heritage, improving   
the environment in housing estates and development of systems for the creation of regional policies.

In 2014 there was a change in IOP Programme document within the meaning of Article 33 of Council Regulation no. 1083/2006, which was approved by the Monitoring Committee of IOP on 21 October 2014. Changes were made to the financial tables in connection with the loss of 2013 allocation. Total IOP allocation thus equals EUR 1,617.5 million, of which Convergence objective accounts for the crucial part – EUR 1,591.4 million, with the Regional Competitiveness and Employment objective standing at EUR 26.1 million.

By the end of the reporting period, projects amounting to EUR 1,553 million (total eligible costs) were approved for implementation, representing 102.8% of the total allocation. Beneficiaries were reimbursed funds totalling EUR 1,301 million, i.e. 68.4% of the total allocation. Certified expenditure amounted to EUR 1,283 million (67.4%).

**Progress in IOP take-up for the period from 1 January 2014 to 31 December 2014 is shown in the following table. Over the reporting period, there was an increase in funds covered by   
a Decision/Contract by EUR 185,130,593**. The highest increase in funding covered by a Decision was in Support Area 3.4 Services in security, risk prevention and management and in Support Area 5.2 Improving the environment in problematic housing estates. Concerning some Intervention Areas,   
red numbers are due the fact that the amount of projects with issued Decision / signed contract includes savings resulting from lower prices offered in procurement procedures than expected by the beneficiary. In other Intervention Areas with red numbers, applicants withdrew from project implementation. Applicants withdrew for several reasons. A part of the projects under Intervention Area 3.1 was withdrawn because of disagreement of local governments and citizens with the implementation of projects which complicated and prolonged building proceedings and the effective construction permit. A frequent reason for the withdrawal of applicants from implementation is the necessity to repeat the procurement process, which makes it impossible to handle the implementation of the project within the specified deadline.

Within the reporting period, beneficiaries were paid a total of **EUR 290,092,792**. Most funds were reimbursed in the Intervention Area 5.1 National support to utilize the potential of cultural heritage   
in Intervention Area 5.2 Improving the environment in problematic housing estates.

In 2014, there were 2 certifications (12th and 13th). The total eligible costs submitted for certification totalled **EUR 127,575,751.34** **EUR** within the 12th certification and **EUR 168,476,144.11 within the 13th certification.**

Table 1 - Progress in IOP take-up from 1 January 2014 to 31 December 2014

|  |  |  |  |
| --- | --- | --- | --- |
| **Priority Axis** | **Support Area** | **Funds covered by Decision/Contract (amendment)** | **Funds paid out to beneficiaries (accounted funds)** |
|
|
| 1a | 1.1a Development of information society in public administration | -11,454,452 | 37,940,200 |
| **1a total** |  | **-11,454,452** | **37,940,200** |
| 1b | 1.1b Development of information society in public administration | -881,112 | 2,918,478 |
| **1b total** |  | **-881,112** | **2,918,478** |
| 2 | 2.1 Introducing ICT in territorial public administration | 24,868,629 | 19,764,476 |
| **2 total** |  | **24,868,629** | **19,764,476** |
| 3 | 3.1 Services in the field of social integration | -1,147,859 | 15,714,526 |
| 3.2 Services in the field of public health | -4,083,546 | 43,369,234 |
| 3.3 Services in the field of employment | -11,116,618 | 2,627,957 |
| 3.4 Services in the field of security, risk prevention and management | 145,035,129 | 43,644,198 |
| **3 total** |  | **128,687,106** | **105,355,914** |
| 4a | 4.1a National support of tourism | 4,846,767 | 14,060,012 |
| **4a total** |  | **4,846,767** | **14,060,012** |
| 4b | 4.1b National support of tourism | 405,633 | 1,081,539 |
| **4b total** |  | **405,633** | **1,081,539** |
| 5 | 5.1 National support to utilize the potential of cultural heritage | 7,913,128 | 52,532,828 |
| 5.2 Improving the environment in problematic housing estates | 26,959,028 | 50,195,410 |
| 5.3 Modernisation and development of territorial policy creation systems | 52,079 | 1,247,831 |
| **5 total** |  | **34,924,235** | **103,976,068** |
| 6a | 6.1a Activities associated with IOP management | 3,411,272 | 4,463,803 |
| 6.2a Other costs of the IOP technical assistance | 255,110 | 442,110 |
| **6a total** |  | **3,666,382** | **4,905,912** |
| 6b | 6.1b Activities associated with IOP management | 62,716 | 82,065 |
| 6.2b Other costs of IOP technical assistance | 4,690 | 8,128 |
| **6b total** |  | **67,407** | **90,193** |
| **IOP total** | | **185,130,593** | **290,092,792** |

*Data source: MSC2007 as of 31 December 2013; MSC2007 as of 31 December 2014*

Take-up outlook in early 2014 estimated a loss of allocation of CZK 5 billion. Thanks to numerous measures such as the application of Article 95 of Regulation (EC) no. 1083/2006, the loss of allocation was reduced to approximately CZK 64 million.

In early 2015 MA IOP estimated volume of available programme funds at CZK 1.22 billion.   
This amount does not take into account the existence of dormant and risky projects. These projects represent a potential risk of additional resources which will no longer be capable of being taken up.   
In the optimistic scenario, the MA IOP expects CZK 2.75 billion of the programme allocation will not be taken-up; in the pessimistic scenario the expected loss is CZK 4.78 billion.

In 2013, the MA IOP presented the European Commission with two major projects ("Preparedness   
of the Fire Rescue Service of the Czech Republic to deal with floods" and "Strengthen the capacity   
for action of the Police of the Czech Republic to save lives and protect property during floods").   
On the basis of the EC requests, on 30 May 2014, the IOP MA has submitted a modified application for the project "Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods"; this modified application clarified the purpose of the technology to be procured and extended the needs analysis of project. On 14 August 2014, the European Commission approved the project.

Concerning the project of the Police Presidium, requested information was being added; the project   
is yet to be approved.

The MA IOP in cooperation with the city of Pardubice organized on 24 September 2014 a successful "IOP and IROP Conference: Achievements and new goals"; the conference took place in the Assembly Hall of the City Authority. The main topic was the evaluation of IOP experience and familiarisation with the new programming period and grant opportunities in the Integrated Regional Operational Programme (IROP). Also, the conference presented some successful IOP projects and new specific objectives of IROP. Attention was also paid to new aspects such as the Integrated Territorial Investment (ITI).

# 1 PROGRAMME IDENTIFICATION

|  |  |
| --- | --- |
| OPERATIONAL PROGRAMME | Objective concerned:  Convergence and regional competitiveness and employment |
| Eligible area concerned:   * NUTS 2 Prague * NUTS 2 Central Bohemia * NUTS 2 Southwest * NUTS 2 Northwest * NUTS 2 Northeast * NUTS 2 Southeast * NUTS 2 Central Moravia * NUTS 2 Moravia-Silesia |
| Programming period:  2007–2013 |
| Programme number (CCI):  2007CZ16UPO002 |
| Programme name:  Integrated Operational Programme |
| ANNUAL IMPLEMENTATION REPORT | Year of report:  2014 |
| Date the annual report was approved by the Monitoring Committee: |

Integrated Operational Programme (IOP) is implemented in the Czech Republic based on the National Strategic Reference Framework (NSRF) for the 2007-2013 programming period.

The IOP focuses on addressing common regional problems in the area of public administration infrastructure, public services and territorial development, developing information technologies   
in public administration, improving infrastructure for social services, public health, employment services and services in the field of security, risk prevention and management, promotion of tourism, cultural heritage, improving the environment in housing estates and development of systems for the creation of regional policies.

## 1.1 IOP objectives

The IOP Strategy includes a global objective and three specific objectives, which form the basis   
for the individual Priority Axes and Intervention Areas. The specific objectives are conditional on the implementation of individual Priority Axes, Intervention Areas and activities.

|  |  |  |
| --- | --- | --- |
| **IOP global objective**  Promote socio-economic growth of the Czech Republic and improve the quality of life of citizens by streamlining public administration and public services. | | |
| **Specific objective 1**  Increasing efficiency and improvement of processes and improving the accessibility of public administration services at national and regional levels by applying advanced ICT. | **Specific objective 2**  Modernization and system transformation of selected public services in order to start the process of total transformation of public services. | **Specific objective 3**  Better use of the potential  of territory through national, systemic interventions in tourism in the field of culture, housing and the development  of territorial policy systems. |

In accordance with Article 32(1) of the General Regulation and the negotiations with the EC, the IOP is conceived as a **multi-objective programme,** which allows – in addition to its basic focus on the regions under the Convergence objective – support also under the Regional Competitiveness and Employment objective (RCE).

Seven out of the eight **cohesion regions** fall under the Convergence objective; Prague falls under the RCE objective. Article 53 and Annex III. to Council Regulation (EC) no. 1083/2006 addresses how to calculate the ERDF contribution for these regions. Generally, the ERDF contribution will not exceed 85% of eligible expenditure for operational programmes (Art. 53(3)(4) and Annex III.) for both objectives; the rest is contribution from the State budget.

Table 2 - Allocation by years and Objectives (EUR)

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **ERDF**  **Convergence objective** | **ERDF**  **Competitiveness objective** | **Total** |
|  | **1** | **2** | **3=1+2** |
| 2007 | 192,686,939 | 3,951,894 | 196,638,833 |
| 2008 | 202,164,946 | 4,030,931 | 206,195,877 |
| 2009 | 211,684,389 | 4,111,551 | 215,795,940 |
| 2010 | 221,648,970 | 2,635,524 | 224,284,494 |
| 2011 | 237,465,225 | 4,277,657 | 241,742,882 |
| 2012 | 247,398,119 | 4,363,210 | 251,761,329 |
| 2013 | 278,308,099 | 2,736,597 | 281,044,696 |
| **Total 2007–2013** | **1,591,356,687** | **26,107,364** | **1,617,464,051** |

*Source: Programming document, November 2014*

Table 3 - Allocation by Priority Axes 2007–2013 (EUR)

| **Priority Axis number** | **Priority Axis name** | **Fund/co-financing rate related to** | **Community contribution** | **National resources** | **Indicative division of national resources** | | **Total resources** | **Rate of co-financing** | **For information** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **National public resources** | **National private resources** |
| **a** | **b = c + d** | **c** | **d** | **e = a + b** | **f = a/e** | **EIB** | **Other sources** |
| 1a | Modernising public administration – Convergence objective | ERDF/total eligible expenditure  Convergence objective | 290,942,083 | 51,342,721 | 51,342,721 |  | 342,284,804 | 85% |  |  |
| 1b | Modernising public administration – Regional Competitiveness and Employment | ERDF/public  RCE objective | 22,380,161 | 3,949,441 | 3,949,441 | 26,329,602 | 85% |
| 2 | Introducing ICT in territorial public administration – Convergence objective | ERDF/total eligible expenditure  Convergence objective | 148,510,867 | 26,207,801 | 26,207,801 |  | 174,718,668 | 85% |  |  |
| 3 | Increased quality and accessibility of public services – Convergence objective | ERDF/total eligible expenditure  Convergence objective | 614,618,060 | 108,462,012 | 105,334,619 | 3,127,393 | 723,080,072 | 85% |  |  |
| 4a | National support for tourism – Convergence objective | ERDF/total eligible expenditure  Convergence objective | 60,567,416 | 10,688,368 | 10,014,023 | 674,345 | 71,255,784 | 85% |  |  |
| 4 b | National support for tourism – Regional Competitiveness and Employment objective | ERDF/public  RCE objective | 3,100,775 | 547,196 | 512,672 | 34,524 | 3,647,971 | 85% |
| 5 | National support for territorial development – Convergence objective | ERDF/total eligible expenditure  Convergence objective | 442,643,474 | 78,113,556 | 48,946,987 | 29,166,569 | 520,757,030 | 85% |  |  |
| 6a | Technical assistance – Convergence objective | ERDF/total eligible expenditure  Convergence objective | 34,074,787 | 6,013,199 | 6,013,199 |  | 40,087,986 | 85% |  |  |
| 6b | Technical assistance – Regional Competitiveness and Employment objective | ERDF/total eligible expenditure  RCE objective | 626,428 | 110,548 | 110,548 | 736,976 | 85% |
| **Total** | | | **1,617,464,051** | **285,434,842** | **252,432,011** | **33,002,831** | **1,902,898,893** | **85%** |  |  |
| **(Convergence objective + Competitiveness objective)** | | |
| **Of which: Convergence objective** | | | **1,591,356,687** | **280,827,657** | **247,859,350** | **32,968,307** | **1,872,184,344** | **85%** |  |  |
| **Competitiveness objective** | | | **26,107,364** | **4,607,185** | **4,572,661** | **34,524** | **30,714,549** | **85%** |  |  |

*Source: Programming document, November 2014*

## 1.2 Division of competencies between the Managing Authority and Intermediate Bodies

Division of responsibilities between the MA and IB is stated in the IOP Programme Document   
in Chapter 4, "Programme implementation", sub-chapter 4.1 "IOP Implementation Structure".

Government Resolution no. 175/2006 establishes the Ministry of Regional Development as the Managing Authority of IOP. The MA IOP performs tasks in accordance with Article 60 of Council Regulation (EC) no. 1083/2006. In accordance with Article 59(2) and 42(1) of the Council Regulation (EC) no. 1083/2006, the MA delegates certain tasks to intermediate bodies.

Due to insufficient personnel capacities, in 2009 the MoRD, MoLSA and MoI have concluded   
an amendment to the Agreement on delegating the tasks of the MA IOP. The amendments related   
to the involvement of the Centre for Regional Development of the Czech Republic in the administration of projects in Intervention Areas 2.1, 3.1, 3.3 and 3.4.

On 1 July 2012, there was a change in the delegated activities in Intervention Areas 2.1 and 3.4.   
The MA IOP in cooperation with the CRD transferred delegated activities in Intervention Areas 2.1 and 3.4 to MoI to the MoRD and CRD. The aim was to improve quality, reduce error rate and speed up administration.

During 2013, a change was made in the Agreement on delegating the tasks of the Managing Authority of the Integrated Operational Programme to the Ministry of Culture as an intermediate body for the Intervention Area 5.1 National support to utilize the potential of cultural heritage. As from   
1 November 2013, the activities of the Ministry of Culture were transferred to the Ministry   
of Regional Development and the Centre for Regional Development.

Table 4 - Intermediate bodies of IOP by Intervention Area

| **Intervention Area** | **Intermediate body** |
| --- | --- |
| **1.1a, b** Development of information society in public administration | Ministry of the Interior (Department of SF) |
| **2.1** Introducing ICT in territorial public administration | Ministry of the Interior (Department of SF)  by 30 June 2012,  Centre for Regional Development of the Czech Republic, from 1 July 2012 |
| **3.1** Services in the field of social integration | Ministry of Labour and Social Affairs (Department EU Fund Implementation and the Department of Programme Financing)  Centre for Regional Development of the CR |
| **3.2** Services in the field of public health | Ministry of Health (Department of European Funds) |
| **3.3** Services in the field of employment | Ministry of Labour and Social Affairs (Department EU Fund Implementation and the Department of Programme Financing)  Centre for Regional Development of the CR |
| **3.4** Services in the field of security, risk prevention and management | Ministry of the Interior (Department of SF) until 30 June 2012,  Centre for Regional Development of the Czech Republic, from 1 July 2012 |
| **4.1a, b** National support for tourism | Centre for Regional Development of the CR |
| **5.1** National support to utilize the potential of cultural heritage | Ministry of Culture (Department of Strategy and Subsidy Policy) until 31 October 2013  Centre for Regional Development, from  1 November 2013 |
| **5.2** Improving the environment in problematic housing estates | Centre for Regional Development of the CR |
| **5.3** Modernisation and development of territorial policy creation systems | Centre for Regional Development of the CR |
| **6.1 a, b Activities** associated with managing the IOP and **6.2 a, b Other** costs of the IOP technical assistance | Centre for Regional Development of the CR |

## 1.3 Links of IOP to strategic documents

Links of IOP to strategic documents refer to the following documents[[1]](#footnote-1).

**National Lisbon Programme 2005–2008** (National Reform Programme)

National Reform Programme (NRP) of the Czech Republic followed up on the EU initiative, which aimed to create a new management system for the Lisbon Agenda. The NRP should contribute to simplifying and streamlining existing practices in the coordination of economic policies at EU and Member State level and ensure greater identification of these countries with the priorities of the Lisbon process.

IOP follows on from the principles of the Lisbon Strategy, which are based on the development of the information and knowledge society and investment in human capital. The main means whereby the IOP fulfils the principles of the Lisbon Strategy are strengthening the central state administration and territorial public administration, improving the quality and accessibility of public services and the elimination of regional disparities by efficient use of socioeconomic resources.

Table 5 - Links of IOP to NRP

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Focus of NRP** | **IOP priority areas** | | | |
| **PA-1, PA-2** | **PA-3** | **PA-4** | **PA-5** |
| **Macroeconomic part** | | | | |
| Macroeconomic stability and sustainable growth | XX | XX | XX | XX |
| **Microeconomic part** | | | | |
| Business environment |  | X |  | X |
| Research and development, innovation | X | X |  |  |
| Sustainable use of resources |  |  |  | X |
| Modernisation and development of transport and ICT networks | XX |  | X |  |
| **Employment part** | | | | |
| Flexibility in the labour market | X | X |  | X |
| Integration into the labour market |  | X | X |  |
| Education | X | X |  |  |

*Note: XX – direct link; X – indirect link*

*Source: Programming document, December 2013*

**EU strategic guidelines**

The strategy of using funds from the EU structural funds in the 2007-2013 period is based on the Council Decision (EC) of 6 October 2006 on community strategic guidelines on cohesion (the "CSG"; 2006/702/EC). In accordance with the General Regulation, this decision specifies the strategic priorities for cohesion policy in order to strengthen the implementation of the Lisbon strategy.

The IOP's content reflects the focus of all guidelines of the EC as described in the following table.

Table 6 - Links of IOP to CSG

| **CSG focus** | **IOP priority area** | | | |
| --- | --- | --- | --- | --- |
| **PA-1, PA-2** | **PA-3** | **PA-4** | **PA-5** |
| **Guideline I: Guideline: Making Europe and its regions more attractive places in which to invest and work** | | | | |
| Expand and improve transport infrastructures |  |  |  | X |
| Strengthen the synergies between environmental protection and growth |  | X | X | X |
| Address Europe's intensive use of traditional energy sources |  |  |  |  |
| **Guideline II: Improving knowledge and innovation for growth** | | | | |
| Increase and better target investment in RTD | X | X |  | X |
| Facilitate innovation and promote entrepreneurship | X | X |  |  |
| Promote the information society for all | XX | XX | X |  |
| Improve access to finance | XX | XX |  |  |
| **Guideline III: Creating more and better jobs** | | | | |
| Attract and retain more people in employment and modernise social protection systems | X | X |  | X |
| Improve adaptability of workers and enterprises and the flexibility of the labour market | X | X |  |  |
| Increase investment in human capital through better education and skills | X | X |  |  |
| Administrative capacity | XX | XX |  |  |
| Help maintain a healthy labour force |  | XX |  |  |

*Note: XX – direct link; X – indirect link*

*Source: Programming document, December 2013*

**National Strategic Reference Framework of the Czech Republic, 2007–2013**

The NSRF 2007–2013 forms the basis for targeting interventions of the Czech Republic under the Structural Funds and is the main strategic base for the preparation of the IOP.

The most important link of the IOP is to Guideline II "Open, flexible and cohesive society", mainly to priority D – Development of information society and E – Smart administration, which IOP meets through its Priority Axis 1 – Modernization of public administration and Priority Axis 2 – Introducing ICT in local public administration. Also important are the links to Strategic Objective I of the NSRF "Competitive Czech Economy", specifically to priority C – Sustainable development of tourism and utilization of cultural heritage potential, which is implemented in the IOP through Priority Area   
4 "National support for the development of tourism". Strategic Objective IV. of the NSRF "Balanced territorial development" is linked in IOP to Priority A – Balanced Regional Development and B – Development of urban areas under Priority Axis 5 "National support for territorial development".

Detailed definition of links is shown in the following table:

Table 7 - Links of IOP to NSRF

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Focus of the NSRF** | **IOP priority areas** | | | |
| **P-O1, PO-2** | **PA-3** | **PA-4** | **PA-5** |
| **Strategic objective I: Competitive Czech economy:** | | | | |
| Competitive business sector | X | X | X | X |
| Support of R&D capacities for innovation | X | X |  |  |
| Development of sustainable tourism | X |  | XX |  |
| **Strategic objective II: Open, flexible, and cohesive society:** | | | | |
| Education | X | X |  |  |
| Increasing employment and employability |  | XX | X | X |
| Strengthening social cohesion |  | XX |  | X |
| Development of information society | XX | X | X | X |
| Smart Administration | XX | XX |  | XX |
| **Strategic objective III: Attractive environment** | | | | |
| Protecting and improving the environment | X | X | X | X |
| Improving transport accessibility |  |  |  |  |
| **Strategic objective III: Balanced territorial development:** | | | | |
| Balanced regional development | X | X | X | XX |
| Development of urban areas |  | X | X | XX |
| Development of rural areas |  | X | X | XX |

*Note: XX – direct link; X – indirect link*

*Source: Programming document, December 2013*

**Strategy for Smart Administration in 2007–2013,**

The basic conceptual document for streamlining the public administration is the strategy entitled Effective Public Administration and Friendly Public Services (Smart Administration) approved by Government Decision no. 757/2007.

The strategy defines areas and project areas that are primarily supported from the OP HRE and IOP within the implementation of the priority of the NSRF Smart Administration. In the IOP the Strategy is implemented through the priority areas 1 and 2, ensuring continuity with the activities implemented in Priority Area 3 "Improving the quality and availability of public services". IOP focuses its interventions to provide the technological aspects, expressed today particularly as ICT supporting the implementation of eGovernment.

**Europe 2020**

Some of the Priority Axes or areas of intervention of the IOP are directly linked to the Europe 2020 targets, although it was adopted and implemented before the adoption of the strategy.

The thematic objectives set out in Article 9 of Regulation No. 1303 of 17 December 2013 laying down common provisions for funds are linked to Priority Axes 1a, 1b and 2 (Thematic Objective 2), Intervention Areas 3.1 and 3.2 (Thematic Objective 9), Intervention Area 3.3 (Thematic Objective 8), Intervention Area 3.4 (Thematic Objective 5), Intervention Area 5.2 (Thematic Objectives 4 and 9) and the Intervention Area 5.3 (Thematic Objective 11).

The issue is addressed in more detail in Part 2.1 F – Qualitative analysis (IOP Contribution to Europe 2020).

## 1.4 Overall economic situation and its effect on IOP

Economic development had no major influence on the implementation of IOP. The main reason lies in the fact that a critical part of beneficiaries consists of public sector bodies, which had been considerably less affected by the crisis than business entities. The State budget did not limit the expenditure to finance the operational programmes co-financed from EU funds, as these expenditures are among the top priorities when preparing the budget.

The foreign exchange intervention by the Czech National Bank brought complications for financial management of the programme, causing a significant increase in the allocation and contributing to the loss of allocation in 2014.

For more information about the issue of the economic situation in the Czech Republic, see Section   
2.4 of the Annual Report.

# 2 OVERVIEW OF THE IMPLEMENTATION OF THE PROGRAMME

**Important milestones of the programme in 2014**

|  |  |
| --- | --- |
| **Date** | **Name of activity** |
| 1 January 2014 | Revision of the Guide for Applicants and Beneficiaries for 1st – 3rd Call of the MoC for Intervention Area 5.1 |
| 16 January 2014 | Revision of the Call of MoLSA no. 7 in activity 3.1 (a) – extension of project implementation until 30 November 2015 |
| 29 January 2014 | Revision of the Guide for Applicants and Beneficiaries of MoLSA in Call no. 7, and activity 3.1(a) – change in the procurement methodology |
| 14 February 2014 | Announcement of the MoRD Call no. 22 Consolidation of IT and new TC service in municipalities under Intervention Area 2.1 |
| 17 February 2014 | EC response to questions from the first interruption of the approval process for major projects |
| 6 March 2014 | Revision of the Guide for Applicants and Beneficiaries of MoLSA in Calls no. 1, 2, 3 activities 3.1(a), (b), (c) – change in the procurement methodology |
| 6 March 2014 | Revision of the Guide for Applicants and Beneficiaries in activity 3.3(c) – change in the procurement methodology |
| 6 March 2014 | Second interruption of the approval process for major projects |
| 7 March 2014 | Extension of Call no. 21 aiming to develop and modernize the radio network of IRS Pegas in activities 3.4 (a) and 3.4 (d) until 25 April 2014 |
| 7 March 2014 | Announcement of Call of MoRD no. 23 – Voice and data communications for IRS components in activity 3.4 (a) and 3.4 (d) |
| 1 March 2014 – 30 March 2014 | Negotiations between the MA and beneficiaries – consultation of proposals for new projects to the continuous MoRD Call no. 12 in Priority Axes 4a National support for tourism and 4b National support for tourism. Supported activities: a) establishment of a national information system, c) promotion of marketing at the national level and creating source databases, e) support for presenting the Czech Republic as a tourist destination. |
| 8 April 2014 | Meeting of the evaluation committee concerning the MoH's 17th Call 3.2 Services in the field of public health for the activity 3.2(a) Controlled modernization and renewal of the instrumentation (medical devices) in the national networks of healthcare facilities, including technical support |
| 11 April 2014 | Revision of the Handbook for applicants and beneficiaries in the Call no. 8 of MoLSA for Activity 3.1(c), area of ​​monitoring indicators and project sustainability. |
| 14 April 2014 | Announcement of the MoI's 17th Call for Intervention Areas 1.1(a), (b) – Development of information society in public administration. The Call was concluded on 6 June 2014. |
| 18 April 2014 | Modifying and supplementing the Handbook for applicants and beneficiaries in IA 3.3(a) and 3.3(b) – change in the proposed conditions of the Determination of expenditure, Statement of the beneficiary for the Determination of expenditure. |
| 25 April 2014 | Announcement of Call no. 24 of the MoRD in Intervention Area 5.1 – National support to utilize the potential of cultural heritage. |
| 28 April 2014 | Meeting of the selection committee concerning the MoH's 17th Call for Intervention Area 3.2 Services in the field of public health for the Activity 3.2(a) Controlled modernization and renewal of the instrumentation (medical devices) in the national networks of healthcare facilities, including technical support |
| 2 May 2014 | Commencement of the revision of the Handbook for applicants and beneficiaries in all Calls  of the Intervention Area 1.1 due to changes in the conditions of Determination of expenditure / Decision |
| 6 May 2014 | Selection committee for projects of MoLSA Calls no. 8 and 1 for Activity 3.1(c); 17 projects were recommended for funding, in a total amount of CZK 39,918,546. |
| 6 May 2014 | Meeting of the evaluation committee on the MoH's 17th Call no. 3.2 Services in the field of public health for the Activity 3.2(c) Management of quality and cost effectiveness of the public health system. |
| 19 May 2014 | Training of evaluators for the 24th Call of the MoRD for Intervention Area 5.1 – National support to utilize the potential of cultural heritage. |
| May–June 2014 | Update of Handbooks for applicants and beneficiaries in Intervention Area 5.1 for the 1st to 3rd Call of the MoC and for the 24th Call of the MoRD (revision of the Conditions for the Grant Decision) |
| 2 June 2014 | Meeting of the selection committee on the MoH's 17th Call no. 3.2 Services in the field of public health for the Activity 3.2(c) Management of quality and cost effectiveness of the public health system. |
| 3 June 2014 | Extension of the MoLSA's Call no. 4 for Activities 3.3(a) and 3.3(b) until 31 August 2014 |
| 3 June 2014 | 13th session of the Monitoring Committee of IOP – approval of the draft revision of the IOP Programming Document |
| 5 June 2014 | Opinion of the MA IOP to the letter from the EC, which informed the MA IOP that the payment period in the Intervention Area 3.2 Services in the field of public health was stopped. |
| 5 June 2014 | Modifying and supplementing the Handbook for applicants and beneficiaries in IA 3.3(a) and 3.3(b) – Determination of expenditure for the financing of projects of organizational state components. |
| 18 June 2014 | Increasing the allocation for the 22nd Call of the MoRD in the Intervention Area 2.1 from CZK 250 million to CZK 400 million share of ERDF. The Call was concluded on 30 June 2014. |
| 18 June 2014 | Increasing the allocation for the 24th Call of the MoRD in the Intervention Area 5.1 by CZK 100 million (ERDF CZK 85 million, State budget CZK 15 million). The Call was concluded on 30 June 2014. |
| 24 June 2014 | Seminar for beneficiaries – Calls of the MoH no. 13, 14, 17 and 18 |
| 25 June 2014 | Announcement of the Call no. 25 of the MoRD for the Intervention Area 4.1a and 4.1b – National support of tourism, activity (d) Presentation and promotion of cultural and natural heritage, cultural industries and services to be used for tourism at the national level – the Call ended on 1 September 2014 |
| 30 June 2014 | Announcement of the Call no. 26 of the MoRD in the Intervention Area 3.4 Services in the field of security, risk prevention and management |
| 2 and 8 July 2014 | Seminars for beneficiaries in activity 3.1(b) to meet the obligations of beneficiaries during project sustainability; venue: Prague, Olomouc |
| 2 and 8 July 2014 | Seminars for beneficiaries in activity 3.1(c) to meet the obligations of beneficiaries during project sustainability; venue: Prague, Olomouc |
| 23 July 2014 | Meeting with beneficiaries, whose projects were selected for the horizontal audit sample |
| 31 July 2014 | The selection committee for the Call no. 17 of the MoI in Intervention Area 1.1 – 3 projects recommended for funding |
| 13 August 2014 | The selection committee for the Call no. 17 of the MoI in Intervention Area 1.1 – 4 projects recommended for funding |
| 14 August 2014 | The EC has approved a major project of the General Directorate of Fire Rescue Service |
| 27 August 2014 | The selection committee for the Call no. 17 of the MoI in Intervention Area 1.1 – 4 projects recommended for funding |
| 29 August 2014 | Extension of the MoLSA's Call no. 4 for Activities 3.3(a) and 3.3(b) until 31 December 2014 |
| 29 August 2014 | Deadline for the submission of applications in the 26th Call of the MoRD for the Intervention Area 3.4 |
| 12 September 2014 | Announcement of the 27th Call of the MoRD in the Intervention Area 3.4 for Mobile means  of rescue in inaccessible areas |
| 16 September 2014 | Revision of the Guideline for applicants and beneficiaries in 3.1(a), (b), section Project Sustainability |
| 24 September 2014 | IOP and IROP conference: Achievements and new goals |
| 29 September 2014 | MA IOP received a letter from the EC quantifying the loss allocation due to non-compliance with the n+2 rule for 2013. |
| 29 September 2014 | Update of the document in the Guideline for applicants and beneficiaries (GAB) – Proposed conditions for Grant Decision in Activities 3.1 (a), (b) and (c) |
| 1 October 2014 | Deadline for the submission of applications in the 25th Call of the MoRD in the Intervention Area 4.1 |
| 16 October 2014 | Seminar for beneficiaries in Intervention Area 3.3(a) and (b) concerning the issue of financing of projects and project sustainability; venue: Hradec Králové |
| 19 November 2014 | Extension of the deadline for the implementation of projects under the 3rd Call of the MoC in Intervention Area 5.1 from 31 December 2014 to 30 September 2015 (update of Handbook for applicants and beneficiaries) |
| 21 November 2014 | Increasing the allocation for the 25th continuous call for MoRD by CZK 214.2 million (CZK 182.1 million ERDF + CZK 32.1 million State budget in Intervention Area 4.1) |
| 26 November 2014 | Seminar for beneficiaries in Intervention Area 3.3(a) and (b) concerning the issue of financing of projects and project sustainability with a total of 17 attendees; venue: Prague |
| 3 December 2014 | Increasing the allocation for the 24th Call of the MoRD in the Intervention Area 5.1 by CZK 80 million (ERDF CZK 68 million, State budget CZK 12 million). |
| 4 December 2014 | Increasing the allocation for the 22nd Call in Intervention Area 2.1 to the total of CZK 697 million (ERDF). |
| 9 December 2014 | Commission Decision C(2014) 9551 on the adoption of modifications to the OP IOP |
| 10 December 2014 | Increasing the allocation for the 27nd Call in Intervention Area 3.4 to the total of CZK 415 million (ERDF). |
| December 2014 | The Grant Decision for most projects submitted under 17th and 18th Call in Intervention Area 3.2 of the IOP, which were suspended due to the suspension of certification and due to expected horizontal audit conclusions in health care. |

## 2.1 Progress and its analysis

### 2.1. A Information on physical progress of the programme

The physical framework for the measurement and quantification of programme objectives   
is determined by the nature of the presumed effects of the implemented activities and, in accordance with the methodology of the European Commission, includes three levels of indicators:

* output **indicators,** representing the extent of the activities carried out as part of a continuous monitoring process; in IOP they are provided down to the level of Intervention Areas,
* **result** indicators, characterizing the direct effects of the programme on the beneficiaries;   
  in IOP they are provided down to the level of Intervention Areas,
* **impact indicators**, at the programme level, inform about the aspects that go beyond the immediate effects of the programme.

At the programme level, there are **context indicators**, which provide quantifiable information on the socio-economic situation of the environment in which the IOP is implemented. They express the main macroeconomic trends in a quantified form.

Throughout the report, the following is monitored at all indicator levels:

**Achieved total value[[2]](#footnote-2)**: The value of continuous progress towards the indicator in the year for which the report is submitted. The achieved value is cumulative from the beginning of the project or an incremental figure depending on the nature of the indicator and its definition (the incremental information is provided e.g. for statistical or share indicators).

**Default value total:** value of indicator measured before the start of programme implementation. Remains unchanged during programme implementation.

**Planned value total:** value of the indicator at the end of the programming period.

Values ​​of context and impact indicators in IOP as of 31 December 2014 are listed in the following tables.

Table 8 - Context indicators as of 31 December 2014 [[3]](#footnote-3),[[4]](#footnote-4),[[5]](#footnote-5)

| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 10200 | GDP at current prices | CZK million | CSO | Achieved | 3,831,819 | 4,015,346 | 3,921,827 | 3,953,651 | 4,022,410 | 4,047,675 | 4,086,260 | N/A | 4,086,260 |
| Baseline | 2,994,400 | 3,831,819 | 4,015,346 | 3,921,827 | 3,953,651 | 4,022,410 | 4,047,675 | 4,086,260 | 2,994,400 |
| Planned | N/A | | | | | | | | |
| 72200 | Employment rate in age group 15-64 – total | % | CSO  Eurostat | Achieved | 66.1 | 66.58 | 65.36 | 65 | 65.73 | 66.5 | 67.74 | N/A | 67.74 |
| Baseline | 64.8 | 66.1 | 66.58 | 65.36 | 65 | 65.73 | 66.5 | 67.74 | 64.8 |
| Planned | N/A | | | | | | | | |
| 72201 | Employment rate in age group 15-64 – men | % | CSO  Eurostat | Achieved | 74.79 | 75.41 | 73.84 | 73.53 | 74.04 | 74.33 | 75.67 | N/A | 75.67 |
| Baseline | 73.3 | 74.79 | 75.41 | 73.84 | 73.53 | 74.04 | 74.33 | 75.67 | 73.3 |
| Planned | N/A | | | | | | | | |
| 72202 | Employment rate in age group 15-64 – women | % | CSO  Eurostat | Achieved | 57.29 | 57.58 | 56.68 | 56.27 | 57.23 | 58 | 59.6 | N/A | 59.6 |
| Baseline | 56.3 | 57.29 | 57.58 | 56.68 | 56.27 | 57.23 | 58 | 59.6 | 56.3 |
| Planned | N/A | | | | | | | | |
| 20101 | State budget balance (SB) | CZK million | CNB  CSO | Achieved | 66,392 | 20,003 | 192,394 | 156,416 | 142,771 | 101,000 | 81,264 | 77,782 | 77,782 |
| Baseline | 56,300 | 66392 | 20,003 | 192,394 | 156,416 | 142,771 | 101,000 | 81,264 | 56,300 |
| Planned | N/A | | | | | | | | |
| 412500 | Overnight stays at collective accommodation establishments, total | Number  (thous.) | CSO | Achieved | 40831.07 | 39,283 | 36,662 | 36,909 | 38,235 | 43,278 | 43308.28 | N/A | 43,308 |
| Baseline | 40320 | 40831.07 | 39,283 | 36,662 | 36,909 | 38,235 | 43,278 | 43,308 | 40,320 |
| Planned | N/A | | | | | | | | |
| 412600 | Overnight stays at collective accommodation establishments, foreigners | Number (thous.) | CSO | Achieved | 20,620 | 19,987 | 17,747 | 18,366 | 19,425 | 21,794 | 22145 | N/A | 22,145 |
| Baseline | 19,595 | 20,620 | 19,987 | 17,747 | 18,366 | 19,425 | 21,794 | 22,145 | 19,595 |
| Planned | N/A | | | | | | | | |
| 21103 | ICT expenditure – share of GDP | % | CSO  Eurostat | Achieved | N/A | 2 | 2,2 | 17.37 | 16.88 | 15.67 | 16.5 | N/A | 16.5 |
| Baseline | 3 | 2,2 | 2 | 2,2 | 17.37 | 16.88 | 15.67 | 16.5 | 3 |
| Planned | N/A | | | | | | | | |
| 21101 | Total expenditure on health – share of GDP at current prices | % | CSO  (IHIS) | Achieved | 5.81 | 6.59 | 7.46 | 7.19 | 7.19 | 7.21 | N/A | N/A | 7.21 |
| Baseline | 7 | 5.81 | 6.59 | 7.46 | 7.19 | 7.19 | 7.21 | N/A | 7 |
| Planned | N/A | | | | | | | | |
| 21102 | Total expenditure on culture and sports – share of GDP | % | CSO  (NIPOS) | Achieved | 0.95 | 0.98 | 1.13 | 1.15 | 1.01 | 1.01 | 1.03 | N/A | 1.03 |
| Baseline | 1.7 | 0.95 | 0.98 | 1.13 | 1.15 | 1.01 | 1.01 | 1.03 | 1.7 |
| Planned | N/A | | | | | | | | |
| 11406 | Average annual energy consumption | GJ/apartment | CSO | Achieved | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Baseline | 78.2 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 78.2 |
| Planned | N/A | | | | | | | | |

*Source: MSC 2007, as of 2 March 2015*

Table 9 - Impact indicators as of 31 December 2014

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| 153501 | Government effectiveness indicator | Index | World Bank | Achieved | 78.64 | 81.1 | 77.0 | 78.5 | 77.7 | 76.6 | 75.1 | N/A | N/A | 75.1 |
| Baseline | 76.6 | 78.64 | 81.1 | 77.0 | 78.5 | 77.7 | 76.6 | 75.1 | N/A | 76.6 |
| Planned | N/A | | | | |  |  |  | 88 | 88 |
| 412700 | Increase in the numbers of tourists in the number of visitors to the Czech Republic | % | CSO | Achieved | 41.4 | 42.9 | 42.8 | 39.3 | 39.5 | 39.3 | 39.1 | N/A | N/A | 39.1 |
| Baseline | 31 | 41.4 | 42.9 | 42.8 | 39.3 | 39.5 | 39.3 | 39.1 | N/A | 31 |
| Planned | N/A | | | | |  |  |  | 41 | 41 |
| 520513 | Employment rate in the tertiary sector | % | CSO | Achieved | 56.19 | 56.13 | 58.08 | 58.56 | 58.2 | 58.8 | 59.46 | N/A | N/A | 59.46 |
| Baseline | 56 | 56.19 | 56.13 | 58.08 | 58.56 | 58.2 | 58.8 | 59.46 | N/A | 56 |
| Planned | N/A | | | | |  |  |  | 70 | 70 |

*Source: MSC 2007, as of 2 March 2015*

### 2.1. B Information on financial data of the IOP

Until late 2014, the total amount of certified eligible expenditure paid by beneficiaries stood at EUR 1,283 billion. Public contribution amounts to EUR 1.181 billion, which represents 62.08% of the IOP funds.

The largest share of certified eligible expenditure is in Priority Axis 4b (96.96%), which is due   
to a reduction in the allocation for this Support Area based on a revision of the programming documentin relation to the allocation loss in 2013. The high share of certified eligible expenditure is   
in Priority Axis 5 (72.05%, i.e. EUR 375.18 million). The smallest share, 52.81%, is in Priority Axis 3.

Table 10 - Financial data (EUR)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **OP funds total (EU and national)** | **Baseline to calculate EU contribution (public or total)** | **Total amount of certified eligible expenditure paid by beneficiaries** | **Corresponding public contribution** | **Implementation rate in %** |
| **Priority axis 1a** | 342,284,804 | Total | 218,761,320 | 218,761,320 | 63.91% |
| **Priority axis 1b** | 26,329,602 | Total | 16,827,795 | 16,827,795 | 63.91% |
| **Priority axis 2** | 174,718,668 | Total | 110,113,061 | 110,113,061 | 63.02% |
| **Priority axis 3** | 723,080,072 | Total | 384,192,185 | 381,846,319 | 52.81% |
| **Priority axis 4a** | 71,255,784 | Total | 46,084,553 | 45,982,180 | 64.53% |
| **Priority axis 4b** | 3,647,971 | Total | 3,544,843 | 3,536,968 | 96.96% |
| **Priority axis 5** | 520,757,030 | Total | 474,488,375 | 375,181,409 | 72.05% |
| **Priority axis 6a** | 40,087,986 | Total | 28,480,975 | 28,480,975 | 71.05% |
| **Priority axis 6b** | 736,976 | Total | 523,755 | 523,755 | 71.07% |
| ***Total*** | ***1,902,898,893*** |  | ***1,283,016,863*** | ***1,181,253,782*** | ***62.08%*** |

*Source: MSC 2007, as of 31 December 2014*

Table 11 - Financial plan of IOP

| **Support Area** | **Fund abbreviation** | **EU contribution, EUR** | **National sources, EUR** | **National public sources, EUR** | **National private sources, EUR** | **Total sources, EUR** | **Share of total OP allocation, %** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **1a – Modernising public administration – Convergence objective** | | **290,942,083** | **51,342,721** | **51,342,721** |  | **342,284,804** | **17.99%** |
| 1.1a Development of information society in public administration | ERDF | 290,942,083 | 51,342,721 | 51,342,721 |  | 342,284,804 | 17.99% |
| **1b – Modernising public administration – Regional Competitiveness and Employment objective** |  | **22,380,161** | **3,949,441** | **3,949,441** |  | **26,329,602** | **1.38%** |
| 1.1b – Development of information society in public administration | ERDF | 22,380,161 | 3,949,441 | 3,949,441 |  | 26,329,602 | 1.38% |
| **2 – Introducing ICT in territorial public administration – Convergence objective** | | **148,510,867** | **26,207,801** | **26,207,801** |  | **174,718,668** | **9.18%** |
| 2.1 – Introducing ICT in territorial public administration | ERDF | 148,510,867 | 26,207,801 | 26,207,801 |  | 174,718,668 | 9.18% |
| **3 – Increased quality and accessibility of public services – Convergence objective** | | **614,618,060** | **108,462,012** | **105,334,619** | **3,127,393** | **723,080,072** | **38.00%** |
| **3.1** – Services in the field of social integration | ERDF | 54,643,234 | 9,642,924 | 8,422,160 | 1,220,764 | 64,286,158 | 3.38% |
| **3.2** – Services in the field of public health | ERDF | 248,481,706 | 43,849,713 | 41,943,084 | 1,906,629 | 292,331,419 | 15.36% |
| **3.3** – Services in the field of employment | ERDF | 40,206,551 | 7,095,274 | 7,095,274 |  | 47,301,825 | 2.49% |
| **3.4** – Services in the field of security, risk prevention and management | ERDF | 271,286,569 | 47,874,101 | 47,874,101 |  | 319,160,670 | 16.77% |
| **4a – National support for tourism – Convergence objective** | | **60,567,416** | **10,688,368** | **10,014,023** | **674,345** | **71,255,784** | **3.74%** |
| 4.1a – National support of tourism | ERDF | 60,567,416 | 10,688,368 | 10,014,023 | 674,345 | 71,255,784 | 3.74% |
| **4b – National support for tourism – Regional Competitiveness and Employment objective** | | **3,100,775** | **547,196** | **512,672** | **34,524** | **3,647,971** | **0.19%** |
| 4.1b – National support of tourism | ERDF | 3,100,775 | 547,196 | 512,672 | 34,524 | 3,647,971 | 0.19% |
| **5 – National support for territorial development – Convergence objective** | | **442,643,474** | **78,113,556** | **48,946,987** | **29,166,569** | **520,757,030** | **27.37%** |
| **5.1 –** National support to utilize the potential of cultural heritage | ERDF | 213,735,411 | 37,718,014 | 37,718,014 |  | 251,453,425 | 13.21% |
| **5.2** – Improving the environment in problematic housing estates | ERDF | 213,377,956 | 37,654,934 | 8,488,365 | 29,166,569 | 251,032,890 | 13.19% |
| **5.3 –** Modernisation and development of territorial policy creation systems | ERDF | 15,530,107 | 2,740,608 | 2,740,608 |  | 18,270,715 | 0.96% |
| **6a – Technical assistance – Convergence objective** | | **34,074,787** | **6,013,199** | **6,013,199** |  | **40,087,986** | **2.11%** |
| 6.1a – Activities associated with IOP management | ERDF | 27,177,687 | 4,796,063 | 4,796,063 |  | 31,973,750 | 1.68% |
| 6.2a – Other costs of IOP technical assistance | ERDF | 6,897,100 | 1,217,136 | 1,217,136 |  | 8,114,236 | 0.43% |
| **6.6b – Technical assistance – Regional Competitiveness and Employment objective** | | **626,428** | **110,548** | **110,548** |  | **736,976** | **0.04%** |
| 6.1b – Activities associated with IOP management | ERDF | 499,612 | 88,167 | 88,167 |  | 587,779 | 0.03% |
| 6.2b – Other costs of IOP technical assistance | ERDF | 126,816 | 22,381 | 22,381 |  | 149,197 | 0.01% |
| **Total** | | **1,617,464,051** | **285,434,842** | **252,432,011** | **33,002,831** | **1,902,898,893** | **100.00%** |

*Source: MSC 2007, as of 31 December 2014*

**List of advance and interim payments**

After approving the programme, the PCA received four advance payments of EUR 142,415,115, which represents 9% of the total IOP allocation.

By the end of 2012, the EC reimbursed eight interim payments in the amount of EUR 413,540,856. Seven interim payments were made in the period from 2009 to 2011. In December 2011, the MA applied with the EC through the PCA for the eighth interim payment amounting to EUR 29,563,594. The MA withdrew the interim application in February 2012 and the EC did not reimburse it. The ninth interim application was submitted in October 2012 after the problem with the error rate in the Audit Authority's 2010 Annual Control Report was resolved and it was reimbursed in November 2012.

In December 2014, the MA applied with the EC through the PCA for the 11th and 12th interim payments totalling EUR 248,569,681.

Table 12 - Overview of received advance and interim payments (EUR)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Number and date of the advance/interim payment** | **Advance payments received from the EC – individually** | | **Interim payments received from the EC – individually** | |
|  | **CONV** | **RCE** | **CONV** | **RCE** |
| 1st advance payment 23 January 2008 | 31,060,213 | 587,590 |  |  |
| 2nd advance payment 1 April 2008 | 46,590,320 | 881,385 |  |  |
| 3rd advance payment 5 February 2009 | 31,060,213 | 587,590 |  |  |
| 4th advance payment 20 April 2009 | 31,060,213 | 587,590 |  |  |
| 1st interim payment 16 December 2009 |  |  | 5,008,671 | 3,569 |
| 2nd interim payment 27 May 2010 |  |  | 18,395,859 | 40,343 |
| 3rd interim payment 30 August 2010 |  |  | 21,911,277 | 62,328 |
| 4th interim payment 28 December 2010 |  |  | 40,318,211 | 748,314 |
| 5th interim payment 4 May 2011 |  |  | 33,623,868 | 288,784 |
| 6th interim payment 29 August 2011 |  |  | 40,952,914 | 276,952 |
| 7th interim payment 24 November 2011 |  |  | 58,609,916 | 1,572,239 |
| 9th interim payment 12 November 2012 |  |  | 187,337,383 | 4,390,225 |
| 10th interim payment 20 December 2013 |  |  | 393,274,551 | 7,045,526 |
| 12th interim payment 17 December 2014 |  |  | 102,546,727 | 1,216,665 |
| 13th interim payment 23 December 2014 |  |  | 142,689,308 | 2,116,986 |
| **Total** | **139,770,960** | **2,644,155** | **1,044,668,687** | **17,761,932** |

*Source: MSC 2007, as of 31 December 2014*

\* In December 2011, the 8th interim application for payment was submitted – EUR 28,120,764.12 for the CONV objective and EUR 1,442,828.55 for the RCE objective, which was withdrawn in February 2012. In September 2014, the 11th interim application for payment was submitted – EUR 42,823,100.63 for the CONV objective and EUR 280,547.3 for the RCE objective, which was withdrawn.

**Fulfilment of n+2 rule**

The MA IOP monitors the take-up of funds from the SF in each phase of administration of project applications and compares the rate of take-up with the limit for the given year. Fulfilment of n+3/n+2 is monitored separately for each objective, i.e. both for the Convergence objective and for the Regional Competitiveness and Employment objective. The relevant moment for the fulfilment of n+2 rule is when the volume of interim or advance payments, separately for each objective, is equal to or greater than the limit for the given year.

In 2014, it was necessary to certify expenditures totalling approximately EUR 251 million. According to predictions of take-up of August 2014, the MA IOP assumed that it would be possible to certify expenditures totalling EUR 187.35 million, posing a risk allocation loss of EUR 72.million in 2014. The MA IOP adopted a series of measures, in particular phasing of projects, which significantly minimized the allocation loss. The final result for 2014 is an allocation loss of EUR 2.3 million in the Regional Competitiveness and Employment objective. The Convergence objective fulfilled the take-up limit for the year 2014 and thus met the n+2 rule.

Table 13 - Fulfilment of n+3/n+2 rule for CONV (EUR)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial plan – year** | **Total EU allocation in 2007–2013 – annual** | **N+3 / N+2 limits - summary** | **Interim payments from the EC – annual** | **Applications for interim/final payment submitted to the EC – annual** | **Advance payments from the EC + applications for payment from the Czech Republic – annual** | **Advance payments from the EC + applications for payment – summary** | **Difference between payments and limits – summary** | **Allocation of major projects to be deducted under the n+3/n+2 rule** | **Difference between payments including major projects, and limits** |
| **a** | **b** | **c** | **d = b + c** | **e** | **f = e-a** |
| **2007** | 192,686,939 |  |  |  |  |  |  |  |  |
| **2008** | 202,164,946 |  | 77,650,533 |  | 77,650,533 | 77,650,533 |  |  |  |
| **2009** | 211,684,389 |  | 62,120,427 | 5,008,671 | 67,129,098 | 144,779,631 |  |  |  |
| **2010** | 221,648,970 |  |  | 80,625,348 | 80,625,348 | 225,404,979 |  |  |  |
| **2011** | 237,465,225 | 234,279,436 |  | 161,307,463 | 161,307,463 | 386,712,442 | 152,433,006 |  | 152,433,006 |
| **2012** | 247,398,119 | 478,078,315 |  | 159,216,619 | 159,216,619 | 545,929,061 | 67,850,746 |  | 67,850,746 |
| **2013** | 278,308,099 | 1,001,421,489 |  | 393,274,551 | 393,274,551 | 939,203,612 | -62,217,878 | 97,501,024 | 35,283,146 |
| **2014** | 0 | 1,280,934,098 |  | 245,236,035 | 245,236,035 | 1,184,439,647 | -96,494,451 | 97,501,024 | 1,006,573 |
| **2015** | 0 | 1,591,356,687 |  |  |  | 1,184,439,647 | -406,917,040 |  | -406,917,040 |
| **Total** | **1,591,356,687** | **1,591,356,687** | **139,770,960** | **1,044,668,687** | **1,184,439,647** | **1,184,439,647** | **-406,917,040** |  |  |

*Source: MSC 2007, as of 31 December 2014*

Note: The column Applications for interim payment submitted to the EC has been modified. In December 2011, the 8th interim application for payment was submitted – EUR 28,120,764.12 for the CONV objective and EUR 1,442,828.55 for the RCE objective, which was withdrawn in February 2012. The 2011 annual applications include the 8th interim payment, in 2012 the difference between the 9th and 8th payment is reflected to avoid duplication.

Table 14 - Fulfilment of n+3/n+2 rule for RCE (EUR)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial plan – year** | **Total EU allocation in 2007–2013 – annual** | **N+3 / N+2 limits – summary \*** | **Interim payments from the EC – annual** | **Applications for interim/final payment submitted to the EC – annual** | **Advance payments from the EC + applications for payment from the Czech Republic – annual** | **Advance payments from the EC + applications for payment – summary** | **Difference between payments and limits – summary** |
| **a** | **b** | **c** | **d = b + c** | **e** | **f = e - a** |
| 2007 | 3,951,894 |  |  |  |  |  |  |
| 2008 | 4,030,931 |  | 1,468,975 |  | 1,468,975 | 1,468,975 |  |
| 2009 | 4,111,551 |  | 1,175,180 | 3,569 | 1,178,749 | 2,647,724 |  |
| 2010 | 2,635,524 |  |  | 850,986 | 850,986 | 3,498,710 |  |
| 2011 | 4,277,657 | 4,689,580 |  | 3,580,803 | 3,580,803 | 7,079,513 | 2,389,933 |
| 2012 | 4,363,210 | 9,459,780 |  | 2,947,396 | 2,947,396 | 10,026,909 | 567,129 |
| 2013 | 2,736,597 | 17,690,259 |  | 7,045,526 | 7,045,526 | 17,072,435 | -617,824 |
| 2014 | 0 | 22,712,118 |  | 3,333,651 | 3,333,651 | 20,406,087 | -2,306,031 |
| 2015 | 0 | 26,107,364 |  |  |  | 20,406,087 | -5,701,277 |
| **Total** | **26,107,364** | **26,107,364** | **2,644,155** | **17,761,932** | **20,406,087** | **20,406,087** | **-5,701,277** |

*Source: MSC 2007, as of 31 December 2014*

*Note: The column Applications for interim payment submitted to the EC has been modified. In December 2011, the 8th interim application for payment was submitted – EUR 28,120,764.12 for the CONV objective and EUR 1,442,828.55 for the RCE objective, which was withdrawn in February 2012. The 2011 annual applications include the 8th interim payment, in 2012 the difference between the 9th and 8th payment is reflected to avoid duplication.*

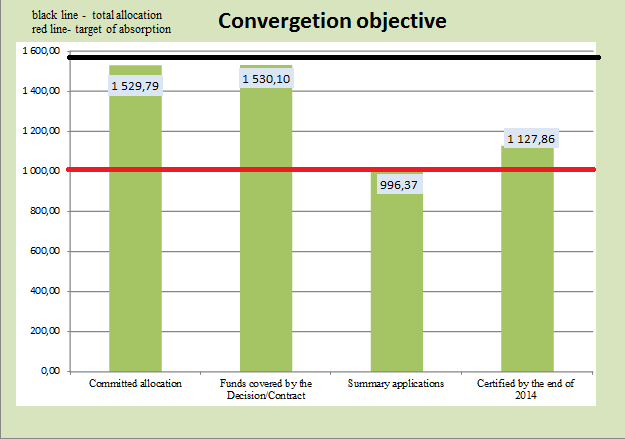
The Managing Authority monitors every month the implementation of the n+2 rule by objectives, grant providers and Intervention Areas. The course and amount of disbursed funds in the monitored administration phases are compared with the 2014 limit and the limit until the end of the programming period, net of advance payments from the EC.

The following graphs show funds by project administration phases:

* **Assigned allocation** is the allocation of the ongoing calls and the requirement for funds in project submitted under completed calls
* **Funds covered by a Decision / Grant Agreement** represent funds in approved projects;
* **Summary applications** shows applications for payment included in the summary applications for payment,
* **Certified** shows includes the current amount of certified expenditure,
* the last column represents the **prediction of certified expenditure by the end of 2014;** the prediction is based on the planned project schedule modified in cooperation with the IB
* the red line represents the **2014 limit** net of advance payments received and large project allocations.

Charts 1 and 2 show progress towards the n+2 rule under the Convergence and RCE objectives. The volume of funds in each project administration phase, and especially the certified expenditure forecast in each years is compared with the 2014 limit.

Chart 1 - Progress towards the n+2 rule in the Convergence objective

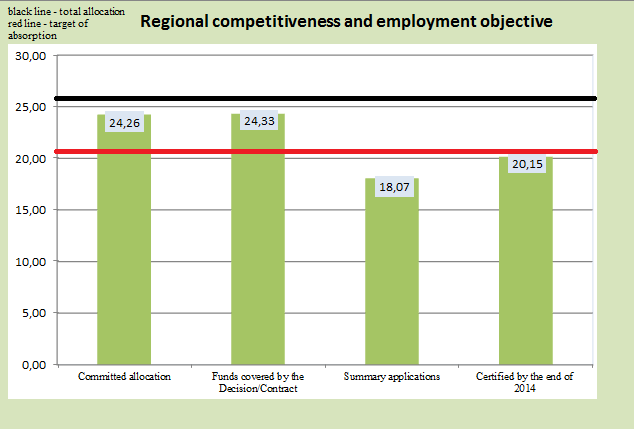
**

*Source: IS Monit7+ as of 2 January 2015*

*Source of funding: EU share*

*CZK/EUR exchange rate: 27.728*

Chart 2 - Progress towards the n+2 rule in the Regional Competitiveness and Employment objective



*Source: IS Monit7+ as of 2 January 2015*

*Source of funding: EU share*

*CZK/EUR exchange rate: 27.728*

In 2014, the MA IOP has adopted a number of preventive measures to reduce the risk of allocation loss. It placed great emphasis on reducing the changes in project schedules, phasing of projects with the certification of the maximum amount of project expenditure by the end of 2014, it led the negotiations with the OPC primarily concerning terminate the investigation of contracts related to projects with applications for payment submitted or planned in 2014.

The Strategy to complete IOP take-up issued in June by the MA IOP anticipated an allocation loss   
of CZK **1.98 billion,** revised in October update to CZK **2.32 billion.** The December update again revised the loss, down to CZK **724 million. The final 2014 loss was CZK 64.2 million.**

During the whole of 2014, **the MA IOP and IB IOP also** **adjusted the volumes in the newly announced calls according to the expected losses, or increased allocations in calls.** At the same time, they continuously adjusted – conservatively, with regard to the risk of allocation loss – the extent of the planned programme over-commitment. Assuming a loss of CZK 2.32 billion, it was necessary to have a reserve of un-committed allocation ready to be refunded to the European Commission. Without this reserve, the allocation loss would have to be borne by the State budget, which would have to meet the obligations towards beneficiaries.

**However, the positive and significant reduction in the allocation loss in 2014 means   
an unexpected volume of available funds in 2015.**

**Cross-financing**

The IOP enables the use of cross-financing in Intervention Area 3.2 Services in the field of public health and in Priority Axes 4a National support for tourism – Convergence objective and 4b – National support for tourism – Regional Competitiveness and Employment objective. Non-investment costs eligible for funding from the ESF must not exceed 9% of the total eligible project costs.

In the Intervention Area 3.2, cross-financing was included among eligible costs in the first call of the Ministry of Health. 9 out of the total 34 submitted project applications, which could use this instrument, were recommended for funding by the selection committee. No project in this Intervention Area uses cross-financing.

In Priority Axes 4a and 4b National support for tourism, cross-financing was allowed in the 4th continuous Call of the MoRD.

Table 15 - Use of cross-financing

| **IA** | **Total PA allocation** | **Call number** | **Project status** | **Number of projects with cross-financing** | **Total eligible expenditure** | **Cross-financing – total eligible costs** | **Share of cross-financing in the allocation** | **Certified cross-financing** | **Share of certified funds in the total eligible costs** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 4.1a | 71,255,784 | 4 | P7 Project expenditure certified | 1 | 2,517,415 | 2,872 | 0.00% | 801 | 0.03% |
| 4.1a | 71,255,784 | 4 | N7 Project not completed/withdrawn | 1 | 2,652,584 | 236,536 | 0.33% | - | - |
| 4.1a total | 71,255,784 | 4 |  | 2 | 5,169,999 | 239,408 | 0.34% | 801 | 0.02% |
| 4.1b | 3,647,971 | 4 | P7 Project expenditure certified | 1 | 193,647 | 221 | 0.01% | 62 | 0.00% |
| 4.1b | 3,647,971 | 4 | N7 Project not completed/withdrawn | 1 | 204,039 | 18,195 | 0.50% | - | - |
| 4.1b  Total | 3,647,971 | 4 |  | 2 | 397,687 | 18,416 | 0.34% | 62 | 0.00% |

*Source: IS Monit7+ as of 2 January 2015*

*Exchange rate: CZK/EUR: 27.728*

*Source of funding: Total eligible expenditure*

### 2.1. C Information about the breakdown of funds

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Priority theme** | **Form of funding** | **Type of territory** | **Economic activity** | **Geographical location** | **Amount in EUR as at the end of 2014** | **Allocation for the priority theme 2007–2013 (EUR)** |
| 13 – Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.) | 1 | 01, 05 | 17 | CZ0 | 377,561,141.86 | 461,833,111 |
| 53 – Risk prevention (including the drafting and implementation of plans and measures to prevent natural and technological risks and their management) | 1 | 01, 05 | 17, 19 | CZ0 | 269,144,481.64 | 290,853,059 |
| 55 – Promotion of natural assets[[6]](#footnote-6) | 1 | 01, 05 | 14, 17, 22 | CZ0 | 52,301,290.18 | 45,006,249.00 |
| 57 – Other support to improve tourist services | 1 | 1 | 17, 22 | CZ0 | 7,170,394.96 | 20,220,199.00 |
| 58 – Protection and preservation of cultural heritage | 1 | 01, 05 | 17, 18, 22 | CZ0 | 199,106,072.18 | 198,389,481.00 |
| 59 – Development of cultural infrastructure | 1 | 1 | 18, 22 | CZ0 | 11,776,146.38 | 15,345,930 |
| 61 – Integrated projects for urban and rural regeneration | 01, 02 | 1, 05 | 00, 16, 17, 21, 22 | CZ0 | 178,430,337.71 | 213,377,956.00 |
| 75 – Education infrastructure | 1 | 1 | 17, 22 | CZ0 | 5,234,151.57 | 7,241,304 |
| 76 – Health infrastructure | 1 | 01, 05 | 19, 22 | CZ0 | 204,350,767.24 | 228,915,216.00 |
| 79 – Other social infrastructure | 1 | 01, 05 | 03, 04, 06, 11, 12, 13, 14, 16, 17, 19, 20, 21, 22 | CZ0 | 72,870,238.50 | 87,608,481 |
| 81 – Mechanisms to better create, monitor and evaluate good policies and programmes at national, regional and local level, ensure capacity building to implement policies and programmes. | 01, 02 | 01, 05 | 17 | CZ0 | 14,396,597.85 | 15,530,107.00 |
| 85 – Preparation, implementation, monitoring and control | 1 | 1 | 17 | CZ0 | 25,122,735.93 | 27,677,299.00 |
| 86 – Evaluation and studies; information and communication | 1 | 1 | 17 | CZ0 | 5,394,795.12 | 70,239,160 |
| **IOP total** |  |  |  |  | **1,422,859,151.12** | **1,619,022,308** |

*Source: MSC 2007, as of 31 December 2014, CZK/EUR exchange rate 27.728, Source of funding: EU share*

Note: Form of funding 01 – Non-repayable aid, 02– Loan

Type of territory: 01 – City 05 – Rural areas (other than mountains, islands or sparsely and very sparsely populated areas)

Economic activity: 00 – Not applicable 03 – Manufacture of food products and beverages 04 – Manufacture of textile products 06 – Unspecified manufacturing industries 11 – Transport 12 – Construction 13 – Wholesale and retail trade, 14 – Hotels and restaurants 16 – real estate activities, renting and business activities 17 – Public administration 18 – Education, 19 – Activities relating to human health, 20 – Social work, community, social and personal services 21 – Environmental activities 22 – Other unspecified services

Geographical location: CZ0 – Czech Republic

### 2.1. D Aid by target groups

In terms of beneficiaries, target groups are public administration bodies and organizations founded by them, NGOs, businesses and associations of legal entities.

A detailed breakdown of beneficiaries in each Priority Axis:

* Priority Axis 1 – the organization state components and publicly co-funded organizations founded by them,
* Priority Axis 2 – regions and municipalities and organizations founded by them, associations of municipalities,
* Priority Axis 3 – organization state components and publicly co-funded organizations founded by them, regions and municipalities and organizations established by them, NGOs, entrepreneurs (persons registered in the Commercial Register and persons conducting business under a trade license or special regulations), natural and legal persons providing public services, healthcare, organisational state components in the field of employment services (MoLSA, LO)
* Priority Axis 4 – organization state components and publicly co-funded organizations, NGOs, associations of legal entities in tourism with a nationwide scope,
* Priority Axis 5 – the organization state components and publicly-funded organizations, NGOs, associations of legal entities, municipalities and organizations founded by them, associations of municipalities, regions, owners of residential or non-residential premises,
* Priority Axis 6 – MA IOP and IBs.

The MA updates every month the list of supported projects and beneficiaries and publishes it on the Structural Funds website at: <http://www.strukturalni-fondy.cz/cs/Microsites/Integrovany-OP/Zadatele-a-prijemci/Seznam-podporenych-projektu>.

**Investments in regions with concentrated State assistance**

Investments in regions with concentrated state assistance follows the approved strategy of regional development for the period 2007–2013 in accordance with Government Decree no. 344 of 15 May 2013, which has defined officially supported economically troubled regions consisting of 57 municipalities with extended competences.

The IOP does not monitor supported regions. Housing support is provided in some of these cities on the basis of the IDP, approved pursuant to Article 7(2)(a) of Council Regulation (EC) no. 1080/2006.

Detailed information on IDP is given in Chapters 2.6.3 – Integrated Urban Development Plans and 3.5 – Priority Axis 5.

### 2. 1. E Refunded or re-used aid

In the reference period, the MA IOP recorded 98 new cases of suspected irregularity, the total affected/threatened amount being CZK 505,693,071 (EUR 19,211,579). Irregularities were observed in all Intervention Areas except 3.4 and 6.2, the largest number being recorded in the Intervention Area 2.1.

All cases of irregularities have been dealt with in accordance with established procedures.

Of the total number of newly registered suspected irregularities:

* 11 cases are substantiated irregularities
* 3 cases are non-substantiated irregularities
* 80 cases are confirmed irregularities
* 1 case is unconfirmed irregularities
* 3 cases are yet to be determined whether or not they are substantiated.

Unlawful use of funds within the irregularities was estimated at CZK 188,518,013.

According to the MSC2007 records, in 2014 there were 93 cases where beneficiaries returned unlawfully used funds, totalling CZK 10,818,454 (EUR 426,763). All these funds were returned to the account of the National Fund and the State budget.

During 2014, the MA IOP concluded a total of 105 irregularities. Concerning the number   
of irregularities concluded, 5 irregularities were concluded in Intervention Area 1.1 78 irregularities   
in IA 2.1, 2 irregularities in IA 3.2, 6 irregularities in IA 4.1, 1 irregularity in IA 5.1, 9 irregularities in IA 5.2, 1 irregularity in IA 5.3 and 3 irregularities in IA 6.1.

An extraordinary healthcare audit No. AO/2014/SM/05-1 IOP also identified one systemic irregularity in the Intervention Area 2.3

Table 16 - Irregularities recorded in 2014, breakdown by IAs

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **IA** | **Number of irregularities** | **Funds affected by irregularities, CZK** | **Funds affected by irregularities, EUR** | **Stage of resolution** | | | | |
| **substantiated** | **substantiated** | **not substantiated** | **confirmed** | **unconfirmed** |
| 1.1 | 7 | 258,326,360 | 9,393,691 | 0 | 3 | 0 | 4 | 0 |
| 2.1 | 45 | 848,156 | 33,214 | 0 | 2 | 3 | 40 | 0 |
| 3.1 | 7 | 17,044,928 | 685,180 | 0 | 1 | 0 | 6 | 0 |
| 3.2 | 18 | 89,068,704 | 3,604,415 | 3 | 2 | 0 | 12 | 1 |
| 3.3 | 1 | 86,502,573 | 3,360,367 | 0 | 0 | 0 | 1 | 0 |
| 3.4 | 0 | - | - | 0 | 0 | 0 | 0 | 0 |
| 4.1 | 2 | 229,770 | 8,273 | 0 | 2 | 0 | 0 | 0 |
| 5.1 | 8 | 7,582,045 | 284,892 | 0 | 0 | 0 | 8 | 0 |
| 5.2 | 7 | 45,710,816 | 1,826,795 | 0 | 1 | 0 | 6 | 0 |
| 5.3 | 1 | 1,000 | 40 | 0 | 0 | 0 | 1 | 0 |
| 6.1 | 2 | 378,718 | 14,712 | 0 | 0 | 0 | 2 | 0 |
| 6.2 | 0 | - | - | 0 | 0 | 0 | 0 | 0 |
| **Total** | **98** | **505,693,071** | **19,211,579** | **3** | **11** | **3** | **80** | **1** |

*Source: MSC 2007, as of 10 February 2015*

### 2. 1. F Qualitative Analysis

In 2014, the funds covered by Decisions reached EUR 1,554 million, which represents 96.1% of the total programme allocation. Intervention Area 3.3 has the smallest share of approved projects, amounting to 72.8% of the allocation. Less than 90% of the allocation is approved in Intervention Areas 1.1a, 1.1b (85.5%).

The beneficiaries received EUR 1,019.3 million, i.e. 63.0% of the programme allocation. The largest share of the reimbursed funds per allocation can be observed in Intervention Area 5.3 (100.6%). The lowest share of funds reimbursed to beneficiaries can be observed in Intervention Areas 3.4 (37.0%) and 3.1 (47.5%).

Certified funds total EUR 1,003 million (62.1% of the allocation). The highest share of certified expenditure is in Intervention Areas with the highest share of funds reimbursed to beneficiaries, i.e. IA 5.3 (99.6%) and IA 5.2 (76.9%). Conversely, the lowest share of certified expenditure is in Intervention Areas with a low share of funds reimbursed to beneficiaries: IA 3.1 (45.6%) and IA   
3.4 (36.9%).

Table 17 - Financial situation of IOP in 2014 (EU)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Priority Axis** | **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified expenditure (including refunds)** | **Certified funds (including refunds)** |
| **EUR** | **EUR** | **%** | **EUR** | **%** | **EUR** | **%** |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 1a | 1.1a | 290,942,083 | 248,816,949 | 85.5% | 190,007,908 | 65.3% | 185,668,351 | 63.8% |
| **1a total** |  | **290,942,083** | **248,816,949** | **85.5%** | **190,007,908** | **65.3%** | **185,668,351** | **63.8%** |
| 1b | 1.1b | 22,380,161 | 19,139,766 | 85.5% | 14,615,891 | 65.3% | 14,282,181 | 63.8% |
| **1b total** |  | **22,380,161** | **19,139,766** | **85.5%** | **14,615,891** | **65.3%** | **14,282,181** | **63.8%** |
| 2 | 2.1 | 148,510,867 | 155,964,076 | 105.0% | 93,841,502 | 63.2% | 93,595,972 | 63.0% |
| **2 total** |  | **148,510,867** | **155,964,076** | **105.0%** | **93,841,502** | **63.2%** | **93,595,972** | **63.0%** |
| 3 | 3.1 | 54,643,234 | 50,275,563 | 92.0% | 25,939,530 | 47.5% | 24,909,164 | 45.6% |
| 3.2 | 248,481,706 | 234,739,988 | 94.5% | 185,141,766 | 74.5% | 178,699,090 | 71.9% |
| 3.3 | 40,206,551 | 29,278,406 | 72.8% | 20,724,148 | 51.5% | 20,724,148 | 51.5% |
| 3.4 | 271,286,569 | 272,739,157 | 100.5% | 100,241,681 | 37.0% | 100,236,623 | 36.9% |
| **3 total** |  | **614,618,060** | **587,033,114** | **95.5%** | **332,047,125** | **54.0%** | **324,569,025** | **52.8%** |
| 4a | 4.1a | 60,567,416 | 58,493,535 | 96.6% | 39,339,685 | 65.0% | 39,084,850 | 64.5% |
| **4a total** |  | **60,567,416** | **58,493,535** | **96.6%** | **39,339,685** | **65.0%** | **39,084,850** | **64.5%** |
| 4b | 4.1b | 3,100,775 | 4,527,402 | 146.0% | 3,026,018 | 97.6% | 3,006,419 | 97.0% |
| **4b total** |  | **3,100,775** | **4,527,402** | **146.0%** | **3,026,018** | **97.6%** | **3,006,419** | **97.0%** |
| 5 | 5.1 | 213,735,411 | 213,976,932 | 100.1% | 140,175,543 | 65.6% | 139,329,506 | 65.2% |
| 5.2 | 213,377,956 | 214,304,155 | 100.4% | 164,783,694 | 77.2% | 164,091,810 | 76.9% |
| 5.3 | 15,530,107 | 15,694,152 | 101.1% | 15,621,840 | 100.6% | 15,472,304 | 99.6% |
| **5 total** |  | **442,643,474** | **443,975,239** | **100.3%** | **320,581,077** | **72.4%** | **318,893,620** | **72.0%** |
| 6a | 6.1a | 27,177,687 | 28,781,894 | 105.9% | 21,474,152 | 79.0% | 20,369,911 | 75.0% |
| 6.2a | 6,897,100 | 7,040,213 | 102.1% | 3,901,724 | 56.6% | 3,838,911 | 55.7% |
| **6a total** |  | **34,074,787** | **35,822,107** | **105.1%** | **25,375,875** | **74.5%** | **24,208,822** | **71.0%** |
| 6b | 6.1b | 499,612 | 529,149 | 105.9% | 394,894 | 79.0% | 374,592 | 75.0% |
| 6.2b | 126,816 | 129,433 | 102.1% | 71,763 | 56.6% | 70,600 | 55.7% |
| **6b total** |  | **626,428** | **658,583** | **105.1%** | **466,657** | **74.5%** | **445,192** | **71.1%** |
| **IOP total** |  | **1,617,464,051** | **1,554,430,771** | **96.1%** | **1,019,301,739** | **63.0%** | **1,003,754,432** | **62.1%** |

*Source: MSC 2007 as of 31 December 2014; CZK/EUR exchange rate: 27.728;*

*Source of funding: EU share*

Assessment of development in different Intervention Areas in 2014 is given in Chapter 3 Programme implementation by Priority Axes.

The following supplementary table shows the additional financial situation of IOP in 2014 for total eligible expenditure. In Intervention Area 5.2, the share of certified expenditure is higher than the allocation by 16.5%. This is due to the fact that the total eligible expenditure also includes private expenditure.

This change in reporting expenditures was part of a revision of the programming document of IOP in 2013. On the basis of this programming document revision, the EU contribution in the application for payment is calculated as % of total eligible expenditure (i.e. total public + private) at the level of Priority Axis, although, in accordance with Article 77 of Regulation 1083/2006, the EU contribution does not exceed the amount of total public expenditure reported in the statement of expenditure at the Priority Axis level.

Table 18 - Financial situation of IOP in 2014 (total el. exp. share)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Priority Axis** | **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified expenditure (including refunds)** | **Certified funds (including refunds)** |
| **EUR** | **EUR** | **%** | **EUR** | **%** | **EUR** | **%** |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 1a | 1.1a | 342,284,804 | 292,853,447 | 85.6% | 223,937,475 | 65.4% | 218,761,323 | 63.9% |
| **1a total** |  | **342,284,804** | **292,853,447** | **85.6%** | **223,937,475** | **65.4%** | **218,761,323** | **63.9%** |
| 1b | 1.1b | 26,329,602 | 22,527,189 | 85.6% | 17,225,858 | 65.4% | 16,827,795 | 63.9% |
| **1b total** |  | **26,329,602** | **22,527,189** | **85.6%** | **17,225,858** | **65.4%** | **16,827,795** | **63.9%** |
| 2 | 2.1 | 174,718,668 | 183,487,309 | 105.0% | 110,426,999 | 63.2% | 110,113,061 | 63.0% |
| **2 total** |  | **174,718,668** | **183,487,309** | **105.0%** | **110,426,999** | **63.2%** | **110,113,061** | **63.0%** |
| 3 | 3.1 | 64,286,158 | 60,033,137 | 93.4% | 31,290,425 | 48.7% | 30,051,378 | 46.7% |
| 3.2 | 292,331,419 | 278,347,235 | 95.2% | 219,237,187 | 75.0% | 211,834,008 | 72.5% |
| 3.3 | 47,301,825 | 34,445,296 | 72.8% | 24,381,356 | 51.5% | 24,381,356 | 51.5% |
| 3.4 | 319,160,670 | 320,869,615 | 100.5% | 117,931,394 | 37.0% | 117,925,444 | 36.9% |
| **3 total** |  | **723,080,072** | **693,695,283** | **95.9%** | **392,840,361** | **54.3%** | **384,192,185** | **53.1%** |
| 4a | 4.1a | 71,255,784 | 68,922,211 | 96.7% | 46,384,360 | 65.1% | 46,084,553 | 64.7% |
| **4a total** |  | **71,255,784** | **68,922,211** | **96.7%** | **46,384,360** | **65.1%** | **46,084,553** | **64.7%** |
| 4b | 4.1b | 3,647,971 | 5,334,532 | 146.2% | 3,567,901 | 97.8% | 3,544,843 | 97.2% |
| **4b total** |  | **3,647,971** | **5,334,532** | **146.2%** | **3,567,901** | **97.8%** | **3,544,843** | **97.2%** |
| 5 | 5.1 | 251,453,425 | 251,737,569 | 100.1% | 164,912,409 | 65.6% | 163,917,071 | 65.2% |
| 5.2 | 251,032,890 | 375,738,729 | 149.7% | 293,809,934 | 117.0% | 292,368,592 | 116.5% |
| 5.3 | 18,270,715 | 18,463,709 | 101.1% | 18,378,638 | 100.6% | 18,202,713 | 99.6% |
| **5 total** |  | **520,757,030** | **645,940,007** | **124.0%** | **477,100,980** | **91.6%** | **474,488,375** | **91.1%** |
| 6a | 6.1a | 31,973,750 | 33,890,240 | 106.0% | 25,263,713 | 79.0% | 23,964,606 | 75.0% |
| 6.2a | 8,114,236 | 8,282,604 | 102.1% | 4,590,268 | 56.6% | 4,516,369 | 55.7% |
| **6a total** |  | **40,087,986** | **42,172,844** | **105.2%** | **29,853,980** | **74.5%** | **28,480,975** | **71.0%** |
| 6b | 6.1b | 587,779 | 623,065 | 106.0% | 464,581 | 79.0% | 440,696 | 75.0% |
| 6.2b | 149,197 | 152,274 | 102.1% | 84,426 | 56.6% | 83,059 | 55.7% |
| **6b total** |  | **736,976** | **775,340** | **105.2%** | **549,007** | **74.5%** | **523,755** | **71.1%** |
| **IOP total** |  | **1,902,898,893** | **1,955,708,161** | **102.8%** | **1,301,886,921** | **68.4%** | **1,283,016,867** | **67.4%** |

*Source: MSC 2007 as of 31 December 2014;*

*CZK/EUR exchange rate: 27.728;*

*Source of funding: EU share + national public sources + private expenditure*

**Submitted applications**

In 2014, a total of 438 new project applications were submitted with the volume of eligible public expenditure of CZK 10,614 billion (EUR 382.8 million). The required amount of EU funds represents CZK 9.08 billion (EUR 327.8 million).

Since the start of IOP implementation, a total of 9,721 project applications have been submitted under the programme with the volume of eligible public expenditure of CZK 87.56 billion (EUR 3.15 billion). The submitted applications applied for EU co-funding of a total of CZK 71.3 billion (EUR 2.5 billion), which represents approximately 159% of EU funding allocated to the Integrated Operational Programme.

Chart 3 - Share of required EU grant in the allocation of Priority Axes

Data source: MA IOP as of 31 December 2014.

This is the percentage of the required grant under applications submitted in individual years in the total allocation (EU share, required EU grant converted at EUR 1 = CZK 27.728)

Projects with a Decision issued / Agreement signed

In 2014, the Managing Authority of the IOP issued a Decision for another 228 projects with a volume of public expenditure in the amount of CZK 5.68 billion (EUR 204.99 million) and the EU share   
of CZK 4.19 billion (EUR 177.3 million).

As of 31 December 2014, a total of 8,547 Grant Decisions were issued totalling CZK 45.86 billion (EUR 1,654 million) of the EU share, i.e. 102.28% of the EU allocation in IOP.

Table 19 - Volume of funds under Decisions issued (EU share)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** |
| CZK million | 0 | 325.12 | 9,924.86 | 21,220.81 | 29,615.20 | 35,041.16 | 39,812.25 | 45,862.48 |
| EUR million | 0 | 12.21 | 375.94 | 840.76 | 1,143.00 | 1,393.84 | 1,448.77 | 1,654.01 |

*Source: MA IOP as of 31 December 2014*

Chart 4 - Development of approved projects covered by a Decision/Agreement, 2007-2014

Data source: MA IOP as of 31 December 2014.

This is the percentage of projects covered by a Decision in individual years in the total allocation (EU share).

Chart 5 - Share of approved grant in Decisions / Agreements in the allocation of the Priority Axes

Data source: MA IOP as of 31 December 2014.

This is the percentage of projects covered by a Decision/Agreement under individual Priority Axes in the total allocation (EU share, approved grant converted at EUR 1 = CZK 27.728)

Funds reimbursed to beneficiaries

Towards the end of 2014, funds reimbursed to beneficiaries totalled CZK 33,632 million (EUR 1,212 million) and the take-up rate reached 66.8% with regard to the overall public resources that are available in IOP. The take-up rate of the EU contribution amounted to 63% – see Chart 6.



Chart 6 - Share of EU funds reimbursed to the beneficiaries in the allocation of Priority Axes

Data source: MA IOP as of 31 December 2014, converted at EUR 1 = CZK 27.728

This is the percentage of EU funds reimbursed to beneficiaries in the overall EU allocation assigned for each Priority Axis.

Certified expenditure submitted to the EC

The volume of certified public expenditure accounted for CZK 33.142 billion (EUR 1.283 billion), of which EU funds accounted for CZK 27.477 billion (EUR 1.003 billion).

Chart 7 - Share of certified expenditure in individual Priority Axes in the allocation of Priority Axes

*Data source: MA IOP as of 31 December 2014.*

*This is the percentage of certified expenditure submitted to the EC in the allocation of individual Priority Axes.*

**Information about excluded projects**

IOP MA monitors statistics on excluded projects in terms of positive and negative statuses. It distinguishes between the exclusion of a project before a legal act is issued (statuses N1.1, N1.2, N1.3, N2.1, N2.2, N2.3 and N5) and exclusion during project implementation after the legal act is issued (statuses N7, N8).

Projects may be excluded upon the decision of the applicant – labelled in IS Monit7+ IOP as N5 Project application withdrawn by the applicant and N7 Project not completed/withdrawn, or upon the decision of the MA/IB (hereinafter "rejected projects").

As of 31 December 2014, 1,171 out of 9,721 project applications were excluded. In 333 cases, the applications were withdrawn by the applicant, i.e. 29% of all excluded projects. The most common reason for rejection was the failure to meet evaluation criteria in 298 cases, i.e. 26% of the excluded projects, and 155 project applications did not meet at least one acceptability criterion, i.e. 13%.

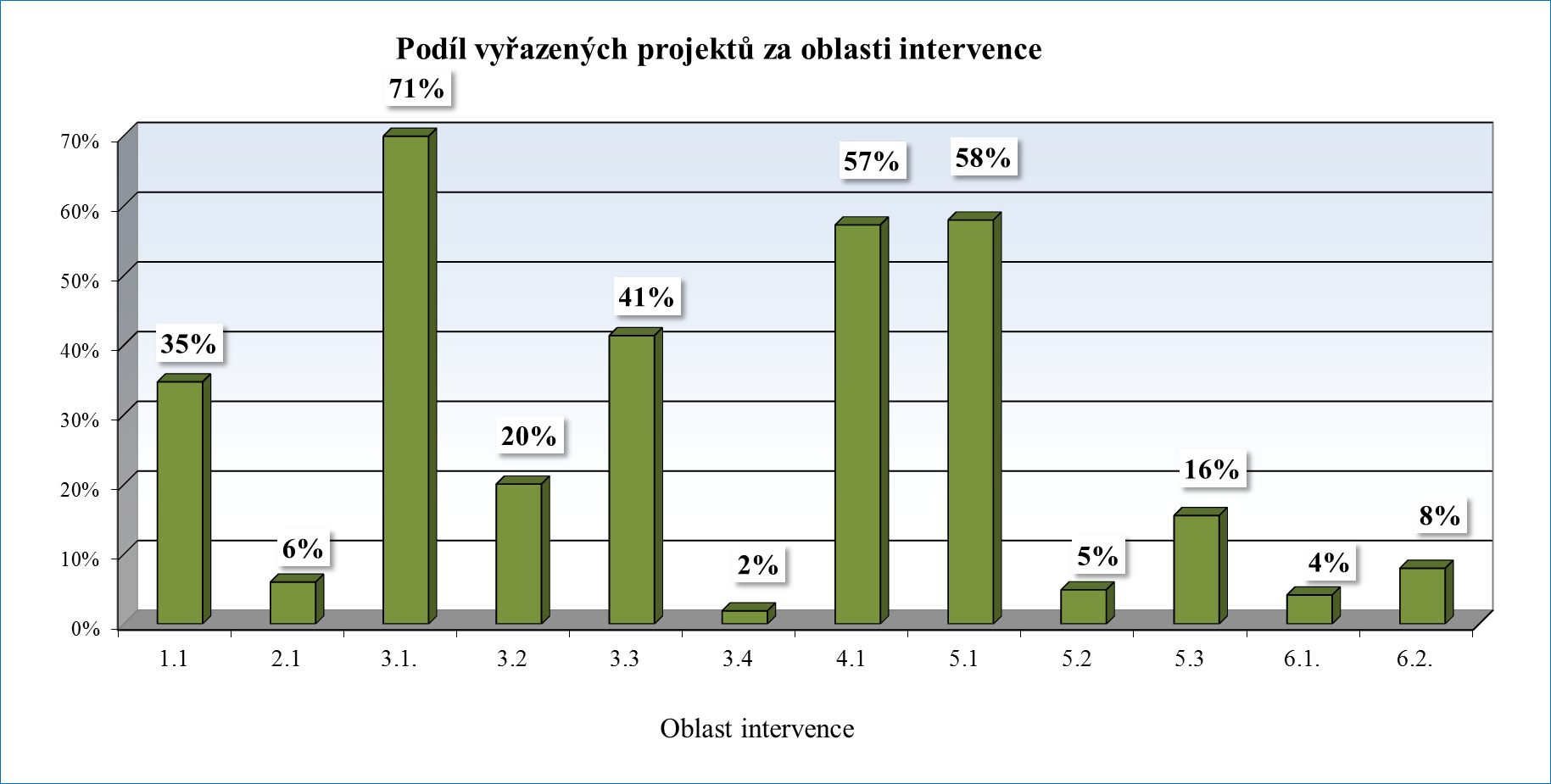
The following chart shows the number and percentage of excluded projects in various stages   
of administration.

Chart 8 - Excluded projects by statuses

*Source: IS Monit7+ IOP as of 2 January 2015*

|  |
| --- |
| ***N1.1 Project application failed to meet at least one acceptability criterion*** |
| ***N1.2 Project application failed to meet formal requirements*** |
| ***N1.3 Administration suspended due to lack of funds*** |
| ***N2.1 Project failed to meet the evaluation criteria*** |
| ***N2.2 A letter on the exclusion of project application sent based on ex-ante control*** |
| ***N2.3 Project not recommended for funding by the selection committee*** |
| ***N4.1 Issuance of a grant decision/determination of expenditure rejected*** |
| ***N5 Project application withdrawn by the applicant*** |
| ***N7 Project not completed/withdrawn*** |
| ***N8 Agreement terminated by the MA/IB*** |

Chart 9 - Share of excluded projects by Intervention Area



*Source: IS Monit7+ IOP as of 2 January 2015*

Since the Calls **in the Intervention Area 3.1** were announced, 336 out of the total of 474 project applications submitted have been excluded, representing 70.89% of the total number of submitted applications. The most common reason for exclusion of a project application is the non-compliance with the project evaluation criteria (status N2.1) having a share of 40% of the applications excluded. In 2014, there was a significant increase in the number of projects in status N.5, i.e. applications withdrawn by the applicant. In 2014, a total of 21 beneficiaries in IA 3.1 withdrew the project.

**Intervention Area** 4.1 has been affected by a high percentage of excluded projects throughout the implementation of the programme. As of 31 December 2014, it stood at 57.27%, and at 12% for the entire programme. This Intervention Area is struggling with poorly prepared applications. Projects must achieve at least 75 points to successfully pass the quality evaluation. The MA IOP together with the CRD try to prevent an excessive number of excluded applications by intensive communication and consultation with the applicants, publication of frequently asked questions concerning the most critical areas of project implementation.

From 25 April to 30 June 2014 a Call for applications was open in **Intervention Area 5.1**. However, unlike in previous Calls in IA 5.1, in this Call beneficiaries had relatively little time to prepare project applications, which negatively reflected on the total number of excluded projects. Three applicants withdrew their applications during the evaluation because of unrealistic completion date of 31 December 2015, one project did not meet the acceptance criteria, four projects failed to meet assessment criteria and the administration of three projects was suspended due to exhaustion of Call allocation.

For more information on exclusion of projects are presented in Chapter 3 under individual Intervention Areas.

**Horizontal themes**

In accordance with the General Regulation and the CSG, two basic horizontal themes reflected in IOP strategy and programme implementation are defined for the period 2007–2013:

* equal opportunities (Article 16 – Equality between men and women and non-discrimination)
* sustainable development (Article 17 – Sustainable development).

***Equal opportunities***

In accordance with Article 16 of the General Regulation and depending on the nature of the supported area, the IOP provides support for **equality between men and women** and the inclusion of gender equality during the various stages of providing support. At the same time, account is taken of the equality of opportunities in terms of racial and ethnic origin, disability, age, religion and belief and sexual orientation.

Attention is paid to gender issues; during programming, monitoring and evaluation, account is taken   
of contribution to equality and support to women so that they can profit from the SF funds to the same extent as men.

Table 20 - Equal opportunities in IOP

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| Specifically focused on equal opportunities | Number of projects | 64 |
| Positive towards equal opportunities | Number of projects | 6222 |
| Neutral towards equal opportunities | Number of projects | 2084 |

*Source: IS Monit7+ as of 2 January 2015*

By the end of 2014, Decisions / Determinations of expenditure were issued for 8,350 projects[[7]](#footnote-7).   
Of these, 2,084 have a neutral impact on equal opportunities, 6,222 have positive influence on equal opportunities and the remaining 64 are specifically aimed at promoting equal opportunities. The high number of projects with a positive impact is due to the high number of projects received under Call no. 2 for CzechPOINT projects, where all 5,272 approved projects have a positive impact on equal opportunities.

***Sustainable development***

In accordance with Article 17 of the General Regulation, the IOP will ensure the promotion   
of sustainable development and promote the objective to protect the environment during the various implementation stages. This is based on the assumption that SFs are primarily designed to promote and develop economic and social areas provided that they will also help to improve the environment. Therefore, the MA IOP also monitors the impacts of IOP implementation on environment with the aim to maximize improvement of the environment in supported areas.

Table 21 - Sustainable development in IOP\*

| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| --- | --- | --- |
| Specifically focused on environmental protection | Number of projects | 8 |
| Contributes positively to environmental protection | Number of projects | 963 |
| Neutral to the environment | Number of projects | 7296 |
| Requires environmental impact assessments | Number of projects | 207 |
| Contributes to the improvement of air quality | Number of projects | 176 |
| Contributes to the improvement of water quality | Number of projects | 15 |
| Uses alternative resources | Number of projects | 29 |
| Ensures an increased area of ​​urban vegetation | Number of projects | 31 |
| Improves awareness of people about environment protection | Number of projects | 68 |

*Source: IS Monit7+ as of 2 January 2015*

\* When monitoring the impact of projects on sustainable development, account is taken only of approved projects with positive status (i.e. without excluded projects).

The MA IOP and IBs ensure that the requirements for sustainable development are addressed   
at project level in all IOP Intervention Areas:

1. concerning construction projects, the applicants submit land use and building permits, which form an integral part of environmental impact assessment and elimination of the negative impact of the project on the environment,
2. if the project is subject to environmental assessment pursuant to Act no. 100/2001 Sb., or the impact of the project on the Natura 2000 sites under Act no. 114/1992 Sb., on nature and landscape protection, as amended, the beneficiary must also submit these documents,
3. in the project application, the applicant must describe the project's impact on the environment,
4. when assessing the project, account is also taken of the project's impacts on the environment: during the acceptability check, projects having a negative impact on the environment are excluded, when evaluating the quality of projects; projects with a positive environmental impact receive bonus score.

**Lisbon Strategy**

National Reform Programme (NRP) of the Czech Republic followed up on the EU initiative, which aimed to create a new management system for the Lisbon Agenda. The NRP should contribute   
to simplifying and streamlining existing coordination of economic policies at EU and Member State level and ensure greater identification of these countries with the priorities of the Lisbon process.

The NRP of the Czech Republic (Government Resolution no. 1200/2005) is an integrated and coherent connection between macroeconomic and microeconomic policies and the employment policy.   
The NRP is intended for three years, its priorities emphasise their feasibility in the given period, expenditure frameworks of the Czech State budget, measurability and mutual synergistic effect   
of individual measures.

Table 22 - Share of the Lisbon Strategy priorities in IOP priorities

|  |  |  |
| --- | --- | --- |
| **Priority theme** | **Allocation (EUR)**  **2007–2013** | **Taken up in 2014 with regard to 2007–2013 allocation[[8]](#footnote-8)** |
| 13 – Services and applications for citizens (e-health, e-government, e-learning, e-inclusion) | 461,833,111 | 26.54 % |
| **TOTAL** | **461,833,111** | **26.54 %** |

*Source: MSC 2007, as of 31 December 2014*

**IOP contribution to Europe 2020**

On 17 June 2010, the Council of Europe adopted a strategy for smart, sustainable and inclusive growth. On 13 July 2010, the Council adopted a recommendation on the broad guidelines for economic policies of the Member States and the European Union and on 21 October 2010 it adopted   
a decision on broad guidelines for the employment policies of the Member States, which together form the "integrated guidelines". Member States were invited to take the integrated guidelines into account when formulating their national policies on the economy and employment.

In order for the EU funds (only ERDF in the case of IOP) to fulfil their mission, i.e. contribute to the Union strategy for smart, sustainable and inclusive growth, they must support the 11 thematic objectives set out in Article 9 of Regulation (EU) no. 1303/2013 laying down common provisions   
on ESIF funds. Thematic objectives are translated into investment priorities as defined in the fund-specific rules; with regard to the ERDF, this concerns Article 5 of the Regulation (EU) No 1301/2013 of the European Parliament and of the Council on the ERDF.

Integrated Operational Programme was adopted by the Commission in December 2007, i.e. within the validity of the Lisbon Strategy. According to Article 9(3) and Annex IV. of the Regulation no. 1083/2006 (the General Regulation), the support for the EU priorities in IOP concerns Priority Axes 1a and 1b (Modernising public administration) and 2 (Introducing ICT in territorial public administration). They generally concern the introduction of ICTs in the central and territorial public administration. Support for these Priority Axes accounts for 28.5% of the IOP allocation (IOP Programming Document, 2013).

Although the IOP was adopted and implemented long before the Europe 2020 strategy, it has a direct link to it. These links can be found under the following Priority Axes or Intervention Areas of the IOP:

1. PA 1a, 1b and 2 – link to the Integrated Guideline 4 (including the development of e-government), and the thematic objective 2 – Enhancing access to, and use and quality of, ICT (also link to thematic objective 11 – Enhancing institutional capacity of public authorities and stakeholders and efficient public administration),
2. Intervention Area 3.1 Services in the field of social integration – link to the integrated guideline 10 (Promoting social inclusion) and thematic objective 9 – Promoting social inclusion, combating poverty and any discrimination,
3. Intervention Area 3.2 – Services in the field of public health – link to the integrated guideline 10 (efforts should focus on ensuring equal opportunities, including through access for all to high quality, affordable and sustainable services) and thematic objective 9, investment priority 9a (investing in health and social infrastructure which contribute to national, regional and local development)
4. Intervention Area 3.3 – Services in the field of ​​employment – link to integrated guideline   
   7 (increasing the participation of women and men in the labour market) and thematic objective 8 – Promoting sustainable and quality employment and supporting labour mobility, namely investment priority 8d (investing in infrastructure for employment services),
5. Intervention Area 3.4 – Services in the field of security, risk prevention and management – relation to thematic objective 5 – Promoting climate change adaptation, risk prevention and management, namely investment priority 5b – Supporting investment to address specific risks, ensuring disaster resilience and developing crisis management systems (equipment for the Integrated Rescue System of the Czech Republic)
6. Intervention Area 5.2 – Improving the environment in problematic housing estates – partial link to the Integrated Guideline 5 (More efficient use of resources and reduced greenhouse gas emissions – energy savings in housing stock) and integrated guideline 10 (promoting social inclusion). Partial link to the thematic objective 4 Supporting the shift towards a low-carbon economy in all sectors (investment priority 4c – Promoting energy efficiency and renewable energy use in public infrastructures, including in public buildings and in the housing sector) and thematic objective 9 – Promoting social inclusion (investment priority 9b – support for physical, economic and social regeneration of deprived urban and rural communities and regions)
7. Intervention Area 5.3 – Modernization and development of territorial policy creation systems – link to the thematic objective 11 – Strengthening institutional capacity and efficient public administration.

The above Priority Axes and Intervention Areas with links to Europe 2020 strategy account   
for roughly four fifths of the IOP allocation.

Table 23 - Links of IOP Intervention Areas to thematic objectives of Europe 2020

| **Priority Axis, Intervention Area** | **Link to thematic objective**  **(TC number)** | **Share of total IOP allocation (%)** |
| --- | --- | --- |
| Priority axes 1a, 1b – Modernising public administration | TO – 2/TO – 11 | 19.35 |
| Priority Axis 2 – Introducing ICT in territorial public administration | TO – 2/TO – 11 | 9.17 |
| Intervention Area 3.1 – Services in the field of ​​social integration | TO – 9 | 3.38 |
| Intervention Area 3.2 – Services in the field of ​​public health | TO – 9 | 15.35 |
| Intervention area 3.3 – Services in the field of employment | TO – 8 | 2.48 |
| Intervention Area 3.4 – Services in the field of security, risk prevention and management | TO – 5 | 16.76 |
| Intervention Area 5.2 – Improving the environment in problematic housing estates | TO – 4/TO – 9 | 13.18 |
| Intervention Area 5.3 – Modernization and development of territorial policy creation systems | TO – 11 | 0.96 |
| **Total** |  | **80.63** |

*Source: Programming document, IOP 2013*

On 2 June 2014, the Council adopted recommendations on the Czech Republic's 2014 National Reform Programme, and an opinion on the 2014 Convergence Programme of the Czech Republic.   
In relation to the Czech Republic, the Council has adopted seven recommendations.

* Recommendation 1 – does not relate to the implementation of IOP, addresses the fiscal situation in the Czech Republic, meeting the medium-term objective and expenditure structure with a view to supporting growth. The Council recommends adopting and implementing measures to strengthen the fiscal framework.
* Recommendation 2 – does not relate the implementation of IOP, addresses the tax system in the Czech Republic, especially its simplification, reducing the tax burden on people with low incomes, shifting the tax burden in order to enhance growth and reduce disparities in the treatment of employees and self-employed persons.
* Recommendation 3 – measures to improve cost efficiency and management in health care, especially hospital care, relate to Intervention Area 3.2 Services in the field of public health. IOP does not relate to recommendations regarding the sustainability of the pension system (in connection with the statutory retirement age), employment of older people and the mechanism of indexation of pensions.
* Recommendation 4 – link to the IOP and OP HRE in order to strengthen the public employment services (see Recommendation 4 of 2013). Measures to improve the efficiency and effectiveness of public employment services relate to the Intervention Area 3.3 Services in the field of employment. The question of increasing the availability of childcare facilities does not apply to the IOP; it is the responsibility of municipalities with the relevant programmes being the Regional Operational Programmes.
* Recommendation 5 – does not relate to IOP; recommendations – increasing the attractiveness of the teaching profession, an evaluation framework for education in primary schools, support for schools and pupils with bad results, increasing the inclusiveness of education, improving the system of accreditation and funding of universities and their orientation on the labour market, funding research institutions based more on performance – responsibility of the Ministry of Education.
* Recommendation 6 – measures to increase energy efficiency in the economy relates in part to the IOP, Intervention Area 5.2 – Improving the environment in problematic housing estates, activity 5.2b – Regeneration of residential buildings. The IOP does not relate to the recommendations concerning limiting the high number of occupational regulation.
* Recommendation 7 – link to recommendation 5 from 2012 and 2013. The Council recommends the adoption (adopted on 1 October 2014) and implementation of the State Service Act, accelerate and considerably strengthen the fight against corruption by implementing the remaining legislative measures provided in the 2013–2014 anti-corruption strategy and by developing plans for the following periods, improve the management of EU funds by simplifying the implementation structures, increasing capacity and ensuring a better solution for the conflict of interest.

Also, the Council recommends increasing transparency in public procurement (documentation should reflect Act no. 55/2012 Sb.) and improve the implementation of tender procedures by ensuring adequate guidance and appropriate supervision.

## 2.2 Information about compliance with EU legislation

The MA IOP issues controlled documentation involving the entire system of IOP implementation, which is in accordance with the Czech and EU law. In terms of the form and content, controlled documentation focuses in particular on compliance with the rules of:

* competition,
* public procurement,
* State aid,
* income generation in projects,
* environmental protection,
* compliance with equal opportunities.

**Competition rules**

Legislative framework

Funds for the implementation of the OP are considered public funds whose provision is subject to the relevant EU State aid rules and national regulations.

The basic rules defining State aid are contained in Articles 107–108 of the Treaty on the Functioning of the European Union. In accordance with these Articles, any aid granted by a Member State or through State resources which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods is incompatible with the common market insofar as it affects trade between Member States. Exceptions to this basic rule are laid down in the Treaty on the Functioning of the European Union.

In the Czech Republic, competition is protected on the basis of Act no. 143/2001 Sb., on the protection of competition and amending certain other acts, as amended. The central government body that ensures overseeing compliance with the competition rules is the Office for the Protection of Competition, pursuant to Act no. 273/1996 Sb.

Proper compliance with the competition rules is incorporated in the set-up of each OP. The assessment of grant applications also takes into account the principle of control of projects in terms of proper application of State aid rules.

During assessment of grant applications and implementation, projects are also checked in terms   
of proper application of State aid rules. In case of doubt associated with the application of State aid rules under a project, the MA may suspend the aid approval proceedings. It may be resumed if it is proved that doubts were unfounded.

1 July 2012 was the effective date of Act no. 236/2012 Sb., amending Act no. 215/2004 Sb., regulating certain relationships within the field of ​​State aid and amending the Act on support for research and development, as amended by Act no. 109/2009 Sb.

In 2012, several new EU regulations came into force, governing the **rules on services of general economic interest:**

* Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services   
  of general economic interest (2012/21/EU); (valid from 31 January 2012),
* European Union framework for State aid in the form of public service compensation (2012/c8/03); (valid from 31 January 2012),
* Commission Communication on the application of European Union rules on State aid to compensation granted for the provision of services of general economic interest (2012/8/02); (issued on 11 January 2012).

From 1 July 2014, the following legislation is applied in the Czech Republic concerning the **de minimis**[[9]](#footnote-9) aid:

* Commission Regulation (EU) no. 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (valid from 28 April 2012),
* Commission Regulation (EU) no. 1407/2013 of 18 December 2013 on the application   
  of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid,
* Commission Regulation (EU) no. 1408/2013 of 18 December 2013 on the application   
  of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector,
* Commission Regulation (EU) no. 717/2014 of 27 June 2014 on the application of Articles   
  107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector,

In the area of ​​block exemptions the Commission adopted a key Regulation (EU) no. 651/2014   
of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation) with effect from 1 July 2014.

Competition rules in IOP

In accordance with Act no. 215/2004 Sb., amending certain relationships within the area of ​​State aid, as amended, and Act No. 137/2006 Sb., on public procurement, as amended, the OPC ensures, inter alia, coordination and monitoring of public contracts and State aid. By means of amendments to Act no. 215/2004 Sb. made by Act no. 109/2009 Sb., including the related implementing Decree no. 465/2009 Sb. of 15 December 2009, and Act no. 236/2012 Sb., the Czech Republic established   
a central registry of small-scale aid where, from 1 January 2010, all providers must record data on small-scale aid. In the IOP, this obligation applies to the Intervention Area 3.1 – Services in the field of social integration, Activity 3.1(c) – Social economy, where the provider of aid is MoLSA.

Compliance with competition rules is incorporated into checks of application acceptability, risk analyses of projects and checklists for carrying out administrative controls and on-site inspections.   
As provided in the IOP Operational Manual, information about procurement and State aid rules forms mandatory part of the Call for grant applications and guideline for applicants and beneficiaries.

**Public procurement**

Concerning the awarding of public contracts, the IOP programme documentation provides an obligation for all beneficiaries to act in accordance with Act no. 137/2006 Sb., on public procurement, as amended, which transposed the European Directives 2004/17/EC and 2004/18/EC.

Procurement outside the regime of the Public Procurement Act is regulate by the Binding procedures for the award of contracts financed from EU funds not covered by the application of Act no. 137/2006 Sb., on public procurement, in the programming period 2007–2013, and certain other obligations may be established in guidelines for applicants and beneficiaries.

As of 1 June 2014, the Binding procedures for the award of contracts financed from EU funds not covered by the application of the Act no. 137/2006 Sb., on public procurement, in the programming period 2007–2013 have been updated (hereinafter the "Binding Procedures") in connection the Commission Decision C(2013) 9527 on the application of financial corrections, which replaced the previous guideline COCOF 07/0037/03 on imposing sanctions. The current version of the Binding Procedures is always annexed to the respective Manual for applicants and beneficiaries.

Statutory measure of the Senate no. 341/2013 Sb., which became effective on 1 January 2014, amended the Public Procurement Act in following manner – increased the limit for small-scale public supply and service contracts from CZK 1 million to CZK 2 million and public works contracts from CZK 3 million to CZK 6 million, a new mechanism which allows the procurement procedure to continue and the contract to be awarded even if the contracting authority receives only one tender, cancellation of the institute of a person with special competence and obligation to publish advance notice in case of repeated procurement procedure.

Transparent public procurement is one of the main principles of implementation of OPs co-financed from the EU budget, which, according to EU legislation, must be strictly observed, monitored and adequate sanctions are to be imposed if violated.

During 2014, the IOP MA issued guideline no. 48, thereby updating the checklists for public contracts to cover a minimum range of inspections according to the European Commission checklists. Summary information on guidelines is provided in Chapter 2.4.

The IOP checks all procurement procedures. The beneficiary must submit the procurement conditions of contracts under the Public Procurement Act for consultation prior to the announcement of the procurement procedure, and documentation on the progress of the procurement procedure before the agreement is concluded. If possible, all procurement procedures are already checked during preparation and before concluding the agreement. All contracts are fully checked no later than upon checking the application for payment, immediately following their award. The IB fills in the checklist and prepares an opinion on the procurement procedure and discusses the identified deficiencies and proposed corrective measures with the beneficiary.

**State aid**

Under the IOP, aid is provided at the following levels:

* aid compatible with the de minimis rule pursuant to Commission Regulation (EC)   
  No 1998/2006 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid; relates to activity 3.1(c) (MoLSA is aid provider); from 1 January 2010, aid providers must record every small-scale aid in the central register   
  of small-scale aid within 5 working days from the date of the Grant Decision; from 1 July 2014, aid is provided pursuant to Commission Regulation (EU) no. 1407/2013   
  of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid,
* support provided in the Intervention Area 5.2, activity concerning the regeneration   
  of residential buildings, approved by the European Commission on 10 December 2008   
  by Decision C(2008) 7845; the European Commission confirmed that the proposed aid scheme constitutes State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the EU; the MoRD is the grant provider.

On 19 July 2012, the MA applied for the start of the aid change pre-notification process N 342/2008– Czech Republic Housing and Social Programme for problematic areas, approved by Commission Decision C(2008) 7845 of 10 December 2008, with the addition on the JESSICA financial instrument. The notification process was completed on 23 January 2013 by issuing Commission Decision C(2013) 109 concerning State aid case SA.35176 (2012/N) – Czech Republic Approved scheme changes   
N 342/2008 "Housing and social programme for problematic areas" on the change of the original State aid scheme.

The European Commission has extended the period of application of the regional aid maps. Based on the conditions laid down by an extended regional aid map, regional aid could be provided in the Czech Republic up until 30 June 2014.

In a decision dated 24 October 2013, the European Commission stated that the extension of the regional aid map for the period 2007–2013 until 30 June 2014 meets the conditions set out in the regional aid guidelines for 2007–2013, and at the same time fulfils the conditions for extending the applicability of the map set out by the newly adopted guidelines for regional aid for 2014–2020.

The issue of State aid in projects is monitored:

* when checking the acceptability of a project; one of the specific projects acceptability criteria is to assess whether the project is in compliance with State aid rules for the Intervention Area,
* based on monitoring reports on project implementation,
* when checking applications for payments,
* when analysing project risks,
* when conducting ex-ante and ex-post project controls,
* when the audit authority conducts audit of a sample of transactions,
* when conducting investigation of suspected irregularities.

**Revenue-generating projects**

Article 55 of the General Regulation provides that a revenue-generating project is to be understood   
as any project that involves:

* investment in infrastructure, the use of which is subject to charges borne directly by users,
* any operation involving the sale or rent of land or buildings, or
* any other provision of services against payment.

The IOP Operating Manual establishes procedures for revenue-generating projects, whose total cost exceeds EUR 1 million and which also meet the other conditions set out in Article 55 of the General Regulation. The IOP applies the procedures for revenue-generating projects required by the General Regulation to all projects, whose total planned expenditure indicated in the project application do not exceed CZK 20 million.

With regard to sound financial management, simplified procedures are applied to projects with total planned expenditure of less than CZK 20 million, which also generate revenue.



Table 24 - List of Calls in IOP allowing the submission of revenue-generating projects

|  | **Call number and grant provider** | **Supported activity** | **Date of Call announcement** |
| --- | --- | --- | --- |
| **1.** | 1st Call of MoH | 3.2a | 7. 5. 2008 |
| **2.** | 2nd Call of MoI | 2.1c | 1. 12. 2008 |
| **3.** | 1st Call of MoC | 5.1a, 5.1b | 5. 12. 2008 |
| **4.** | 2nd Call of MoLSA | 3.1a | 13. 7. 2009 |
| **5.** | 2nd Call of MoC | 5.1c | 25. 6. 2010 |
| **6.** | 9th Call of MoRD | 4.1d | 29. 6. 2010 |
| **7.** | 6th Call of MoLSA | 3.1b | 31. 5. 2011 |
| **8.** | 7th Call of MoLSA | 3.1a | 7. 7. 2011 |
| **9.** | 3rd Call of MoC | 5.1b | 24. 10. 2011 |
| **10.** | 13th Call of MoRD | 4.1b | 14. 12. 2011 |

*Source: MA IOP*

Calls announced in 2012, 2013 and 2014 only concerned projects that do not generate revenue.

**Environmental protection**

Directive No 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment is transposed into Czech law by Act No 100/2001 Sb., on the assessment of environmental impacts and amending certain related acts, as amended (the EIA Act).

Every submitted construction project that exceeds the limits set out in the Annexes to the EIA Act must include a statement from the competent authority concerning the impact on the environment.

In connection with Government Resolution No 1078/2014 Sb., of 15 December 2014, it is necessary to draw attention to projects whose authorization procedure ended before 1 April 2015. For these projects, the European Commission has established a special kind of assessment through an inter-ministerial working group. These projects include those which are subject to "pre-infringement" EU Pilot proceedings and major projects[[10]](#footnote-10) whose EU co-funding has not yet been approved. These projects are subject to the procedures described in the Annex to the above Government Resolution.

Environmental issues are taken into account in the IOP first when checking the acceptability of the project, assessing whether or not the project will have a negative impact on horizontal criteria, i.e. also on the environment. Otherwise, the project is excluded from further administration.

When evaluating the quality of projects, account is taken of the positive impact of the project on the environment. OM IOP lists the types of activities that can have a positive impact on the environment and which always have a neutral effect. Positive impact on the environment results in bonus score during project evaluation; during further administration and controls, it is monitored how the project contributes to its fulfilment and maintenance.

The monitoring reports and progress reports submitted by the beneficiary include information about how environmental criteria are fulfilled.

Implementation of projects has a positive impact on the environment in:

* Intervention Area 3.2 – Use of environmentally friendly materials and technologies with lower demands for electricity consumption
* Intervention Area 3.4 – fire and environmental disaster prevention,
* Priority Axes 4A and 4B – Projects promoting sustainable and eco-friendly tourism,
* Intervention Area 5.1 – projects using environmentally friendly materials and technologies and alternative energy sources for the reconstruction of monuments and their operation,
* Activity 5.2(a) – projects that use more than 50% of eligible expenditure to expand and rehabilitate green areas
* Activity 5.2(b) – projects focused on energy efficiency in buildings.

The IBs compulsorily monitor the issue of the project's environmental impact:

* in risk analyses,
* when conducting ex-ante and ex-post controls,
* when checking monitoring reports,
* when checking progress reports,
* when checking applications for payments,
* when evaluating changes in projects.

**Promoting equal opportunities**

The principle of promoting equal opportunities is applied in accordance with Council Regulation (EC) No 1083/2006.

The issue of equal opportunities is taken into account in the IOP first when checking the acceptability of the project, assessing whether or not the project will have a negative impact on equal opportunities. If negative effect on equal opportunities is identified, the project does not meet the eligibility criterion and is excluded from further administration. To assess project quality, OM IOP lists the types of activities that can have a positive impact on equal opportunities and which always have a neutral effect. Positive impact on equal opportunities results in bonus score during project evaluation; during further administration and controls, it is monitored how the project contributes to its fulfilment and maintenance.

The monitoring reports and progress reports submitted by the beneficiary include information about how equal opportunities are fulfilled.

Implementation of projects has a positive impact on equal opportunities in:

* Intervention Area 3.1 – social integration projects
* Intervention Area 3.2 – projects concerning the prevention of social exclusion of persons disadvantaged due to their health status or age,
* Intervention Area 3.3 – projects concerning employment services,
* Activity 5.2(a) – introduction of wheelchair-accessible pavements and roads,
* Activity 5.2(b) – introduction of wheelchair-accessibility of apartment buildings,
* Activity 5.2(c) – projects focused on Roma communities aiming to eliminate the causes   
  of social exclusion.

The IBs compulsorily monitor the issue of the project's impact on equal opportunities:

* in risk analyses,
* when conducting ex-ante and ex-post controls,
* when checking monitoring reports,
* when checking progress reports,
* when checking applications for payments,
* when evaluating changes in projects.

## 2.3 Problems in implementing the programme and measures taken to overcome them

### 2.3.1 Problems identified by the Audit Authority, the SAO and European Commission

**Audits of the European Commission**

***Audit of the European Commission no. 2013/CZ/REGIO/C4/ 1332/1***

In April 2014, the European Commission launched an audit of the Audit Authority of the Ministry   
of Finance (hereinafter the "AA") and of the beneficiaries of eight selected IOP projects. The audit mission consisted in re-auditing projects audited by the AA during the 2013 operations audit. On 5 August 2014, draft audit report was issued in Czech language.

The most important finding of auditors was inadequate strategy in investing in ICT identified in the project Population register (reg. no. CZ.1.06/1.1.00/03.05889). Furthermore, the EC auditors identified deficiencies with financial impact in four public contracts. In early October 2014, the MA IOP in cooperation with the beneficiaries and AA adopted a position on the findings contained in the draft report. The EC audit was still ongoing on 31 December 2014.

Based on the draft audit report, the AA accepted the request to perform a special audit of IT projects. The results of this audit will be included in the 2015 Annual Audit Report.

***Audit of the European Commission no. 2014/CZ/REGIO/C4/ 1349/1***

In April 2014, the European Commission launched an audit of public procurement (the "PP") concerning broadcasting services (the "broadcasting audit"). In terms of OP IOP, the audit covered projects in Intervention Area 4.1 (Czech Tourist Authority as the beneficiary) and Intervention Area 1.1 (MoI as the beneficiary). The audit has not yet been finally completed, although the draft report has not identified any ineligible expenditure relating to the IOP.

**Audits conducted by the Supreme Audit Office**

***Audit mission of the SAO no. 13/24 "Funds spent on the project National Infrastructure for electronic procurement (NIEP) and the purchase of selected commodities through e-marketplaces"***

Audit focus: The SAO launched this audit in June 2013. The audit covered, *inter alia*, the NIEP project (reg. no. CZ.1.06/1.1.00/ 07.06384) with the Ministry for Regional Development (hereinafter "MoRD") as the beneficiary. The SAO Board approved the audit results on 31 March 2014.

**Concerning NIEP, the SAO found the following** facts:

1. The preparation of e-marketplaces has been ensured through public contracts (the "PC"), and was co-financed from EU funds. The most important finding in this area was unlawful division of PC, which the SAO assessed as a breach of budgetary discipline as well as an irregularity   
   of up to CZK 1,445 million.
2. To evaluate the project, the MoRD has chosen the monitoring indicator "Share of digitized documents" with a target value of 10%. However, this indicator is not linked to the main objective of the NIEP project, the main objective being savings. The method of its calculation was not documented in any of the NIEP documents. During the first year of operation   
   of e-marketplaces, the MoRD reported a zero value of this indicator, which did not correspond to the real share of electronically awarded contracts.
3. In concession procedure, the MoRD unlawfully increased twice the price list, namely the unit prices for basic services for which the MoRD pays the individual operators, thereby increasing costs of running the e-marketplaces. This increase poses a risk of inefficiencies in the remaining period of the concession agreements.
4. The MoRD did not evaluate the savings or other objectives in the first year of operation   
   of e-marketplaces. According to the SAO calculation, the first year of e-marketplace operation reached "savings" of only CZK 320 million, which represents 27% of the planned target of CZK 1.2 billion (decrease in the prices of purchased commodities). The highest "savings" in the supplies market were 20% in the case of awarding PCs in the form of "open tenders". Lowest "savings" were calculated in the case of "direct award" in the services market (4%). E-auctions, which were expected to generate the highest savings, were realized in an insignificant number of cases.
5. The e-marketplace system allowed entering incorrect values, as there was absence of functional control mechanisms (algorithms) that would notify the user of logical errors. This may affect the accuracy of statistical evaluation and transparency of published information on the contracts awarded.
6. The obligation to award contracts was imposed by a Government resolution (GR), as was the case previously with ICT system and e-marketplaces, which was assessed as insufficient before the commencement of the NIEP project. Neither GR no. 343 dated 10 May 2010 nor GR no. 222 dated 28 March 2012 set up a control and sanction mechanism for monitoring compliance with the obligation to award contracts through e-marketplace in the amount of 100% for central government authorities and 50% of their subordinate organizations.
7. The MoRD and the Ministry of Justice (the "MoJ") maintained a register of orders and contracts awarded through and outside e-marketplaces. However, the MoJ did not impose this obligation on its subordinate organizations and neither the Regional Court in Ústí nad Labem nor the Regional Prosecution Office maintained such records. As a result, the manner of keeping the records did not allow the inspection of compliance with the obligations imposed by the government.

**Opinions of the MoRD and MoJ and the measures taken:**

The MoRD disagrees with the findings in the audit conclusion. The MoRD has focused on simplifying the procurement process in e-marketplaces, eliminating administrative complexity and increasing user comfort, thereby contributing to more efficient electronic procurement and facilitating access to e-marketplaces for suppliers. The task to submit a draft amendment to Act no. 137/2006 Sb., on public procurement, and related legislation, which would propose a control and sanction mechanism for the functioning of public administration e-marketplaces and set conditions for the use of public administration e-marketplaces by contracting authorities still exists. The set-up of a control and sanction mechanism and the potential extension of the obligation to use e-marketplaces to currently non-obliged entities will be analysed when transposing directives regulating the area of ​​public procurement (Directive 2014/24/EU, Directive 2014/25/EU and Directive 2014/23/EU) to national law in accordance with the timetable for the submission and approval of the Public Procurement Act by the Czech government.

This project achieved the indicator relating to the digitization of documents only after launching the National Electronic Instrument. The fulfilment of the indicative target value provided in the IOP programming document will be evaluated according to the situation at the end of 2015.

The price list of e-marketplaces has increased only once in connection with the implementation   
of the NIEP code list by means of an amendment no. 1 to the concession agreement. No other amendment was concluded and therefore there were no further changes to the e-marketplace price list. The MoRD believes that the resulting price list resulting from the concession procedure was in accordance with the terms of concession proceedings. When setting harmonized unit prices, the contracting authority acted exactly according to Section 9.3 of the concession documentation that enabled it to exclude from the harmonised unit price those items that objectively and given all the circumstances (esp. with respect to the subject matter of performance) meet the definition   
of abnormally low tender price (Section 77 of the PPA). This approach when prices were "adjusted   
for extreme values" was chosen to find a suitable starting price for price negotiations. As the input for the negotiations, the MoRD had to set prices that would not end the negotiations because they would be unacceptable for the majority of future e-marketplace operators.

Already in early 2012, it was clear that the amendment to the PPA will be adopted. However, it was not clear when and in what form this will happen, as it was unclear whether the legislative process will result in further changes to the amendment or when the amendment will become effective. It was also clear that there will be changes to the NIEP code list. Therefore, in the interest of efficiency, the MoRD decided to wait and present the e-marketplace operators with the modified NIEP code list, also given that it was obvious that the date to launch e-marketplaces will be postponed. Had the MoRD presented the e-marketplace operators with the NIEP code list before it was changed, it would have led to the need to change e-marketplaces following the NIEP code list adjustment, which would have involved additional costs.

Based on SAO findings, the MoRD decided to update the Mandatory minimum requirements for the technical specifications of public administration e-marketplaces by means of an amendment no. 5 – implemented on 1 April 2014 (28 April 2014. This amendment added the validation of such items to minimize the risk of incorrectness or reduced credibility of information that provides e-marketplace solution.

In connection with the registration of users of e-marketplaces, after SAO finding, all registrations   
of all operators were comprehensively analysed, and two cases of duplication in the registration   
of users were identified. Both cases were immediately corrected, adopting measures concerning the operators to avoid duplication in the future. The MoRD removed the deficiencies resulting from this finding in the course of the SAO audit.

The MoRD believes that it is impossible to evaluate the fulfilment of all objectives after the first six months of the functioning of e-marketplaces, which involve the start-up of the entire system and familiarisation with the rules and use of e-marketplaces. The 2013 Report on the functioning   
of e-marketplaces already includes information on the benefits of e-marketplaces in the form   
of a formal control of the contracting authority's activities and transparency in awarding PCs without increasing transaction costs. The MoRD sees a positive contribution particularly in relation to access for SMEs to public procurement market. The SAO calculated savings of EUR CZK 320 million, which is corresponding to the state of the use of e-marketplaces for a period of one year since the launch of e-marketplaces i.e. from 1 July 2012, and cannot be compared with the savings of CZK   
1.2 billion per year estimated by the MoRD mainly because the MoRD relied on a survey   
of computerization of PP which assumed a broader involvement of voluntary entities, for example entities of self-governing units, who currently have a single-digit percentage share in the use   
of e-marketplaces.

The MoRD has prepared and issued the Minister's Decision no. 71 governing the use   
of e-marketplaces dated 1 June 2012 in accordance with Government Resolution no. 343 dated   
10 May 2010, as amended. Based on the findings of the SAO audit, the supervision of senior MoRD officers of relevant procurement departments on awarding PCs was strengthened, particularly in relation to the procurement of mandatory commodities on e-marketplaces and adherence to all prescribed financial limits and time limits. The MoRD has updated the Minister's Decision (no. 83/2014), which further specified the list of information submitted to the management of the MoRD on public procurement through e-marketplaces in order to evaluate the method of using e-marketplaces.

**Government Resolution no. 1021 dated 8 December 2014 instructed the Ministry of Regional Development to prepare and implement measures in response to the recommendations made by SAO in its audit conclusion and inform the Government of the implementation of measures by 31 March 2015.**

In light of the findings mentioned above under point (1), the MA IOP registered the irregularity. The MA IOP registers no other ineligible expenditure or discrepancies in connection with this audit. The NIEP project continues to be monitored by the MA IOP and IBs, including with regard to the fulfilment of project objectives.

***SAO audit mission no. 13/32 "Funds earmarked for the development of tourism"***

**Audit focus:** The SAO audit no. 13/32 was launched at the MoRD on 17 September 2013. The audit also covered the activities of the MoRD as the managing authority of the IOP (the "MA IOP") in relation to tourism and activities of the MoRD as a beneficiary under the IOP. The audit covered the years 2007–2013 and, in the case of factual connections, also the related periods. On 30 June 2014, the SAO Board approved the audit results.

**The SAO identified the following findings:**

1. The projects Consolidating the position of the Czech Republic and its competitiveness in tourism, Rebranding and marketing support for inbound tourism and the Czech tastes great implemented by CzechTourism were not adequately prepared. According to the SAO's audit result concerning the IOP, during implementation CzechTourism changed project activities, the structure of their budget, procurement procedures, target indicator values and implementation deadlines.
2. CzechTourism did not determine corresponding indicators to assess the targets for tourism development, increase in competitiveness and employment and assessed the projects in terms of the number of campaigns and marketing products.
3. The project Implementation of a national information tourism portal is delayed, which can put the implementation of this project at risk.
4. According to the SAO, during the preparation and implementation of the project National system of quality of tourism services in the Czech Republic, the MoRD failed to ensure adequate efficiency or cost-effectiveness in respect of part of costs incurred and there is a risk that the MoRD will be unable to provide for the sources of funding for further development and innovation of this system.
5. According to SAO, the MoRD has even reimbursed an external company for legal advice concerning the creation of procurement documentation and evaluation of applicants, although the company conducts methodical management of the procurement process and participates in the preparation of related laws. As a result, the MoRD has wastefully spent CZK 230 thousand.

**Opinion of the MoRD and remedial measures:**

1. Approved projects from 2014 onwards are based on a valid Marketing strategy for tourism 2020, which was approved by the Ministry of Regional Development and CzechTourism. The marketing strategy will be further developed into partial two-year action plans. This measure will significantly impact the effects of ill-conceived project preparation and the need to make changes in the period of their implementation.
2. Since 2014, the MoRD has renewed or established new coordination platforms, such platforms being the Collegium of Tourism and the Inter-Ministerial Coordinating Committee   
   of Tourism, which led to intensified communication between the various actors in tourism, enhanced inter-ministerial cooperation and the overall improvement of communication within the sector.
3. There are regular monthly meetings between the MA IOP as the grant provider, the Centre   
   for Regional Development (the "CRD") as the intermediary body and CzechTourism as the beneficiary. Their agenda includes controls of implementation deadlines and the preparation of procurement procedures to reduce the risks associated with time shifts in schedules of the planned PPs under the project. In response to the needs of the sector, the MoRD will innovate the quality system in cooperation with its project partners, working out a suitable solution   
   to the project sustainability after 2015.
4. In its opinion to the SAO audit result mentioned above as finding (5), the MoRD said that it is an order signed not as legal advice but specific advice on PC concerning IT-related services – "Creating the website of the Czech system of service quality including a communication link and the subsequent operation". The contracting authority, i.e. the Department of Tourism, and even the IT Department, lacked the expertise and capacity to determine the subject of the PC and the materials to evaluate and determine the estimated value of the PC itself. Therefore, the contracting authority engaged an external contractor specializing in IT systems to carry out these technical tasks in order to ensure high quality and professional preparation. Professional and legal advice is among the eligible project costs and each beneficiary may use them.   
   The MoRD acted in accordance with the established methodology and the Manual for applicants and beneficiaries, and therefore proposes no measures for this point.

**Government Resolution no. 1022 dated 8 December 2014 instructed the MoRD to implement the measures set out in the opinion of the MoRD on the audit result by 30 June 2015.**

In connection with the finding no. 5, the MA IOP registered an irregularity; the case was referred to the Tax Office for further investigation.

***SAO audit no. 14/02 "Funds spent on the preparation, implementation and operation of the Register of territorial identification, addresses and real estate (RTIARE)"***

**Audit focus:** The SAO audit no. 14/02 was launched in January 2014 at the Czech Office for Surveying, Mapping and Cadastre (hereinafter the "COSMC"). The SAO especially checked the accuracy of the procurement procedures and project management method.

**Audit findings:**

1. The SAO assessed that the accuracy and completeness of data stored in RTIARE are put at risk due to errors in the source data, which was used for initial entry into the RTIARE, and insufficient cooperation from the editors when removing the errors found by COSMC.
2. When implementing RTIARE, the COSMC did not create the conditions for the acquisition   
   of the technological infrastructure to necessary and also reasonable extent. The shared technological infrastructure for cadastre information system (CIS), RTIARE and its agenda information systems eliminates the possibility to track overall spending on RTIARE implementation separately.
3. The COSMC could not compare tender prices in two procurement procedures because each time only one tender was submitted. Concerning one PC, the tenderer is a company with which the COSMC has cooperated in the operation of the CIS since 1997. This increased   
   the dependence on the selected contractor and its technologies. Checking the correctness   
   of the course of procurement procedures, the SAO found that the COSMC failed to publish the change in the requirement for tenderer's certification from CONFIDENTIAL to RESERVED.
4. Other findings regarding the PP:  The COSMC failed to conclude an agreement for the acquisition of technological infrastructure in accordance with the draft agreement contained in the offer, and also failed to comply with the deadline to determine the agreement; in one case the existing provider was provided with an advantage by not having to include in its tender the cost of moving the technologies; in two cases, the COSMC failed to send the notification of the result of the procurement procedure for publication within the specified deadline; in the case   
   of one negotiated procedure without publication, the COSMC failed to prepare tender documents and failed to provide its requirements in the call for negotiations.

**Corrective measures**

The findings listed under point (3) were identified previously by the MA IOP audit no. 23/2010/I,   
on the basis of which the MA IOP registers an irregularity and the case was referred to the OPC and the Tax Office for further investigation. The SAO audit found no other irregularities. The project continues to be monitored by the IOP MA and IBs and it is audited regularly by the AA.

***SAO audit no. 14/05 "Funds assigned for financing selected programmes of the Ministry of Labour and Social Affairs"***

**Audit focus:** The SAO audit no. 14/05 also covered the IOP in the fields of employment and social services (Ministry of Labour and Social Affairs (MoLSA) as the grant provider and selected beneficiaries). The audit result was approved by the Board on 20 October 2014.

**Audit findings related to IOP:**

1. The implementation of the sub-programme no. 113 34D (IOP) was negatively affected by the lack of a clear conceptual document regarding the organizational structure of labour offices and the establishment of the Labour Office (hereinafter the "LO CR") from 1 April 2011 in accordance with Act No 73/2011 Sb.
2. In 2009–2013, only 41% of the adjusted financial need for 2009–2014 was taken up.
3. The selection of projects to be included in the sub-programme was rather complicated and lacked transparency. The selection of projects relating to the training centres of employment services did not rely on a binding strategy that would objectively define the needs of the LO CR in the educational area, which subsequently led to a series of conceptual changes.
4. Additional purchase of the building in Prague 7 for the LO CR had a significant impact on the implementation of the sub-programme, because it was made in July 2013, i.e. at a time when there was a risk that the funds allocated in IOP will not be taken up. That said, the MoLSA, in connection with Act no. 73/2011 Sb., stated that its adoption will not require the acquisition of new buildings. The LO CR did not demonstrate that it had conducted a proper selection of suitable real estate prior to the purchase of the building in Prague 7, nor did it present credible data about the number of employees who should be working in the building.
5. Concerning the building of the LO CR in Pardubice, the LO CR was preparing an option (new building), which was about CZK 130 million more expensive than the other option (reconstruction and extension of existing building). In connection with the construction   
   of the building in Pardubice, the LO CR stopped the construction of a building in Rokytná with a projected investment of CZK 60 million and completion deadline in 2013.
6. In 2012, the LO CR bought a building in Karlovy Vary with insufficient capacity.
7. By implementing the programmes, the MoLSA did not guarantee a completely effective, economical and efficient allocation of funds for the acquisition and renewal of immovable property.

**Corrective measures:**

In its opinion on the 2014 Annual Audit Report, the Commission identified the expenditure incurred to acquire the building under point (4) to be ineligible. Other projects are monitored by the IOP MA and IBs.

**Audits conducted by the Audit Authority**

***Audit of the activities of the PCA no. AO/2014/S/02***

The aim of the audit was to verify compliance of activities under the responsibility of Department 55 MoF National Fund with the General Regulation (EC) no. 1083/2006, including the related regulations, and compliance with the binding methodology of the PCA. This means that the audit was aimed at verifying the four key requirements in relation to the PCA in order to evaluate the effectiveness of the functioning of the management and control system of the audited entity. As part of this audit, when examining the IOP administration the AA identified one moderate finding, namely non-compliance with the schedule of on-site inspections of the MA and incomplete inspections. The audit team found lack of compliance with the deadlines for timely preparation and completion of the report in accordance with Act No 255/2012 Sb., on audit (audit rules). It was also found that within the PCA, there area no rules for the substitution of the head of audit team in the case of his/her prolonged absence in order to complete the audit. Based on the above, certification of expenditure is made only on the basis of administrative verification of documents from the relevant MA, ongoing monitoring of the status of programme implementation, PCA staff and the results of external audits carried out by the AA and the EC.

***Audit of the activities of the General Tax Directorate and the financial administration bodies no. AO/2014/S/03***

Specific findings are contained in the draft audit report. The findings are identified in relation to individual key requirements, evaluation criteria and objectives of the audit are in accordance with COCOF 08/0019/00 – EN.

The audit report will include recommendations as part of the Action Plan, which will also set out the proposed measures of the audited entity and the deadlines for their completion. The Action Plan is a mandatory part of the system audit report. Currently, adversarial procedure is in progress. After the completion of the audit, the report will be sent to the EC via SFC2007.

Within the completed audit, the AO conducted the following evaluation of the functionality of MCS:

Table 25 - Evaluation of final beneficiaries for the IOP – GFD (AO/2014/S/03)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Auditee** | **FB1** | **FB3** | **FB5** | **FB6** | **FB7** | **Evaluation of system** |
| **MoF/GFD** | **2** | **2** | **1** | **1** | **3** | **3** |

***Audit of the IOP implementation system no. IOP/2013/S***

Audit focus: From September 2013, the MA IOP and IOP intermediate bodies were subject to implementation system audit no. IOP/2013/S. The MA IOP received a summary report on the system audit on 5 January 2015.

Audit findings: The system audit identified 16 findings, of which 2 with high severity, 11 with medium severity and 3 with low severity.

Concerning the MA IOP, the system audit identified 6 findings, of which 5 with medium severity and 1 with low severity:

* the requirement of the MA IOP that the beneficiaries request the termination of the legal act on grant in the transfer of delegated activities between IBs was not in accordance with Act no. 218/2000 Sb., on budgetary rules, and creates unnecessary risks;
* Minister's decision no. 168/2009 on recruitment did not respect the valid methodology   
  of selection of employees implementing EU funds;
* lack of effectiveness of verifications carried out pursuant to Article 13 of Commission Regulation (EC) no. 1828/2006;
* the absence of interim risk analysis for IOP Technical Assistance projects administered by the MA IOP;
* inadequate minutes of TA IOP commission meetings, the absence of minutes TA IOP commission meetings in IS Monit7+
* continuing uncomfortable situation after the division of the different phases of the administration of projects implemented within the Intervention Area 3.1 and 3.3 of IOP between the MoLSA and CRD (low level of severity).

The MA IOP disagrees with the recommendation of the auditors to prepare an analysis and legal analysis of all the steps of the MA IOP, IOP IBs and beneficiaries, which were connected with the termination of existing legal acts on grants in the transfer of delegated activities between IBs, because in the opinion of the audit, it not act in breach of budgetary rules. It was a specific situation not regulated by the budgetary rules; as a result, the MA agreed its course of action with the Ministry   
of Finance.

The MA IOP quantified ineligible expenditure related to the breach of the Methodology for selecting employees implementing EU funds.

In order to improve the efficiency of audits, the MA supervises checklists to check PCs and regular staff training.

The obligation to perform interim analyses of risks in IOP Technical Assistance projects will be introduced within the specified period, i.e. by 30 June 2015.

The MA IOP has fulfilled the recommendations for the properly keep minutes of TA IOP commission meetings, incorporated the revised procedures in the OM IOP and OM MA IOP and regularly enters the minutes of TA IOP committee meetings in the IS Monit7+.

**Concerning the IB CRD**, the audit identified 1 finding with moderate severity – errors in public procurement. Most errors were found in Intervention Areas 2.1 and 3.4

The IB CRD does not agree with the recommendation to ensure compulsory attendance at the meetings of the tender evaluation committee and committee to evaluate qualification for works contracts over CZK 50 million and other contracts over CZK 10 million. Errors that occur during commission meeting will become evident in the audit of the second phase of the procurement procedure, where corrective action can be taken on detected errors. The recommendation does not distinguish between contracting authorities and does not take into account staffing capacity.

**Concerning the IB MoC**, the audit identified 4 findings, of which 2 with high severity, 1 with medium severity and 1 with low severity.

* insufficient conduct of verifications carried out pursuant to Article 13 of Commission Regulation (EC) no. 1828/2006;
* insufficient risk assessment of projects;
* delays in project administration and when reimbursing applications for payment;
* inadequately ensured audit-trail of the PC audits.

With regard to the closure of the IB MoC, the auditors recommended the MA to perform 100% inspection of the PCs whose expenditure will be claimed to be reimbursed by beneficiaries in payment applications; to perform a check PC audits carried out by the IB MoC; carry out checks of contracts that were not subject to audit; evaluate the most common errors identified in PCs by the audit bodies and train the employees implementing the IA 5.1 IOP and beneficiaries; consider preparing a methodical letter to beneficiaries; ensure compulsory attendance of IB employees in commissions; respect the results of risk analyses; provide for construction experts; respect the principles for sample selection set out in the Instruction CHJ 4 and reassess the risk potential of all projects. In Q4, the MA IOP started checking delegated activities associated with the identified remedial measures.

**Concerning IB MoLSA**, the audit identified 1 finding with low level of severity regarding the division of the different stages of administration between two bodies – the MoLSA and CRD. The division of powers and responsibilities between the two entities led to difficult communication, inefficient administration and failure to meet deadlines. The measures adopted under the previous audit improved communication between both IBs and improved the administration results, especially improving compliance with deadlines.

**Concerning the IB MoI,** the audit identified 3 findings with moderate severity:

* failure to meet deadlines for the issuance of the legal acts specified in the Internal Procedure Manual;
* error rate in public procurement;
* information in the information systems are not in accordance with the project documentation.

It has been recommended to the IB MoI that when issuing the legal act on the approval of grant, it determine the validity of the act for a period of three months and examine the timeliness of data in MONIT7+ concerning the set-up of indicators and re-check the remaining PCs. The IB MoI re-checked the remaining PCs in 2013 and 2014.

**Concerning the IB MoH**, the audit identified 1 finding with moderate severity consisting in errors in public procurement.

Considering the measures taken by the IB MoH in 2011 (Minister's Order no. 5/2011 and updates OM GG IB MoH), the auditors did not put forward any recommendations, but point out the risk of errors in public procurement.

***Extraordinary healthcare audit No AO/2014/SM/05-IOP***

Scope of audit:The aim of the audit was to examine the take-up of EU funds for medical equipment in IOP in the programming period 2007–2013 and to verify the eligibility of operations and aspects of procurement procedures. The audit was part of a horizontal system audit to verify the take-up of EU funds for medical equipment in selected operational programmes. The audit focused on IOP was completed on 19 December 2014.

Audit findings: The audit identified three systemic findings, including one with a high degree   
of severity and 2 with medium degree of severity:

* failure and insufficiency of control mechanisms of the grant provider in the process   
  of evaluation and approval of the project and in the process of administrative and/or on-site inspections in terms of compliance with the procurement rules in the IOP Intervention Area 3.2a with an impact on PCs announced before 31 January 2011;
* inadequate keeping of records and information about the implemented projects and their evaluation to support management of the Intervention Area 3.2 IOP and related risk management;
* lack of coordination in the procurement of medical equipment within IOP Intervention Area 3.2 with other operational programmes of the National Strategic Reference Framework aimed at the same area.

For the operations audit, a sample of 20 projects was selected where findings were identified for 14 of these projects:

* findings with a potential threat to EU funds – the prices of medical equipment and wasteful spending of funds;
* failure to comply with the established procurement procedures with financial impact on eligible project expenditures;
* findings of a formal nature;
* other identified findings regarding e.g. project management or errors detected by earlier audits by other institutions with financial impact on eligible project expenditures.

In 10 projects from the sample in which PCs were announced before 31 January 2011, the audit identified a failure and inadequacy of controls mechanisms of the grant provider during evaluation and approval of the project.When selecting projects, the management and control system insufficiently evaluated the cost-efficiency of the submitted grant applications. The audit identified inefficiently used funds amounting to CZK 71,509,094.20 from verified funds of CZK 1.2 billion.

In 7 projects (in some cases they involve projects in which cost inefficiency was identified) were identified as having ineligible expenditure (confirmed irregularities) for violating the public procurement rules or other violations amounting to CZK 40,343,166.48 (3.3%), while in the risk period (until 31 January 2011) they represent the amount of CZK 40,312,901.35 (4.3%).

Based on these findings, the system was classified as Category 3 (the system works partially, substantial improvements are needed) before 31 January 2011 and as Category 2 (works, but some improvements are needed) after taking the measures after 31 January 2011.

Corrective measures:Auditors imposed an across-the-board financial correction of 5% on all projects related to the award of PC before 31 January 2011 and an individual financial correction   
for 7 identified errors in public procurement.

The auditors agreed with MA's argument that it is not necessary to impose an across-the-board financial correction, since the failure of the management and control system has been described in the annual control reports for the years 2011 and 2012, and the across-the-board financial correction was imposed, and the failure was reflected in the multi-annual error rate. Individual corrections for deficiencies in public procurement have already been accounted for in IS VIOLA. The audit report was sent for approval to the European Commission, which accepted a 5% across-the-board correction on projects with public procurement approved on or before 31 January 2011, but did not fully accept the way the correction was settled.

As a result, there are ongoing negotiations of the entities concerned (AA, PCA, MA, IB) on the settlement of EC comments.

***Audits of operations, 2014***

Altogether, the ordinary audit of operations covered 67 projects. A financial correction was quantified in 22 audits of operations. The overall error rate will not be known until the Commission approves the 2014 Annual Audit Report. Details are given below in Chapter 2.3.3 Addressing the IOP error rate in the 2014 Annual Audit Report.

Furthermore, the Audit Authority performed 20 extraordinary audits of operations as part of the horizontal audit focused on the acquisition of medical equipment. Details on these audits are set out in the previous sub-chapter entitled *Extraordinary healthcare audit No. AO/2014/SM/05-IOP.*

### 2.3.2 Addressing the IOP error rate in the 2013 Annual Audit Report

The AA auditors identified individual errors in the 2013 Annual Audit Report, representing 2.46%   
of the total audited expenditure and, based on this data, they extrapolated the error rate.

In the period from 7 – 11 April 2014, the workers of the European Commission (DG REGIO) carried out an audit mission no. 2013/CZ/REGIO/C4/1332/1 aimed at verifying the activities of the Audit Authority of the Ministry of Finance. The audit was conducted on a sample of 12 projects audited   
by the AA in 2013. The MA IOP received the draft report in the Czech language on 11 August 2014 and in cooperation with the beneficiaries and the intermediate body it took one month to prepare objections. If the EC auditors conclude their mission with increased amounts of ineligible expenditure, it can affect the overall error rate of the IOP. The measures resulting from this audit mission include the IT audit in 2015.  The EC audit was still ongoing on 31 December 2014.

### 2.3.3 Addressing the IOP error rate in the 2014 Annual Audit Report

Based on the errors identified in the 2014 audits of operations, the AA auditors determined in the AAR the error rate of 2.32%. Based on a complaint from the MA IOP, which identified a number   
of inaccurate calculations in reports on audits of operations, the AA reduced the error rate. However, subsequently the European Commission sent a dissenting opinion to the quantification of the ineligible expenditure in one of the audits of operations based on which the audit authority will recalculate the error rate. The final error rate will not be known until the Commission approves the 2014 Annual Audit Report.

### 2.3.4 Methodology of financial flows in connection with the AA audit

The MA IOP and IB IOP have consistently pointed out certain inappropriately set provisions of the Methodology of financial flows and control of programmes co-financed by the Structural Funds,   
the Cohesion Fund and the European Fisheries Fund for the programming period 2007–2013 (hereinafter the "Methodology"). This mainly concerns irregularities arising from the final audit report of the AA (EC, ECA, PCA audits) and always means a confirmed irregularity. The confirmed irregularity is referred to a locally relevant Financial Administration Body as a suspected breach   
of budgetary discipline.

If the FAB finds no breach of budgetary discipline and does not impose a deduction or finds a breach of budgetary discipline and imposes a lower deduction than as required by the audit/inspection report, the MA/IB should enforce the recovery of the funds subject to irregularity from the beneficiary.   
Act no. 218/2000 Sb., on budgetary rules or other acts, does not provide for the recovery of funds   
by the MA or IB. If the tax authorities do not confirm the findings from the audit/inspection reports   
or confirm a lower amount, funds subject to irregularity cannot be recovered from the beneficiaries and are borne by the State budget, which unnecessarily burdens public finances.

The solutions to these situations have a negative impact on the implementation of the programme, burden the beneficiary and administrative capacities and lead to the accumulation of requirements   
for payment from the State budget.

### Suspension of certification in Intervention Area 3.2 – Services in the field of ​​public health

Following a letter from the EC dated 25 April 2014, the reimbursement period for expenditure in IA 3.2 Services in the field of public health was suspended. Reasons given for the suspension included possible irregularities related to the purchase of medical equipment. The EC letter was referring to the TV programme Reportéři ČT dated 24 February 2014, a study on corruption in healthcare prepared for DG Home Affairs in October 2013 and problems in regional operational programmes. To resume the reimbursement period, the EC requires that a horizontal healthcare audit is carried out. The horizontal audit was a set of several sub-audits – audits of Intervention Area 3.2 IOP, audit of a sample of 20 projects (16 beneficiaries) in the Intervention Area 3.2 IOP, and audit of a sample of 15 projects from all other OPs (MA MIT, MEYS, ROP) with beneficiaries from the healthcare sector. The horizontal audit aimed to verify the take-up of EU funds for medical equipment in the programming period 2007–2013 in selected operational programmes, and also to verify the eligibility of the relevant aspects of operations, including procurement procedures, and in particular confirmation or refutation of the doubts raised in the letter from the EC. The horizontal healthcare audit at the MoRD was launched as a system audit (extraordinary) No. AO/2014/SM/05 "Healthcare audit" upon the service of the Notification of system audit through a data box on 27 June 2014 and also during the visit of the Director, Mr Evžen Mrázek, with part of the audit team on 8 July 2014. The final reports were delivered during November and December 2014.

The requirement for an audit of projects in the healthcare sector was met. The MA IOP accepted the individual financial corrections for ineligible expenditure and an across-the-board correction imposed by the Audit Authority. The across-the-board corrections amounted to 5% of all projects related to the public contracts awarded before 31 January 2011 under the Intervention Area 3.2a.

After application in IS VIOLA, the EC will then receive an overview of corrections applied to the various projects concerned.

### A warning letter concerning 10 IT projects IA 2.1 Introducing ICT in territorial public administration

The EC sent the MA IOP a warning letter concerning 10 IT projects in IA 2.1 (Ref. Ares (2014) 3831088 – 18.11.2014), in which the EC warns of possible suspension of payments pursuant to Article 91(1) of Regulation (EC) No 1083/2006, because of police investigation of 10 projects in Calls 6, 8 and 9 under IA 2.1.

In the letter, the EC also informed that it will process no applications for payment regarding the projects concerned until such time as the investigation is completed or cleared. Given that the MA IOP can in no way interfere with the police investigation, no specific action was taken in this matter.

### 2.3.7 Staffing of the programme

In 2014, the main problem concerning the IOP staffing was high turnover. In November 2014, the MA IOP prepared an "Analysis of administrative capacities and outsourcing in the IOP implementation structure". The preparation of the analysis was one of the tasks listed in the 2014 IOP Evaluation Plan.

The aim of the analysis was to determine the funds actual spent by the Managing Authority and each Intermediate Body on the administration of delegated activities from the 2nd half of 2013 to 1st half of 2014. For more information about the analysis in the field of ensuring administrative capacities, see chapter "Evaluation Programme".

Table 26 - Ensuring administrative capacity by IBs

| **Entity** | **Actual FTEs according to administrative capacity, 2014** | **Number of new employment contracts** | **Number of terminated employment contracts** |
| --- | --- | --- | --- |
| MA IOP +MoRD trade unions participating in the activities of the MA IOP | 69.21 | 19.75 | 16.95 |
| Centre for Regional Development of the CR | 54.55 | 12 | 11 |
| Ministry of the Interior of the CR | 22.17 | 5 | 9 |
| Ministry of Labour and Social Affairs of the CR | 20.66 | 5 | 5 |
| Ministry of Health of the CR | 22.5 | 5 | 3 |
| **TOTAL** | **189.09** | **46.75** | **44.95** |

*Source: 2014 Report on ensuring administrative capacities of the IOP implementation structure*

2014 was a year of changes in the structure of operational programmes which will continue in 2015; during this period it was necessary to focus on the take-up of IOP funds as well as the preparation of the programming period 2014–2020. As of 31 August 2014, the MA IOP prepared an analysis of the administrative capacity to cover activities in the programming period 2007–2013 and 2014-2020.

The MA IOP is aware of the obligation arising from Chapter 4.2 of the IOP Programming Document – Administrative capacity, which determines the anticipated target for IOP implementation structure staff at 179 FTEs. This number was exceeded in 2014 by 10.09 FTEs. This was 1.29 FTEs less than in 2013. In the coming period, the MA IOP must monitor administrative capacity and gradually reduce the number of staff throughout the implementation structure.

### 3.2.8 Czech Post

Czech Post, ICT branch (hereinafter "CP ICT") is involved as a contractor in two projects in Intervention Area 1.1 with a total value of approximately CZK 1 billion and in fourteen projects in the Intervention Area 3.4 with a value of CZK 1 billion, which are followed by other projects in Intervention Area 3.4 in the amount of CZK 1 billion. These are projects of the Ministry of Interior, General Directorate of Fire Rescue Service and Regional Directorates of the Fire Rescue Service.

The government has appointed the CP ICT as the general contractor in accordance with Section 18   
of the Public Procurement Act ("in-house"). The fundamental problem is the selection   
of subcontractors for the supply of hardware and software. CP ICT fails in the role of contracting authority and unduly prolongs the implementation of public procurement.

MA IOP, IB MoI and IB CRD hold intensive negotiations with the representatives of beneficiaries, consult forthcoming public contracts and postpone the deadlines for the submission of payment applications to the latest possible dates. Despite all efforts, the GD FRS had to seek alternative solution for the project NIS IRS where CP ICT acts as the general contractor.  On 16 September 2014, the Minister of Interior decided to adopt a hybrid solution for the NIS IRS project. The GD FRS and CP ICT are preparing documents for a project change and specify the technical solution.

### 2.3.9 Reinforced risk management of the NCA

Following the Government Resolution no. 94 dated 10 February 2014, the MA IOP analysed the risks of IOP implementation with a view to the ending programming period and worked out an emergency action plan of the IOP describing the hazards and measures. The emergency plan was approved by Government Resolution no. 144/2014.

With regard to the approaching end of the programming period, there is the risk of setting such a level of project commitment in individual Intervention Areas that, despite savings in projects,   
the programme allocation take-up is maximised at the end of 2015.

The MA IOP has prepared an analysis of IOP take-up, which took into account the above factors, the available allocation, the absorption capacity of individual areas of intervention and the possibility   
of using the flexibility at Priority Axis level and provided recommendations for each Intervention Area. The Managing Authority in collaboration with IBs identifies risks and takes other measures to optimize the result.

The following risks set out in the Action Plan and described in previous chapters of this Report have been or are being dealt with on an ongoing basis:

* incomplete take-up of the funds available and made available during project implementation;
* failure to reach the n+2 limit by the deadline for regular certification of expenditure and loss   
  of allocation;
* suspension of reimbursement of funds from the European Commission following the findings   
  of audits and inspections, assessment of penalties and fines;
* insufficient administrative capacity of intermediary bodies to complete programme implementation.

A list of measures set out in GR 144/2014 is given in Annex 4.

In July 2014 the MA IOP prepared a Strategy for full IOP take-up, which was agreed by the Government Resolution No. 646/2014 of 6 August 2014. On the basis of the information provided by intermediary bodies, during September and October the Managing Authority of the IOP updated the Strategy for 2014 with a view to the end of 2015. The update from the beginning of October responded to developments in project implementation and evaluation of Calls in August and September 2014. It resulted in a decision not to announce new Calls and utilize the funds provided to satisfy pipeline projects in completed Calls. Achieving maximum take-up of the allocation in 2015 requires concentrated and responsible work of the entire implementation structure, fulfilment of take-up plans and timely implementation of projects.

### 2.3.10 Crisis management of selected Intervention Areas

**2.3.10.1 Dormant and risky projects in the IOP**

The IOP is ranked among risky operational programmes enhanced risk management of the National Coordination Authority, also in relation to long-term problems with the implementation of certain projects. In July 2012, the Managing Authority of the IOP in cooperation with Intermediate Bodies carried out supervision and management of dormant projects (deadlines for implementation are already at the feasibility limit), high-risk projects (difficult communication with the beneficiary, meeting deadlines shows serious deficiencies). The evaluation of problem projects is part of an action plan to improve the management and control of structural funds in the Czech Republic.

Long-term problems with the implementation of projects concern mainly beneficiaries that are Organisational State components ("OSC"). Based on the experience gained while working with risk projects, the MA IOP introduced in August 2014 intensified supervision of high-risk and risk projects with an allocation of funds of less than CZK 35 million.

With regard to the approaching end of the programme period, many projects classified as high-risk   
or risk projects have the problem with the lack of time in the event of schedule delays or the need   
to repeat the procurement procedure.

The last update was performed by the MA IOP on 6 January 2015, recording 3 dormant projects worth about CZK 597 million, 30 high-risk projects of approx. CZK 3.9 billion and 91 risk projects in excess of CZK 6.5 billion. The identification of high-risk projects is essential in terms of moving these categories to high-risk and dormant projects. The MA IOP and intermediate bodies already address and set out measures for risk projects.

The list of individual projects according to risk category by the beneficiary is listed in the following table.

Table 27 - Overview of dormant and high-risk projects



*Source: IS Monit7+ IOP and IOP Managing Authority in cooperation with intermediate bodies on 6 January 2015*

State organizational components and publicly co-funded organizations implement two dormant projects, 16 high-risk and 17 risk projects. These projects represent a risk to the full take-up of the programme allocation.

In 2015, the expected volume of applications for payment totals CZK 377 million for dormant projects and CZK 2.4 billion for high-risk projects. Risky projects for 2015 plan submitting requests for payment in the amount of CZK 4.5 billion. If beneficiaries fail to solve the problems with implementation and fail to submit an allocation for payment by the deadline and in the amount according to plan, these amounts will decrease the take-up of the programme allocation.

In the long term, since July 2012, when the MA IOP took action on dormant and high-risk projects, there has been a significant improvement in the implementation of some projects of OSCs. The most problematic dormant projects under the responsibility of the Ministry of Interior and the Fire Rescue Service (FRS) linked to the Czech Post branch as the general contractor were stabilized thanks to the measures taken. However, significant deterioration was observed in risk projects. The MA IOP identifies almost all new projects in Intervention Area 1.1 Development of information society in public administration as risk projects. These projects are particularly at risk because of the tight schedule. The reason is their approval during the summer and autumn of 2014, which indicates that the length of implementation is approximately one year, including the execution of all public contracts. It is therefore imperative that the beneficiaries make the best efforts in implementing the various phases of the project and prevent all risk factors.

**2.3.10.2 Measures to ensure the fulfilment of the n+3/n+2 rule**

In 2014, the MA IOP took similar measures to minimize the allocation loss as in 2013, for example:

* consultation concerning the payment application (PA) and monitoring report before submission to the intermediate bodies
* extraordinary division of project stages to allow at least part of the expenditure to be inspected, reimbursed and certified,
* Effective control of procurement procedures, PAs and Notification of change in order to eliminate delays in the administration of PAs,
* Monthly meetings with representatives of financial departments of intermediary bodies in order to identify the causes of delay in the administration of individual payment applications and propose solutions.

In July 2014, the IOP MA in cooperation with IB IOP created set of sixty across-the-board and nineteen specific measures for each area of ​​intervention to maximize take-up. Their implementation took until the end of 2014; on 31 December 2014 the set of these measures was achieved.

Table 28 - Number of measures by individual IOP implementation entities

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Responsible** | **MA IOP** | **IB MoI** | **IB MoH** | **IB MoLSA** | **CRD** | **All IB IOP** | **Shared responsibility MA IOP and IB IOP** | **Total** |
| **Total measures** | 20 | 11 | 12 | 13 | 4 | 4 | 15 | **79** |
| **of which fulfilled by the deadline of 31 Dec. 2014** | 14 | 5 | 6 | 11 | 2 | 3 | 8 | **49** |

Data source: MA IOP, as of 31 December 2014

The MA IOP especially intensively cooperates and communicates with intermediaries and beneficiaries and ensures the use of the NCA project "Prevention" for dormant projects and projects with high error rates in payment applications.

In the case of IB IOP, this primarily concerns streamlining of delegated activities, communication with beneficiaries and other entities (Audit Authority, Tax offices, OPC). Specific measures focus on specific problems in individual Intervention Areas.

## 2.4 Potential changes related to programme implementation

### 2.4.1 Economic changes

Economic data for 2014 show that the Czech Republic has overcome a two-year recession. Gross domestic product in 2014 grew by about 2.0%.

According to statistics, in 2014 (in year-on-year terms) industrial production in real terms increased by 4.9% and sales increased by 8.4%. Induced depreciation of the *koruna* has led to significant sales growth, especially in heavily export-oriented sectors. Industry was recruiting and the average nominal monthly wage also increased.

During the year, year-on-year increase was observed not only in wages and salaries (in the form   
of employee compensation – +3.4% on average for the first three quarters of 2014 versus +1% over the same period of 2013, but again at decelerating rate). Growth was also observed in profits of self-employed persons (+1.6% on average each quarter, while the year before they decreased by 0.8%). Although net income from ownership decreased by CZK 3.7 billion year-on-year, household income grew in the form of social contributions and benefits, accelerating in each quarter (from 1.9% in the first quarter to +3.4% in the third quarter of 2014, by an average of 2.6%, while the growth was only 0.9% in the same period of 2013).

Employment increases and general unemployment rate is almost down to the levels at end of the long boom of the Czech economy, i.e. the last quarter of 2008 (the economic crisis had hit at that time with declines in external demand, but the labour market was not yet affected).

Result of the Czech Republic in foreign trade is positive – exporters exported goods worth about CZK 157.1 billion more than the value of goods imported by importing firms. Czech exports to EU markets grew in 2014 by 15%, to the rest of the world by 7.5% (by 12.7% in total). In the second quarter, the rate of import growth exceeded the rate of export.

Last year, for the first time after five years of continuous decreases, construction output in the first quarter was 2.3% higher than the year before.

The annual growth was probably affected by the fact that (also due to financing from European funds) major infrastructure projects, previously frozen especially after 2010, were resumed. Quarterly pace   
of construction output in the Czech Republic in year-on-year terms amounted to +8.3%, +3.9% and +1.2%.

Sales in services grew in real terms last year only by 0.6%. However, even that constitutes a positive shift from the previous continuous declines that began in 2009. In total, data from the real economy painted a positive picture of last year, where recovery already evident in the last quarter of 2013 continued.

The inflation rate reached less than one per cent. The state of Czech price level is affected by a number of disinflationary pressures, starting with this year's good harvest, sanctions against Russia to the economic downturn in the Euro-area and the current sharp decline in oil prices.

The Bank Board of the CNB decided to use the exchange rate as a monetary policy instrument and therefore to initiate foreign exchange intervention on 7 November 2013.

The use of foreign exchange intervention to weaken the *koruna* represents a significant effort to reduce the risk of deflation and accelerate the return to a situation where the CNB will again be able to start using its standard instrument – the interest rate.

The CNB is determined, if necessary, to intervene to such an extent and as long as is necessary to reach the desired exchange rate, and thus to achieve smooth progress towards its inflation target in the future. The CNB has committed itself to prevent excessive appreciation of the *koruna* below EUR 1 = CZK 27.

Weakening of the *koruna* leads to an increase in import prices and thus the overall price level in the Czech Republic. To a lesser extent, it promotes domestic economic activity. Although due to increase in import prices, one can expect lower purchasing power of households, their demand may increasingly be diverted to domestic goods and services, supported by lower real interest rates due to increased inflation expectations. At the same time, weaker exchange rate supports Czech exports, thereby increasing competitiveness and profitability of companies and their willingness to invest. Recovery of production contributes to employment and wage growth, which increases the purchasing power of households.

Table 29 - CZK/EUR exchange rate in 2007–2014

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** |
| Average daily nominal exchange rate against the Euro per year | 27.76 | 24.96 | 26.45 | 25.29 | 24.59 | 25.14 | 25.98 | 27.53 |

*Source: MoF, as of 10 February 2015*

For financial management of the programme, foreign exchange interventions led to a significant increase in the allocation and contributed to the under-utilisation of the funds.

### 2.4.2 Changes in the IOP documentation

**Changes in IOP Programming Document**

At its regular meeting on 3 June 2014, the IOP Monitoring Committee approved a draft revision of the IOP programming document within the meaning of Article 33 of Council Regulation (EC) No 1083/2006. Revision of the Programming Document was made upon the initiative of a Member State under Article 33(1)(c) in the light of evaluation referred to in Article 48(3) of Council Regulation (EC) 1083/2006 and (d) following implementation difficulties.

The changes concerned the following areas:

* change in the implementation structure – the Ministry of Culture ended the activity of the intermediate body in Intervention Area 5.1 (Government Resolution no. 567 of 31 July 2013). Due to the extended agenda resulting in increased administrative demands, the MA IOP approved the inclusion of 0.4 FTEs of the HR Department into the IOP implementation structure;
* change of Part 6 of the Financial provisions of the IOP Programming Document – changes were made in the context of quantifying allocation loss for 2013.

On 21 October 2014, the MC IOP approved a draft revision of the IOP Programming Document.

On 26 June 2014, the MA IOP received an approval letter from the Ministry of the Environment, stating that the submitted change to the IOP Programming Document does not require screening procedure pursuant to Act no. 100/2001 Sb., on the assessment of environmental impacts and amending certain related acts.

The MA IOP entered into MSC the changed version of the programming document, the draft changes and the accompanying letter to the European Commission on 24 October 2014.

Commission Decision C(2014) 9551 on the adoption of the change of the IOP was issued on 9 December 2014.

The change in IOP Programming Document was communicated by means of an electronic copy to all stakeholders involved in the implementation of the programme. The IOP Programming Document is available on the website [http://www.strukturalni-fondy.cz](http://www.strukturalni-fondy.cz/).

**Update of the OM IOP and OM IB, OM MA**

On 16 April 2014, the Managing Authority of the IOP issued revision 1.4 of the Operational Manual of the MA IOP, which was amended to include a change in the funding process after the termination of the agreement with the authorized bank and the transition to payments through the CNB.

During March 2014, the MA revised the Manual concerning the implementation of the JESSICA financial instrument, which reflects the experience from the implementation of the financial instrument. The new version 1.5 of the Manual is valid from 1 April 2014.

The revision related mainly to clarifying the requirements for reporting, on territorial focus of support, methodology of risk analysis and compliance with the Audit Act no. 255/2012 Sb.

Since 25 August 2014, the applicable revision of the Manual for the implementation of the JESSICA financial instrument is Rev. 1.6, which specifies the procedures for de minimis aid, continues to issue new Binding procedures for contracts falling outside the scope of Act no. 137/2006 Sb., on public procurement, specifies audits of eligible expenditures and the requirements for reporting on concluded credit contracts.

**Guidelines and Binding opinions of the MA IOP**

*Guideline no. 46* Update of Chapter A. 1. 3.6 Eligible expenditure

The guideline permits the extension of the project implementation until 31 December 2015, and is one of the tools for the full take-up of the programme allocation.

*Guideline no. 47* Update of Chapter A. 3. 6. 2. 8. Provision and publication of information on grants

The guideline specifies the responsibilities of IOP implementation structure entities for the transmission of information on grants to the Ministry of Finance under Act no. 171/2012 Sb. of 26 April 2012, which is amended by Act no. 218/2000 Sb., on budgetary rules.

*Guideline no. 48* Update of checklists on audits of public contracts

The guideline was issued in order to reduce the administrative burden during audits of public contracts. The National Coordination Authority (NCA) has compared an updated version of checklists on audits of public contracts within the IOP with the standardized checklists of the European Commission (Annex C.5-21 of the IOP Operational Manual). The IOP checklists were modified to fully comply with the minimum requirements of the European Commission concerning their content; they are attached to this guidance and replaced Annex C.5-16 to the IOP Operational Manual.

*Guideline no. 49* Update of Chapter B of OM IOP – transition to funding through the CNB

The guideline regulates the funding procedures after termination of the agreement between the Ministry of Finance with the authorised bank (UniCredit Bank Czech Republic, a.s.), which ensured the payment of subsidies to the beneficiaries. Since 1 July 2014, all payments have been made through the Czech National Bank.

*Guideline no. 50* Update of Monthly Reports on IB Activity

The MP updates the structure of monthly reports on the activities of the intermediary bodies in IOP due to the progress in programme implementation.

*Guideline no. 51* Update of Chapter B.3.4 – Certification

By issuing the Guideline, the MA responds to the release of the Expenditure Certification Methodology for the programming period 2007–2013, with effect from 1 April 2014.

*Guideline no. 53* Update of the text of Annex C.5-11

The Guideline supplements Annex C 5-11 to include Procedure for entering audits in IS Monit7+, Procedure to enter audits of procurement procedures in the IS Monit7+.

*Guideline no. 54* Updating OM IOP in connection with the new rules providing State aid under the de minimis scheme

Methodological instruction regulates changes in the State aid rules under the new Commission Regulation no. 1407/2013 of 18 December 2013 on the application of Article 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid. The regulation replaced the existing Commission Regulation no. 1998/2006 of 15 December 2006, the validity of which ended on 31 December 2013.

*Guideline no. 55* Update of OM IOP Chapter A.3.7 – Human Resource Management

The Chapter A.3.7 – Human Resource Management has been revised according to the Guideline for the development of human resources in the programming period 2014–2020 and in the programming period 2007–2013 (HR Guideline), approved by Government Decree no. 444 of 16 June 2014.

*Guideline no. 56* Update of B.3-27 Administration of payments

The reason to issue the guideline is to complete the process of filling in fields for the classification of payments on the payment application following the launch of the Integrated Information System of the State Treasury (IISSP).

*Guideline no. 57* Update of OM IOP Chapter A.4.3.3 – Change in the conditions of call and Chapter A.5.3 – Changes in project implementation

The reason to issue the guideline is the obligation of the MA IOP to ensure the full take-up of the programme allocation, and to fulfil this obligation it was necessary to work out procedures for changing the conditions of the call after the deadline for the submission of grant applications.

The MA IOP received an Opinion of the NCA on extending project implementation from 24 October 2014 with reference number 37048/2014-27, which forms the basis for this guideline.

Based on changes in the provisions of the call, it is possible to increase its allocation and extend the deadline for the completion of project implementation beyond the latest deadline specified in the call. Also, another change included the addition of a procedure to assess Notification of project changes involving the extension of project beyond the original date specified in the call.

*Binding opinion no. 8* Binding opinion to reduce the risk of under-utilization of allocation in IA 5.2

The Managing Authority of the IOP issued a binding opinion no. 8 to ensure the reviewability of the procedures used during audits of procurement procedures within the IOP and specifies the procedure for beneficiaries in cases where procurement procedures were implemented before the effective date   
of Binding Procedures, or before the contracting authority had an objective opportunity to learn about the obligation to follow them.

*Binding opinion no. 10* Binding opinion to reduce the risk of under-utilization of allocation in IA 5.2

The MA IOP adopted another measure to reduce the risk of under-utilisation of the allocation for Intervention Area 5.2 *Improving the environment in problematic housing estates* following a Binding Opinion no. 9 of 2013 and exchange rate changes.

## 2.5 Substantial modification pursuant to Article 57 of Regulation (EC) no. 1083/2006

The Chapter discusses cases in which a substantial modification was detected pursuant to Article 57   
of Regulation (EC) no. 1083/2006 on the durability (sustainability) of operations.

In 2014, no problems with the durability of the projects were reported. Any changes to occur during the implementation and sustainability of the project must be immediately notified by the beneficiary   
in writing to the MA/IB using the form Notification of project changes.

## 2.6 Complementarity with other instruments

### 2.6.1 Fulfilling synergies

Synergies are substantive links between two projects submitted in two OPs, whose effect is stronger compared with the effect of each of the projects implemented separately.

**2.6.1.1 Synergies by thematic areas**

On the basis of a project implemented by the NCA "Ensuring synergies between operational programmes in 2007–2013" and based on consultations with the MA, operational programmes and areas of support were identified, whose type of supported activities creates synergies and are divided into thematic areas.

In the IOP we can find the following thematic areas:

* ***Smart Administration*** (IOP - OP HRE)

Synergy occurs with projects in Support Area 4.1 Operational Programme Human Resources and Employment; however, these links are not formalised. The Smart Administration coordinating system following the IOP and OP HRE was approached in a way that the administration of the relevant parts of the Operational Programmes was entrusted to one intermediate body subordinate to two different MAs, in this case the MA IOP (MoRD) and MA OP HRE (MoLSA).

Two projects are implemented in OP HRE.

Project focused on the staffing of processes, extracting information to create and consolidate the portfolio of records of the insured persons and their individual accounts in relation to the basic registers of public administration – part 1.

Project focused on the staffing of processes, extracting information to create and consolidate the portfolio of records of the insured persons and their individual accounts in relation to the basic registers of public administration – part 2.

A project is being implemented in the IOP, which is aimed at creating an information and communication interface for the CSSA in order to provide information to clients.

* ***Roma issues*** (IOP – OP HRE, OP EC)

These projects are implemented within the IDPs in IOP. IDPs in IOP are primarily aimed at the regeneration of residential buildings and revitalization of public areas (IOP 5.2), but they can be supplemented by projects funded from other operational programmes.

These projects receive a ten-point bonus. Information is available in the system MSC2007; more detailed information is included in each IDP. The lists of approved projects are included in the IDP Annual Progress Reports. Activity 5.2(c) directly incorporates the obligation of synergy with project 3.1b of IOP or 3.2 of OP HRE into the programming document.

* ***Increased quality and accessibility of public services*** (IOP - OP HRE)

Projects in Intervention Area 3.1 IOP have synergies to the Support/Intervention Areas of OP HRE and IOP, these synergies being synergy (A) in the targeting of support, (B) with supporting projects.

1. Synergies in the targeting of support:

1st and 8th Call in Intervention Area 3.1, Activity (c)

*Synergy – Call no. 30 OP HRE* (Global grant CZ.1.04/3.1.6 Social Economy, Support Area 3.1).

The applicants may submit an application for support to fund a single (common) business plan in two programmes (investment activities - financed from IOP, non-investment activities - financed from OP HRE).

3rd and 6th Call, IA 3.1, Activity (b)

*Synergy – Call no. 55 OP HRE* (Support Area 3.2 Support for social integration of the residents   
of Roma localities) for applications submitted by municipalities.

This Call only accepts projects undertaken by municipalities in selected social localities in relation   
to targeting of support under Intervention Area 3.1(b) of the IOP.

*Synergy – Call no. 19 and A8 of the OP HRE* (Support Area 3.2 Support for social integration of the residents of Roma localities (Global grant CZ.1.04/3.2.1 Support for social integration of residents   
of Roma localities), especially for applications submitted by non-profit organizations. Call no. 19 does not have a direct link to the IOP and also supports organizations that did not apply under the IOP.   
In contrast, Call A8 has a direct link and was focused only on organizations that were supported from the IOP.

*Synergy – Activity 5.2(c)* IOP pilot interconnection of activities in the field of regeneration of houses and activities in the field of social inclusion, human resources and employment to improve the living conditions of socially excluded Roma communities is expected.

2nd and 7th Call, IA 3.1, Activity (a)

*Synergy – Call no. 87 OP HRE* (Intervention Area 3.1 – Support for social integration and social services) for applications submitted especially by social service providers – it is focused on preparing the transformation to the preparation of services provided in the community.

*Synergy – Calls C1 OP HRE* (Intervention Area 3.1 Support for social integration and social services) for applications submitted by social service providers – support is provided directly to services created after the transformation, i.e. services of community character created also thanks to the support from IOP. The link to IOP is not direct.

B) synergy with supporting projects:

Synergy has been created with individual OP HRE projects whose focus supports the submission   
of projects in IOP, IA 3.1. – "supporting projects".

2nd and 7th Call, IA 3.1, Activity (a)

Project no. CZ 1.04/3.100/04.00002 Support for the transformation of social services, Intervention Area 3.1 OP HRE, focusing among other things on the support for the creation of transformation plans, which are a prerequisite for the submission of projects in the 2nd and 7th Calls of MoLSA   
in IOP.

Synergies can be also seen in the follow-up project entitled Transformation of social services (CZ 1.04/3.100 /04.00009), which supports organizations using the IOP to prepare community services in more thorough preparation for the transformation process.

3rd and 6th Call, IA 3.1, Activity (b)

Project no. CZ.1.04/3.2.00/55.00005 "A ​​comprehensive programme of integration of socially excluded residents of the city of Most at risk of social exclusion into society" was submitted in Call no. 55 OP HRE. Among the key project activities are the provision of social services **Low-threshold facility for children and youth aged 15 to 26 years.** The facility's activity is realized in the new premises which were reconstructed within the IOP.

1st and 8th Call, IA 3.1, Activity(c)

Project no. CZ.1.04/3.1.00/04.00011 Promoting social entrepreneurship in the Czech Republic, whose aim is to test the support structure for current and future employers in the segment of social entrepreneurship in the Czech Republic and at the same time help find the optimum support for the concept of social entrepreneurship in the Czech Republic and create prerequisites for the implementation of the social economy as a standard tool of social policy and business support. The project is primarily aimed at verifying the promotion of social entrepreneurship through a network of local experts and consultants/coaches who provide individual counselling on social entrepreneurship. Secondarily, the ambition of the project is to contribute to conceptually grasp the topic, especially by providing a set of indicators that contribute to the recognition of social enterprise and integration social enterprise. This tool will then be used for the needs of the social entrepreneurship support policy. The project was launched on 1 October 2012.

* ***Tourism, promotion and marketing*** (IOP - ROP)

Priority Axes 4a and 4b contain no projects showing synergies with projects implemented in the ROP.

* ***Exploiting the potential of cultural heritage*** (IOP - ROP)

For the purposes of the Annual Report, synergies in individual thematic areas are monitored in detail by NCA forms, to be found in Annex 1 to this Annual Report.

### 2.6.2 Use of other EU financial instruments

**Use of EU financial instruments**

The JESSICA financial instrument is undergoing pilot implementation in IOP Intervention Area 5.2 "Improving the environment in problematic housing estates". End users can obtain subsidised loans for renovation of residential buildings and provision of modern social housing.

**Implementation structure of the JESSCIA financial instrument**

In 2012, in accordance with Article 44 of Council Regulation (EC) no. 1083/2006, the implementation structure of the JESSICA financial instrument was extended to include the Holding Fund (HF), established as an autonomous accounting unit of the SHDF. On 26 October 2012, the MA IOP issued a Grant Decision and on 12 November 2012 it transferred to the HF an allocation intended for the financial instrument in the amount of CZK 609,869,489. On 31 October 2013, and Agreement on the administration of funds was signed between the HF SHDF and Komerční Banka, which won the procurement procedure and has become the Urban Development Fund, providing subsidised loans from JESSICA.

**Loans provided**

As of 31 December 2014, a total of 103 loan contracts were concluded with applicants worth in excess of CZK 360 million, which was equivalent to more than half of the allocation for the JESSICA FI. Due to additional applications received, which exceeded the total value of the allocation, Komerční Banka suspended the submission of applications for subsidised loans from JESSICA FI at the end of the year. It estimates that the total allocation will be distributed to all the applicants' accounts no later than in April 2015.

**Monitoring and audits**

Over the past year, the MA IOP received from the HF SHDF four monitoring reports including the status of the investment portfolio and the management of the funds provided. On the basis of these reports, the MA IOP has prepared risk analyses, which always came to the conclusion that the project is implemented in accordance with the rules.

From April 2014, the MA IOP carried out an evaluation of JESSICA FI, which culminated on 14 October 2014 by releasing the final report along with action plans and timetables for the implementation of remedial measures.

Of the 103 projects, the HF SHDF carried out in accordance with the management and control system a total of 28 ex-ante and 8 ex-post controls and found no serious deficiencies.

The MA IOP in cooperation with the SHDF is preparing a procedure to re-allocate the JESSICA FI allocation.

### 2.6.3 Integrated Urban Development Plans

**Evaluation criteria for IDP project selection**

The system for project selection is guaranteed by the IDP Steering Committee; it is regulated under IDP document, chapter "Project selection method" and is included in the call for applications announced by the city. The obligation to select IDP projects in a transparent, fair and non-discriminatory manner in accordance with the IDP rules is stipulated in the Agreement on the implementation of IDP. Other obligations of the city towards the MA IOP include compliance with the conditions of calls announced by the MA IOP in Intervention Area 5.2, publish the system of project selection, send documents on the selection of projects before the announcement of the call and the evaluation results of projects with all relevant documents.

Applicants submit projects recommended by the city to the CRD, which performs standard check of acceptance, formal elements, risk analysis and potentially on-the-spot ex-ante control.

**Current state of IDP implementation**

The call for IDPs was announced on 6 August 2008 and closed on 31 December 2008. Of the 62 cities that met the condition concerning the population limit, the application for approval of the IDP was submitted by 41 cities.

Of the IDPs submitted, 6 cities signed up to the pilot project and 13 cities included the solution of socially excluded Roma communities[[11]](#footnote-11). In 2014, this situation has not changed.

Since 2009, IDPs have been implemented in 41 cities: Bohumín, Brno, Břeclav, České Budějovice, Český Těšín, Děčín, Frýdek-Místek, Havířov, Hodonín, Hradec Králové, Cheb, Chomutov, Chrudim, Jablonec nad Nisou, Jirkov, Karlovy Vary, Karviná, Kladno, Kopřivnice, Kroměříž, Liberec, Litvínov, Mladá Boleslav, Most, Náchod, Nový Jičín, Olomouc, Opava, Orlová, Ostrava, Pardubice, Písek, Přerov, Příbram, Strakonice, Tábor, Třebíč, Uherské Hradiště, Ústí nad Labem, Vsetín and Znojmo. The cities of Ostrava, Orlová, Přerov, Brno, Kladno and Most applied for the implementation of the pilot project.

Table 30 - Data from concluded Agreements on the implementation of IDP

| **Data from concluded Agreements on the implementation of IDP** | **Total** |
| --- | --- |
| IDP sources, total (CZK) | CZK 9,607,000,000 |
| Total eligible expenditure – revitalization of public spaces (CZK) | CZK 4,164,000,000 |
| Total eligible expenditure – regeneration of residential buildings (CZK) | CZK 5,442,000,000 |
| ERDF revitalization of public spaces (CZK) | CZK 3,530,000,000 |
| ERDF Regeneration of residential buildings (CZK) | CZK 1,932,000,000 |
| Revitalized area (m2) | 4,152,989 m2 |
| Number of regenerated apartments (number) | 23,266 |
| Energy consumption saved (%) | 21 % |
| Activity of revitalization of public spaces (%) | 43 % |
| Activity of regeneration of residential buildings (%) | 53 % |

*Source: Internal analyses of MA IOP*

The IDPs have been implemented since July 2009. The MA IOP decided to terminate the issuing of Grant Decisions in activity 5.2(b) Regeneration of residential houses as of 31 December 2013. In collaboration with regional offices of the Centre for Regional Development of the MA IOP, the demand for support for the regeneration of residential buildings was satisfied. From the beginning of 2014 it has been possible to ask for support in the activity of revitalization of public spaces. During 2014, the MA IOP addressed the redistribution of the remaining allocation among the cities with the absorption capacity to take up as much of the allocated funds as possible. Also, the deadline for the completion of project implementation was postponed from the original date of 30 June 2015 to 30 November 2015. In December 2014, the MA IOP decided to terminate the continuous call for applications in activity 5.2(a) as of 15 July 2015. The date was chosen based on a survey among IDP cities so that all cities can implement their project plans.

From January 2014, the Urban Development Funds allowed the interested owners of apartment buildings in IDP areas to apply for a subsidised loan from the JESSICA financial instrument for the regeneration of residential buildings.

Table 31 - Status of IDP implementation in 2014

| **Name of applicant** | **Approved IOP grant** | **Submitted projects** | **Take-up at the end of 2012** | **Take-up at the end of 2013** | **Take-up at the end of 2014** |
| --- | --- | --- | --- | --- | --- |
| **(ERDF)** | **(ERDF)** |
| **EUR** | **EUR** | **(%)** | **(%)** | **(%)** |
| Bohumín | 3,257,030 | 3,613,537 | 65.60 | 83.96 | 74.33 |
| Brno | 4,925,263 | 5,159,871 | 57.29 | 58.12 | 58.65 |
| Břeclav | 2,090,289 | 2,140,087 | 54.18 | 54.22 | 87.69 |
| České Budějovice | 6,849,922 | 7,996,523 | 64.01 | 64.05 | 82.83 |
| Český Těšín | 3,956,535 | 3,958,683 | 76.36 | 78.50 | 95.07 |
| Děčín | 2,948,794 | 3,183,393 | 32.04 | 36.70 | 64.08 |
| Frýdek-Místek | 6,138,173 | 6,763,786 | 66.06 | 66.11 | 69.70 |
| Havířov | 6,909,677 | 6,983,610 | 81.41 | 65.38 | 82.81 |
| Hodonín | 3,449,189 | 2,875,759 | 64.18 | 64.22 | 70.00 |
| Hradec Králové | 4,410,418 | 5,235,256 | 51.93 | 54.05 | 82.59 |
| Cheb | 2,600,750 | 2,781,108 | 26.06 | 33.44 | 64.53 |
| Chomutov | 7,341,464 | 6,296,295 | 53.99 | 54.63 | 62.57 |
| Chrudim | 3,772,944 | 3,795,600 | 67.36 | 72.18 | 75.54 |
| Jablonec nad Nisou | 4,393,360 | 4,537,039 | 51.88 | 57.79 | 64.51 |
| Jirkov | 4,561,885 | 3,921,113 | 89.45 | 94.83 | 81.21 |
| Karlovy Vary | 4,539,585 | 2,774,644 | 53.80 | 57.08 | 58.97 |
| Karviná | 5,750,823 | 5,379,101 | 65.61 | 71.17 | 85.88 |
| Kladno | 5,660,028 | 5,861,297 | 72.95 | 73.00 | 95.60 |
| Kopřivnice | 3,799,948 | 3,807,617 | 60.80 | 60.84 | 81.06 |
| Kroměříž | 3,972,531 | 4,856,884 | 72.96 | 77.38 | 86.52 |
| Liberec | 8,057,591 | 6,030,708 | 58.16 | 67.01 | 63.13 |
| Litvínov | 4,262,583 | 3,221,231 | 68.98 | 75.10 | 74.76 |
| Mladá Boleslav | 6,301,013 | 7,491,720 | 78.07 | 79.61 | 78.58 |
| Most | 4,954,049 | 4,547,438 | 56.05 | 58.98 | 74.00 |
| Náchod | 3,750,977 | 4,623,650 | 55.78 | 66.09 | 82.30 |
| Nový Jičín | 3,507,776 | 4,230,191 | 83.43 | 86.53 | 91.92 |
| Olomouc | 6,419,918 | 6,199,053 | 62.53 | 65.81 | 83.76 |
| Opava | 6,440,187 | 6,457,100 | 79.11 | 79.75 | 87.17 |
| Orlová | 3,197,484 | 2,549,023 | 61.03 | 61.08 | 71.42 |
| Ostrava | 5,290,560 | 5,872,676 | 39.00 | 60.71 | 82.36 |
| Pardubice | 6,792,570 | 5,735,901 | 56.53 | 61.22 | 70.26 |
| Písek | 3,381,371 | 3,428,595 | 44.03 | 45.42 | 63.44 |
| Přerov | 3,315,901 | 2,848,873 | 51.04 | 59.91 | 68.94 |
| Příbram | 6,385,946 | 5,958,173 | 66.89 | 75.10 | 69.82 |
| Strakonice | 5,331,992 | 4,070,995 | 65.64 | 78.56 | 68.55 |
| Tábor | 3,948,030 | 5,435,093 | 70.25 | 70.30 | 90.96 |
| Třebíč | 3,902,239 | 3,639,866 | 69.45 | 76.04 | 86.71 |
| Uherské Hradiště | 3,508,529 | 3,732,695 | 63.36 | 68.94 | 89.42 |
| Ústí nad Labem | 2,761,112 | 2,761,160 | 41.93 | 41.96 | 99.38 |
| Vsetín | 4,938,967 | 5,623,644 | 55.50 | 69.55 | 78.23 |
| Znojmo | 3,065,410 | 2,476,489 | 43.44 | 43.47 | 56.92 |
| **Total** | **190,842,813** | **188,855,476** | **61.55** | **65.27** | **76.54** |

*Source: IS Monit7+ as of 31 December 2014*

**Status of implementation of pilot projects**

Calls for projects are published in all six cities. As of 31 December, 2014 Activity 5.2(c) registers 70 submitted projects. A total of 17 projects were supported in the activity Revitalization of public spaces worth about CZK 74 million, with 53 projects supported in activity Regeneration of residential buildings, worth about CZK 296 million (ERDF+SB) in socially excluded localities with Roma population.

The MA IOP has not identified any significant complications in the implementation of pilot projects and the achievement of the objectives of pilot projects is not at risk. Currently, the majority of projects have been completed and implementation of last projects in socially excluded Roma localities is being completed. With regard to the place of implementation of investment projects (socially excluded localities), the MA IOP has been consistently encouraging the applicants to ensure sustainability   
of projects.

Investment projects are often linked to social inclusion projects, funded mostly by the OP HRE in Intervention Area 3.2 Support for social integration of the residents of Roma communities,   
5.1 International cooperation (exchange of experience in social inclusion) and IOP Intervention Area 3.1b). Also funded are projects from the Operational Programme Education for Competitiveness, which fall within the Intervention Area 1.2 Equal opportunities for children and pupils.

## 2.7 Measures to monitor and evaluate the programme

### 2.7.1 Programme monitoring

In 2014, there were no significant modifications of the monitoring system. The MA IOP focused on the prediction of take-up for the fulfilment of the n+2 rule. In the working group for financial management, the MA IB addressed the progress towards the predictions of the submitted payment applications and summary payment applications, delayed payment applications, delays in project schedules, the state procurement procedures and their impact on take-up outlook.

The MA IOP monthly monitored the take-up predictions in terms of the fulfilment of the n+2 rule. Based on experience from previous years, the MA IOP reflected in the predictions the estimated volume of savings from ineligible expenditure and procurement procedures, and the rate   
of implementation predictions based on project schedules. The MA IOP also monitored the progress   
of towards the predictions of take-up in 2014 with an impact on the full take-up of the allocation in 2015.

As instructed by the NCA, in 2014 the management information system over the data warehouse with data source from IS MSC2007 began to be used as a data source for the Annual Reports and Implementation Reports.

### 2.7.2 Programme evaluation

In 2014, the IOP MA carried out two external and three internal evaluations according to the 2014 Evaluation Plan, which was approved at the 12th meeting of the Monitoring Committee on 26 November 2013. One evaluation of the MoH IB continued to be implemented.

Furthermore, beyond the IOP 2014 Evaluation Plan, an ex-ante assessment of the use of financial instruments in the IROP was launched.

Concerning the implemented internal evaluations, the MA prepared Action Pans for the implementation of remedial measures, which form Annex 3 to the 2014 Annual Report. During 2014, the implementation of remedial measures from Action Plans on evaluations completed in 2013 continued.

Evaluation outputs are available at <http://www.strukturalni-fondy.cz/cs/Microsites/Integrovany-OP/Dokumenty>.

***Evaluation of the Managing Authority***

**Ex-ante evaluation of the IROP for the programming period 2014–2020**

The ex-ante evaluation is based on Article 48 of the CPR; its implementation falls within the responsibility of the body responsible for the preparation of the programme. The ex-ante evaluation is submitted to the Commission together with the Programme and the summary. The evaluation is carried out by experts functionally independent of the managing authority or author of the draft programme.

Implementation time (period): October 2013 – June 2014

Type: external

Financial scope: CZK 290,000 excl. VAT

Author: Deloitte Advisory s.r.o.

The outcome is the final report, published on the website <https://www.strukturalni-fondy.cz/cs/Microsites/IROP/Dokumenty> under Documents for download.

**A brief summary of conclusions**

Evaluation was carried out on the basis of the programming document as updated on 2 May 2014, including its annexes, using evaluation fields defined in the contract specification. These areas cover the desired areas of ​​interest, as specified in Article 55 of the General Regulation (adopted on 17 December 2013).

In the opinion of the evaluator, main problem areas requiring special attention include particularly Chapter 3 of the Programming Document addressing the funding and distribution of the allocation, Chapter 4 regarding integrated tools and territorial development and Chapter 7 dealing with implementation and administrative structure.

The ex-ante evaluator considers the IROP Programming Document to be very well prepared, with adequate involvement of partners. For its completion in a form that will be in accordance with the conditions for ESI funds and will also be suitably prepared for the implementation phase, the evaluator considers as essential the focus on the following priority actions:

1. operationalization of the territorial dimension rules;
2. resolving the setting of the indicator system values;
3. ensuring clear rules within the implementation structure;
4. preparation for connection to the MS2014+ and implementing the e-cohesion principles;
5. resolving administrative and absorption capacity.

**Assessment of the impact of 2014–2020 IROP on the environment**

Preparing the programme's EIA and its impact on public health and on NATURA 2000 is based on Article 48(4) of the draft CPR and Act no. 100/2001 Sb., on assessment of environmental impacts, as amended, which transposes into the Czech law the Directive No 2001/42/EC of the European Parliament and of the Council of 27 June 2001.

Implementation time (period): October 2013 – May 2014

Type: external

Financial scope: CZK 300,000 excl. VAT

Author: Integra Consulting s.r.o.

**A brief summary of conclusions**

Environmental impact assessment has been carried out in accordance with the EIA Act and prepared within the scope of Annex 9 to this Act. The assessment of IROP included evaluation pursuant to Section 45i of Act no. 114/1992 Sb., on nature and landscape protection, as amended, in terms of impacts on sites of Community importance and important bird areas and their conservation status from these aspects pursuant to Section 45h of Act no. 114/1992 Sb., on nature and landscape protection, as amended.

Partial results of the assessment of IROP's impact on the environment and public health show that the strategy subject to assessment has the potential to positively influence the environment and also includes specific objectives, the fulfilment of which is associated with the risk of a negative impact on the environment. As part of the evaluation, identified risks included those with negative impact on the environment, especially in measures related to the development of transport infrastructure and the use of renewable energy sources.

On the basis of the assessment, the Ministry of Environment issued a favourable opinion on the draft concept of IROP, which is published at <https://www.strukturalnifondy.cz/cs/Microsites/IROP/Dokumenty> under Documents for download.

Analysis of the state of IOP as of 31 December 2013, absorption capacity of the programme and prediction of compliance with n+2 rule

The MA and IBs prepare absorption capacity analyses in a manner corresponding to the remaining funds and stage of the programming cycle. The analysis of the Integrated Operational Programme was prepared at the beginning of the new year on the basis of data in the information system Monit7+ IOP as at 31 December 2013 and on the basis of information and experience of the MA and IB IOP. The summary analysis had to be prepared by 15 February 2014.

Output: Final Report

Prepared as: internal

Time frame: January 2014 – February 2014

Author: Managing Authority of the IOP

**A brief summary of conclusions**

The aim of the analysis was to provide comprehensive information on the status of IOP, outlook   
for the fulfilment of the allocation, which must be certified in 2014, and summarize the performance of the programme in terms of absorption capacity.

To achieve maximum take-up of the allocation in 2015, the MA IOP adopted the following recommendations and measures for individual Intervention Areas:

* urgently announce new calls and administer the projects to launch their implementation   
  as soon as possible,
* increase the allocation of calls to include the remaining funds
* over-commit certain Intervention Areas,
* use pipeline projects and launch their implementation as soon as possible,
* use 10% flexibility between the allocations at Priority Axis level,
* simplify and streamline the implementation system, especially in relation to applicants and beneficiaries,
* provide intensive counselling assistance to applicants and beneficiaries,
* share good and bad practice,

communicate with beneficiaries on requirements and deadlines for submission of reports, project accounting and other obligations arising from the terms of the programme, which often lead to unnecessary mistakes and penalties. The MA IOP has analysed existing savings arising especially in public procurement and in the detection of ineligible expenditure. The MA IOP has reflected the savings in the free financial allocation. The estimated savings in projects amount to CZK 2.49 billion of the EU share. This means that with the current trend in savings and approval of projects at 100% of the allocation, the programme would fail to take-up CZK 2.49 billion. This implies that, with a certain simplification, it is necessary to select and approve projects with a total volume of CZK 2.49 billion more than the programme allocation.

**Evaluation of the implementation of the JESSICA financial instrument with regard to its usefulness in the programming period 2014–2020**

The decision on this evaluation was made at the 11th meeting of the IOP Monitoring Committee on 6 June 2013. The aim is to evaluate the additional inclusion of the JESSICA financial instrument in the implementation of the Integrated Operational Programme, to assess the implementation structure of the financial instrument and the suitability of the supported activities.

Prepared as: internal

Time frame: April 2014 – October 2014

Author: MA IOP

**A brief summary of conclusions**

The pilot implementation of the JESSICA FI in IOP can be considered successful and the current state of take-up, supported by interest among potential applicants in the product, indicates that by the end   
of 2015 the entire allocated amount will be taken up. Compared to other products, this is currently the most advantageous financing instrument that owners of apartment buildings in deprived areas can use. JESSICA FI offers loan products at a very favourable rate in the market, long repayment period and stable conditions over the whole period.

The analysis of processes and administration indicated that all activities are carried out without serious problems. The initial delays in setting processes were due to inexperience with, and lack   
of methodology for, FI implementation.

The delay at the beginning of the implementation was mainly caused by the repeated procurement procedure for the Urban Development Fund Manager (UDFM). The reason for the repetition was complicated set up of the conditions in the tender documents.

Potential applicants found that in particular the unclear definition of conditions and setting a high degree of responsibility for default on the loans is problematic.

During implementation there is no major duplication of activities carried out by entities involved in the implementation structure of JESSICA FI. The investigation showed the risk of a breach of contract in case of payment of individual tranches for individual approved investments. According to the contract, tranches should be paid within 10 days from the payment application. If HF finds that the UDFM failed to comply with the procedures and criteria for project selection, the Administrator cannot pay the tranche and the MA must decide on further course of action. There is a risk of delay in the payment of the tranche and the failure to meet the deadline of 10 days from the payment request. This risk has been addressed by the measures taken. At the level of some processes, space for simplification and streamlining of administrative procedures has been identified (mutual communication and coordination, monitoring and presenting documentation).

For the programming period 2014+, it is therefore appropriate to continue financing through FI, since it is an important tool in terms of return on public funds and in terms of the lowest distortion of the market environment in terms of the banking market and the market in sectors where the subsidies are directed.

Based on the analysis and risk assessment, at the level of individual processes there were no risks with a high degree of significance that would have a negative impact on the efficiency of the implemented processes and that could adversely affect the achievement of the JESSICA FI objectives.

**Analysis of administrative capacities and outsourcing in the implementation structure of IOP 2014**

The aim of the analysis is to determine the total cost of managing the programme during the period 7/2013 - 6/2014 and compare them with the costs in previous periods. Use the comparison of the performance and financial costs to identify risks and propose recommendations to increase efficiency and economy.

Implementation time (period): July – October 2014

Type of evaluation: internal

Author: MA IOP in cooperation with IBs

**A brief summary of conclusions**

Total expenditure of the IOP implementation structure compared with the previous period increased slightly (by about CZK 8 million). The largest share of the total costs of IOP implementation consists of payroll expenses, which are growing. Their share in both half-years reached 90% of total expenditure. During the reference period the total expenditure on services decreased by one percentage point (from 9% in H2 2013 to 8% in H1 2014).

The various entities report very different shares of expenditure on staff training. Total expenditure on training during the first half of 2014 increased (from 1% to 2%), primarily in the MA (from 0.7% to 2.8%). Although part of the expenditure in MoLSA has decreased since H2 2013 from 6.3% to 4.9% of total expenditure, the MoLSA spent on staff training the highest share of its funds within the implementation structure. The lowest share of expenditure on training from technical assistance funds was spent in the reference period by the CRD (approximately 0.6%).

As of 30 June 2014, the total number of FTEs implementing the IOP and contracts to perform work / contracts to complete a job increased from 198.51 (data as at 30 June 2013) to 200.26.

Therefore, the implementation of IOP involves 21 FTEs more than was planned when the programme was approved. The Managing Authority has more than twice the number of permanent employees than planned in the preparation of the Programming Document. The reason is the difficult management   
of the system having four IBs and a number of activities that the MA IOP performs as the grant provider after taking over some responsibilities from the IBs. Another reason for the increase in the number of permanent MA employees is the preparation of the programming period 2014+. The overall turnover rate during the reporting period fell by nearly 4 percentage points (from 14.81% to 10.99%). The highest turnover rate is observed in IB MoI (24%), followed by MoLSA (over 14%), and the MA (approximately 13%). As of 30 June 2014, the lowest turnover was reported at CRD (approximately 4.6%) and the Ministry of Health (approximately 8.3%).

The comparison of half-year costs related to the number of submitted projects, approved projects and approved payment applications shows big differences between IBs in the cost of performance   
of the administration. In the reporting period, the financial costs of one submitted project ranged from CZK 101.4 thousand (CRD) to CZK 5.2 million (MoLSA); the cost of one approved project ranged from CZK 109.7 thousand (CRD) to CZK 3.4 million (MoI); the cost of one approved payment request ranged from CZK 66.3 thousand (CRD) to CZK 292.3 thousand (MoH). The highest number of projects per one FTE is at the CRD (7.22 projects under implementation and 5.11 projects under administration). The lowest number of projects per one FTE is at the MoLSA (2.19 projects under implementation and 0.06 projects under administration). Compared with the previous reporting period, the number of projects per one FTE decreased significantly. The main reason for this decrease in the number of projects is the completion of calls at the end of the programming period.

The total annual costs of IOP amounted to CZK 132.8 million in 2011, CZK 118.8 million in 2012, and CZK 120.2 million in 2013. In H1 2014, the costs of IOP reached CZK 61.5 million.

**Preliminary assessment of the use of financial instruments in IROP**

The preliminary assessment aims to objectively assess the possibilities of application and implementation of non-subsidy forms of support through financial instruments.

Implementation time (period): September 2014 – February 2015

Type: external

Financial scope: CZK 790,000 excl. VAT

Author: Deloitte Advisory s.r.o.

In November 2014, a procurement procedure selected the contractor for the evaluation, the Input project report was delivered and the first meeting of the opponent group was held.

**Evaluations and studies of intermediate bodies**

Audit of implementation of projects under 4th, 5th and 8th Call, Intervention Area 3.2 IOP

In 2011, the Ministry of Health of the Czech Republic prepared a technical assistance project 6.1 – Audits under 4th, 5th and 8th Call of the Ministry of Health, which was approved by the TA IOP selection committee for implementation. The evaluation follows up on the Audit of implementation of projects under 1st Call, Intervention Area 3.2 of the Integrated Operational Programme, conducted in early 2011. The audit aims to control and evaluate procurement procedures of all grant projects under 4th, 5th and 8th Call in Intervention Area 3.2 IOP. On its basis, the contractor will analyse the effectiveness of procurement procedures, especially in terms of achievement of prices usual at a given place and time. The aim is also to assess the administrative processes and procedures of the Department of European funds in project administration, and verification of compliance with the set procedures by Department staff.

Implementation was divided into three parts, which take place according to project completion deadlines in individual Calls. Currently, part 1 of the Audit of implementation of projects under 4th Call in Intervention Area 3.2 IOP has been completed. Part 2 of the Audit of implementation of projects under 5th Call in Intervention Area 3.2 IOP is being prepared.

Expected date: October 2013 - November 2015

Part 1 of the Audit of implementation of projects under 4th Call in Intervention Area 3.2 IOP.

Contract price: CZK 154,880 incl. VAT

Part 2 of the Audit of implementation of projects under 5th Call in Intervention Area 3.2 IOP.

Contract price: CZK 690,184 incl. VAT

Part 3 of the Audit of implementation of projects under 8th Call in Intervention Area 3.2 IOP.

Contract price: CZK 929,522 incl. VAT

Although the contract is called an audit, it may also be considered an evaluation which will lead to an evaluation of the implementation system of the IB in project administration and especially recommendations for its change – especially adjustments to the Operational Manual if the IB GG MoH, modification of specific work practices of the Department of European funds, suggestions for improvement in communication and information sharing. The outcomes will also include recommendations for the implementation of contracts in the Czech healthcare.

**Evaluation of Intervention Area 3.2 with a view to achieving the defined goals and experience with implementation of support within the Czech healthcare system**

In 2014, the Ministry of Health of the Czech Republic will evaluate the current and anticipated progress towards goals in Intervention Area 3.2 based on projects implemented in the context   
of contemporary social and economic development and in particular the expected state of the Czech healthcare system. Emphasis will be primarily placed on progress towards the global objective: "Ensure the availability and quality of standardized health care, including the development of an effective system of health risk prevention and modernization of quality and cost-effectiveness management processes in the system of providing public health services."

Given the state of implementation of the Intervention Area, the evaluation outputs will be used primarily as a base analysis to prepare the programming period for economic, social and territorial cohesion policy of the EU in 2014–2020.

Prepared as: internal and external

Time frame: December 2014 – May 2015

Financial scope: to be determined based on specific assignment

Guarantor: Ministry of Health

 As of 31 December 2014, documents for draft evaluation questions have been prepared.

### 2.7.3 Additional information related to monitoring and evaluation of programme

**Participation in the Working Group for NCA evaluation**

The IOP evaluation coordinator attends meetings of the Working Group for NCA evaluation, which took place twice in the reference period (on 25 April 2014 and on 21 October 2014).

At the April meeting, the WG members were informed about the progress towards the NSRF evaluation plan and were presented with information on evaluation activities undertaken at the level   
of MoRD-NCA. The WG members were also informed about the ongoing work on the questionnaire on meta-evaluation so that implementation of pilot verification of evaluation of the quality   
of evaluation outputs and the current status of the evaluation library can start this year.

At the October meeting, the WG members were presented with the updated NSRF evaluation plan, especially with regard to the implementation of the plan in 2014 and planned activities for 2015. The presentation included current information on progress of ex-ante evaluation of the Partnership Agreement and SEA evaluation of the Partnership Agreement. The Working Group members were informed about the current status of ex-post evaluation of the 2007–2013 period carried out by the EC. The Working Group members were also informed about the current status of the evaluation library – currently, the library is filled with evaluations of MoRD-NCA and MA. The presentation also included a draft Evaluation Plan of the Partnership Agreement 2014–2020, evaluation capacities at individual and MAs and strategies of upcoming training aimed to prepare evaluators at the GD and programme level to produce quality evaluation plans.

### 2.7.4 Evaluation training

On 10 June 2014, the IOP evaluation coordinator attended the Conference of the Czech evaluation society, which focused on the quality of evaluations and evaluation standards in the Czech Republic.

Also, the evaluation coordinator attended a series of evaluations trainings, whose aim was to prepare evaluators to produce quality evaluation plans:

* Social-scientific minimum for evaluators (11 November and 12 November)
* Inventory of methods of result evaluations focusing on the preparation of evaluation plans and evaluation designs (24 November and 3 December)
* Workshop on the creation of evaluation designs (10 December)

## 2.8 Potential national performance reserve

This chapter is not relevant in the reference period.

# 3 PROGRAMME IMPLEMENTATION BY PRIORITY AXES

# 3.1 Priority Axis 1a and 1b – Modernising public administration

The aim of the Priority Axes 1a and 1b is to achieve faster and more reliable delivery of government services to the public and the implementation of e-government to allow citizens and businesses to communicate quickly and easily with State administration bodies. Due to interventions, authorities will have greater capacity to deal directly with citizens, thus increasing the comfort of citizens in contact with them.

The Priority Axis covers the Convergence objective (1a) and the Regional Competitiveness and Employment objective (1b).

### 3.1.1 Progress and its analysis

**3.1.1. A – Information on physical and financial progress**

**Priority axis implementation**

Calls

A total of 40 project applications were submitted under Call no. 17 and their requested funds significantly exceeded the Call's allocation of CZK 650 million, ERDF (applications totalling more than CZK 2 billion, ERDF). During October 2014, in cooperation with the MA IOP, the initial allocation of the Call was increased by CZK 844,056,081 (ERDF) to a total of CZK 1,494,056,081 (ERDF). The excess of projects can be attributed to an intensive campaign at the time the Call was under preparation, conducting a survey of absorption capacity during announcement and, in particular, the increased interest of applicants given the end of the programming period.

During the assessment of project applications (from July to October 2014 there were five meetings   
of the selection committee) 22 projects were recommended for support in Call no. 17 with a total financial volume exceeding even the increased Call allocation.

Table 32 - Overview of announced and ongoing calls in PA 1a and 1b in 2014

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order no.** | **Call no.** | **Submission of project applications** | | **Type of Call** | **Priority Axis / Support Area number** | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
| **Starting date of project application receipt** | **Call deadline** | **EUR** | **number** | **EUR** | **number** | **EUR** |
| 70 | 17 | 16. 4. 2014 | 6 June 2014 | continuous | 1.1(a) | 53,882,576 | 40 | 69,447,820 | 14 | 34,309,451 |
| 1.1(b) | 0 | 5,342,140 | 0 | 2,639,189 |
| Total CONV |  |  |  |  |  | 53,882,576 | 40 | 69,447,820 | 14 | 34,309,451 |
| Total RCE |  |  |  |  |  | 0 | 0 | 5,342,140 | 0 | 2,639,189 |
| **Total PA 1** | |  |  |  |  | **53,882,576** | **40** | **74,789,960** | **14** | **36,948,640** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share*

Note: Given the multiple objectives of Priority Axes, the number of applications and projects covered by a Decision/Agreement is provided only in Support Areas related to the Convergence objective (a). In Support Areas that fall under the Regional Competitiveness and Employment (b), the number is zero.

Indicators

In Calls of the MoI, the data on progress towards indicators are provided as of project completion deadline. The value achieved is the average of the values ​​which the beneficiaries provided to have reached in the final monitoring reports. The planned target indicator values are not changed throughout the project, with some exceptions. The values ​​achieved with share indicators vary depending on the number of completed projects and their reported target values.

**Indicator 150109 – Share of registries connected to the central registry**

The value achieved as of 31 December 2014 is 96.52 %. Concerning this MI, the commitment under approved projects increased because of new projects in Call 17 where the beneficiaries chose this indicator. The share of the value achieved as of 31 December 2014 increased because it is a share indicator and projects with a high share of connection were completed. After completion of the remaining projects, the share will drop to the commitment level. The value planned in IOP Programming Document is 75%. In Intervention Area 1.1, the indicator is reported by a total of 14 projects.

**Indicator 150110 – Share of central administration bodies using shared public administration communication infrastructure (PACI)**

The value achieved as of 31 December 2014 is 88.8%, which was reported by 14 completed projects. The value achieved as of 31 December 2014 decreased because it is a share indicator and projects with a low share were completed. After the completion of the remaining projects, the share will increase to the commitment level.

The value planned in IOP Programming Document is 80 %. This indicator is reported by a total of 17 projects.

**Indicator 150111 – Share of ministerial and agenda-related portals connected to the Public Administration Portal**

The value achieved as of 31 December 2014 is 78.16%, based on the values ​​provided by 5 completed projects. The value planned in IOP Programming Document is 75%. In the Intervention Area 1.1, the indicator is achieved by 5 beneficiary central state administration bodies. The values ​​of the MI are final; all projects that have chosen the MI have been completed.

**Indicator 150112 – Share of digitized documents**

The value achieved as of 31 December 2014 is 23.35%, which was reported by 6 completed projects. The value planned in IOP Programming Document is 20 %. There has been an increase in the commitment of the approved projects because the MI was chosen by new projects in Call 17. Compared to 2013, there has been a decrease in the value achieved, because it is a share indicator and projects with a low share were completed. After the completion of the remaining projects, the share will increase to the commitment level. In the Intervention Area 1.1, the indicator was reported by 11 beneficiary central state administration bodies.

**Indicator 150113 – Share of authorities with electronic filing services and electronically controlled circulation of documents**

The value achieved as of 31 December 2014 is 100%. The value planned in IOP Programming Document is 100 %. After conversion, the MI has the specified value, which is final.

**Indicator 152105 – Reduction in administrative burden on citizens, businesses and public sector**

The value achieved as of 31 December 2014 is 75 %. The value planned in IOP Programming Document is 75%. After conversion, the MI has the specified value, which is final.

Table 33 - Output indicators in PO 1

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| 150108 | Increase in new fully computerised public administration agendas, EU methodology | Number | Eurostat | Achieved | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | N/A | 0 |
| Baseline | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | N/A | 6 |
| Planned | N/A | | | | | | | | 15 | 15 |
| 150106 | Number of established basic public administration registers | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 2 | 5 | 5 | N/A | 5 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 5 | N/A | 0 |
| Planned | N/A | | | | | | | | 4 | 4 |
| 150109 | Share of registries connected to the central registry | % | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 14.3 | 11.63 | 96.52 | N/A | 96.52 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 14.30 | 11.63 | N/A | 0 |
| Planned | N/A | | | | | | | | 75 | 75 |
| 150110 | Share of central administration bodies using shared public administration communication infrastructure (PACI) | % | MA IOP | Achieved | 0 | 0 | 10 | 64.21 | 28.00 | 13.90 | 25.78 | 88.80 | N/A | 88.8 |
| Baseline | 0 | 0 | 0 | 10.00 | 64.21 | 28.00 | 13.90 | 25.78 | N/A | 0 |
| Planned | N/A | | | | | | | | 80 | 80 |
| 150111 | Share of ministerial and agenda-related portals connected to the Public Administration Portal | % | MA IOP | Achieved | 19 | 19 | 34.5 | 23.38 | 34.50 | 37.70 | 75.00 | 78.16 | N/A | 78.16 |
| Baseline | 19 | 19 | 19 | 34.5 | 23.38 | 34.5 | 37.7 | 75.00 | N/A | 19 |
| Planned | N/A | | | | | | | | 75 | 75 |
| 150112 | Share of digitized documents | % | MA IOP | Achieved | 0 | 0 | 0 | 2.26 | 1.57 | 16 | 48.67 | 23.35 | N/A | 23.35 |
| Baseline | 0 | 0 | 0 | N/A | 2.26 | 1.57 | 16 | 48.67 | N/A | 0 |
| Planned | N/A | | | | | | | | 20 | 20 |
| 150113 | Share of authorities with electronic filing services and electronically controlled circulation of documents | % | MA IOP | Achieved | 20 | 20 | 20 | 20 | 20 | 20 | 51 | 100 | N/A | 100 |
| Baseline | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 51 | N/A | 20 |
| Planned | N/A | | | | | | | | 100 | 100 |

*Source: MSC 2007, as of 2 March 2015*

Table 34 - Result indicators in PO 1

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| 152000 | On-line availability of e-government services | % | Eurostat | Achieved | 57.5 | 57.5 | 62.5 | 73.75 | N/A | N/A | N/A | N/A | N/A | 0 |
| Baseline | 30 | 57.5 | 57.5 | 62.5 | 73.75 | N/A | N/A | N/A | N/A | 30 |
| Planned | N/A | | | | | | | | 75 | 75 |
| 152001 | Citizens using the Internet to communicate with public administration | % | Eurostat | Achieved | 15.46 | 18.11 | 25.33 | 22.43 | 39.8 | 29.41 | 28.4 | 28.4 | N/A | 28.4 |
| Baseline | 3.3 | 15.46 | 18.11 | 25.33 | 22.43 | 39.8 | 29.41 | 28.4 | N/A | 3.3 |
| Planned | N/A | | | | | | | | 35 | 35 |
| 152105 | Reduction in administrative burden on citizens, businesses and public sector | % | MA IOP | Achieved | 100 | 100 | 100 | 100 | 95.65 | 83.5 | 92.67 | 75 | N/A | 75 |
| Baseline | 100 | 100 | 100 | 100 | 100 | 95.65 | 83.5 | 92.67 | N/A | 100 |
| Planned | N/A | | | | | | | | 75 | 75 |

*Source: MSC 2007, as of 2 March 2015*

**3.1.1. B Qualitative analysis**

**Financial progress**

During 2014, the IB MoI submitted certification requests to be included in summary payment applications totalling CZK 1,132,988,108.14 (ERDF + SB), a significant part of which was administered in October and November 2014 in advance of deadlines so that all payment applications submitted to IB MoI can be submitted by December certification. This situation was positively affected by measures consisting of project phasing to ensure maximum take-up up to the n+2 limit for the year 2014 and close co-operation of IB MoI employees with beneficiaries in the implementation   
of projects and preparation of MRs and PAs. These efforts helped to significantly reduce the expected IOP allocation loss for 2014.

Especially with regard to the outlook for 2015 and full take-up of funds, projects with delayed schedules that do not comply with take-up plans continue to pose risk. During 2014, 15 projects were withdrawn during implementation, of which four were long-term risk projects from earlier calls, particularly due to lack of time for project implementation and due to low take-up of allocated funds. Outside increased monitoring and crisis management of the remaining risk projects, Call no. 17 with increased allocation was announced and completed in the reporting period as one of the measures for the take-up of the funds remaining in IA 1.1 IOP. The approved projects entered the implementation phase and started take-up. In some Call 17 projects, problems have been indicated with the implementation of public procurement and schedule shifts that may affect the successful completion   
of project implementation and reimbursement of expenditure.

Table 35 - Financial status of PA 1a and 1b as of 31 December 2014

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 1.1a | 342,284,804 | 292,853,447 | 85.6% | 223,937,475 | 65.4% | 218,761,323 | 63.9% |
| 1.1b | 26,329,602 | 22,527,189 | 85.6% | 17,225,858 | 65.4% | 16,827,795 | 63.9% |
| **PA 1.** | **368,614,406** | **315,380,636** | **85.6%** | **241,163,333** | **65.4%** | **235,589,118** | **63.9%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share + national public sources + private expenditure*

Table 36 - Financial progress under PA 1a and 1b as of 31 December 2014

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 1.1a | 290,942,083 | 248,816,949 | 85.5% | 190,007,908 | 65.3% | 185,668,351 | 63.8% |
| 1.1b | 22,380,161 | 19,139,766 | 85.5% | 14,615,891 | 65.3% | 14,282,181 | 63.8% |
| **PA 1.** | **313,322,244** | **267,956,715** | **85.5%** | **204,623,799** | **65.3%** | **199,950,532** | **63.8%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share*

Statistics for decommissioning projects

During the reporting period, negative status was reported for 19 projects. During 2014, 15 projects were withdrawn during implementation, of which four were long-term risk projects, particularly due to lack of time remaining to implement the project. Furthermore, one project application did not meet the eligibility conditions, one application was not recommended for funding by the selection committee and two applications were withdrawn by the applicant.

As a measure to reduce the risk of withdrawal of projects during implementation due to lack of time to complete implementation (often due to long preparation and duration of PPs), Call no. 17 required the submission of complete procurement documents along with the project application. The aim is to ensure preparedness of projects for implementation.

Table 37 - Table of excluded projects in Intervention Area 1.1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area of support 1.1** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 1 | 0.71% | 1.59% | 1 |
| *N1.2 Project application failed to meet formal requirements* | 0 | 0.00% | 0.75% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 0 | 4.26% | 0.41% |  |
| *N2.1 Project failed to meet the evaluation criteria* | 6 | 0.00% | 3.07% |  |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* | 0 | 0.71% | 0.30% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 1 | 0.71% | 0.47% | 1 |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* | 1 | 17.73% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 25 | 9.93% | 3.43% | 14 |
| *N7 Project not completed/withdrawn* | 14 | 0.71% | 1.92% | 3 |
| *N8 Agreement terminated by the MA/IB* | 1 | 4.18% | 0.07% |  |
| ***Total*** | **49** | **34.75%** | **12.05%** | **19** |

*Source: IS Monit7+ as of 2 January 2015*

**Progress towards horizontal themes**

Equal opportunities

By the end of 2014, 35 projects with a positive impact on equal opportunities were approved and continue to be implemented in Priority Axes 1a and 1b.

Table 38 - Equal opportunities in Priority Axis 1

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| Number of projects **specifically focused on equal opportunities** | Number of projects | 0 |
| Number of projects **with positive impact on equal opportunities** | Number of projects | 35 |
| Number of projects **with neutral impact on equal opportunities** | Number of projects | 34 |

*Source: IS Monit7+ as of 2 January 2015*

Sustainable development

In Priority Axes 1a and 1b, 39 projects approved by the end of 2014 are environmentally neutral,   
21 projects have a positive impact on the environment, eight projects will contribute to improving air quality and 2 projects to improving awareness of the population of environmental protection.

Table 39 - Sustainable development in Priority Axis 1

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| The project mainly focuses **on the environment** | Number of projects | 0 |
| The project **has a positive impact** on the environment | Number of projects | 21 |
| The project is environmentally **neutral** | Number of projects | 39 |
| The project requires an **environmental impact assessment** | Number of projects | 0 |
| The project will contribute **to improving air quality** | Number of projects | 8 |
| The project **will** **contribute to improving water quality** | Number of projects | 0 |
| The project will use **alternative resources** | Number of projects | 0 |
| The project will **increase the area of urban vegetation** | Number of projects | 0 |
| The project will improve **the awareness of the population on environmental protection** | Number of projects | 2 |

*Source: IS Monit7+ as of 2 January 2015*

### 3.1.2 Significant problems encountered and measures taken to overcome them

**Low take-up, progress towards the n+2 limit at risk due to risk projects**

In the reporting period, schedules and take-up deadlines were postponed, which was caused by delays in procurement procedures, supply problems, frequent changes in project staffing and the related changes in strategies and opinions on how to manage projects. Therefore, funds were transferred to future periods, take-up of allocated funds was low and the progress towards the n+2 was put at risk in 2014.

**Measures taken**

In the reporting period, the IB MoI continued to intensively monitor high-risk projects and apply crisis management. The IB MoI workers and representatives of beneficiaries continued to meet within the regular monthly meetings of task-force where they exchanged the latest information about project implementation and tackled project challenges in the bud. The implementation of activities across all projects continued to be monitored through status reports and other documents submitted ad hoc. Where a risk of non-compliance with the predicted take-up and progress towards the n+2 rule was identified, a tripartite meeting attended by a representative of the MA IOP was convened. Extensive consultations with the beneficiaries were held concerning the modification of the existing phasing so as to maximise the contribution of the submitted payment applications towards the compliance with the n+2 rule in 2014.

The IB MoI has determined and is implementing measures that help to reduce the error rate in the PAs and MRs, reduce the time needed for their submission and the period of administration at the IB MoI. The measures also included consultations of the necessary requirements, content and form of MRs with applicants before the final submission to the IB MoI. The IB and the beneficiaries also agreed on the submission of procurement documentation immediately after completion of individual tasks (preparing the PD, PD before/after signing the Agreement,, concluding an amendment) to avoid unnecessary extension of the PA and MR administration due to ongoing review of PD documentation. At the same time, the beneficiaries were asked to shorten deadlines for the submission of PAs and MRs.

These measures and the fact that they worked helped to significantly reduce the expected loss for 2014.

**Submission of project applications in excess of the allocation for the Call**

A total of 40 project applications were submitted in Call no. 17, the funds requested in these applications exceeding several times the allocation for the Call. The excess of projects can be attributed to an intensive campaign at the time the Call was under preparation and, in particular, the increased interest of applicants given the end of the programming period.

**Measures taken:**

Following an agreement with the Ministry of Regional Development (MA IOP), the Ministry of Interior increased the allocation for the Call. This was done in an effort to maximise the number of implemented projects, while eliminating the risk of uncertain development of future savings and taking into account the time intensity of investment projects. The remaining available funds in Intervention Areas 1.1 can be used (according to the flexibility rule) in the other Priority Axes of the IOP, where it is still possible.

### 3.1.3 Example project

**Intervention Area:** 1.1 Development of information society in public administration

**Project name (registration number):** Implementation of a technology centre for the operation of the National Cyber ​​Security Centre, CZ.1.06/1.1.00/17.09372

**Beneficiary:** National Security Authority

**Project funding:** CZK 36,914,325 (SF contribution – CZK 29,270,597 and SB contribution – CZK 5,165,400)

On 19 October 2011, Government Resolution no. 781 established the National Security Agency (NSA) as the coordinator for cyber-security issues as well as the national authority in this area. The resolution created the National Cyber ​​Security Centre (NCSC) as part of the NSA in Prague and Brno. It will be the key partner of public administration and critical infrastructure in tackling and preventing incidents. The Centre will also involve the government NCSC. The project will primarily protect information systems of public authorities. The project addresses the acquisition, implementation and technical support for data storage solutions and server platforms for the operation of NCSC systems located in Prague and Brno. Each site consists of two independent physically separate server rooms.

## 3.2 Priority Axis 2 – Introducing ICT in territorial public administration

Priority Axis 2 focuses on the modernization of territorial public administration, mainly on creating the conditions for the application of e-Government at the local level, streamlining processes of local authorities and more efficient electronic communication between different levels of government by ensuring mutual compatibility of information systems, data connectivity and providing as much free information as possible via the Internet.

### 3.1.2 Progress and its analysis

**3.1.2. A - Information on physical and financial progress**

**Priority axis implementation**

Calls

In addition to the Full IOP take-up strategy, the allocation for Call no. 22 was increased to CZK 697 million of ERDF contribution. This increase covered all projects which could not be covered by the original allocation for the Call. A survey was conducted among the applicants whether they are interested in implement their projects in a shortened schedule. Where interest was expressed, project evaluation was immediately started.

Table 40 - Overview of announced and ongoing calls in PA 2 in 2014

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order no.** | **Call no.** | **Submission of project applications** | | **Type of Call** | **Priority Axis / Support Area number** | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
| **Starting date of project application receipt** | **Call deadline** | **EUR** | **number** | **EUR** | **number** | **EUR** |
| 69 | 22 | 14. 2. 2014 | 30. 6. 2014 | round-based | 2.1 | 25,137,046 | 215 | 25,178,335 | 110 | 13,671,644 |
| **Total PA 2** | |  |  |  |  | **25,137,046** | **215** | **25,178,335** | **110** | **13,671,644** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share*

Indicators

In most projects, the date of achievement of monitoring indicators is determined for the end of the project, extension of project completion deadlines leads to an extension of the date of achievement of monitoring indicators. Thus, the extension of achieving monitoring indicators is due only to completed projects. In 2014, Call no. 22 was announced. Projects in this Call will contribute significantly to the progress towards indicator 150114 – Number of new fully computerised public administration agendas of local self-administration.

Table 41 - Output indicators in PO 2

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| 150105 | Number of public administration contact points (Czech Point) | Number | MA IOP | Achieved | 1300 | 1300 | 4470 | 6557 | 6557 | 6557 | 6559 | 6559 | N/A | 6559 |
| Baseline | 1300 | 1300 | 1300 | 4470 | 6557 | 6557 | 6557 | 6559 | N/A | 1300 |
| Planned | N/A | | | | | | | | 6,244 | 6,244 |
| 150117 | Share of local public administration registries connected to the central registry | % | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 100 | N/A | 100 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | 0 |
| Planned | N/A | | | | | | | | 75 | 75 |
| 150115 | Share of local networks connected to PACI | % | MA IOP | Achieved | 10 | 10 | 10 | 10 | 10 | 17.5 | 27.5 | 56.24 | N/A | 56.24 |
| Baseline | 10 | 10 | 10 | 10 | 10 | 10 | 17.5 | 27.5 | N/A | 10 |
| Planned | N/A | | | | | | |  | 85 | 85 |
| 150116 | Share of regional portals integrated with the Public Administration Portal | % | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 11.1 | 60.6 | N/A | 60.6 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11.1 | N/A | 0 |
| Planned | N/A | | | | | | | | 75 | 75 |
| 150114 | Number of new fully computerised agenda of local public administration | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 1 | 17 | 53 | 73 | N/A | 73 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 1 | 17 | 53 | N/A | 0 |
| Planned | N/A | | | | | | | | 126 | 126 |
| 150112 | Share of digitized documents | % | MA IOP | Achieved | 0 | 0 | 0 | 0 | 2.13 | 0.93 | 9.11 | 24.1 | N/A | 24.1 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 2.13 | 0.93 | 9.11 | N/A | 0 |
| Planned | N/A | | | | | | | | 20 | 20 |
| 150113 | Share of authorities with electronic filing services and electronically controlled circulation of documents | % | MA IOP | Achieved | 20 | 20 | 20 | 20 | 20 | 45.27 | 52.91 | 54.03 | N/A | 54.03 |
| Baseline | 20 | 20 | 20 | 20 | 20 | 20 | 45.27 | 52.91 | N/A | 20 |
| Planned | N/A | | | | | | | | 100 | 100 |

*Source: MSC 2007, as of 2 March 2015*

Table 42 - Result indicators in PO 2

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| 152000 | On-line availability of e-Government services | % | Eurostat | Achieved | 57.5 | 57.5 | 62.5 | 73.75 | N/A | N/A | N/A | N/A | N/A | 0 |
| Baseline | 30 | 57.5 | 57.5 | 62.5 | 73.75 | N/A | N/A | N/A | N/A | 30 |
| Planned | N/A | | | | | | | | 75 | 75 |
| 152105 | Reduction in administrative burden on citizens, businesses and public sector | % | MA IOP | Achieved | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | N/A | 100 |
| Baseline | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | N/A | 100 |
| Planned | N/A | | | | | | | | 75 | 75 |

*Source: MSC 2007, as of 2 March 2015*

**3.1.2. B Qualitative analysis**

**Financial progress**

Factors affecting the financial progress in the Intervention Area especially include public procurement, which significantly delay the implementation of projects and thus the disbursement of funds.

Table 43 - Financial status of PA 2 as of 31 December 2014

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 2.1 | 174,718,668 | 183,487,309 | 105.0% | 110,426,999 | 63.2% | 110,113,061 | 63.0% |
| **PP** | **174,718,668** | **183,487,309** | **105.0%** | **110,426,999** | **63.2%** | **110,113,061** | **63.0%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share + national public sources + private expenditure*

As of 31 December 2014, approved applications totalled EUR 155 million, which represents 105% of the allocation for this Intervention Area. In 2014, 116 projects were approved under Call no. 22. The allocation was slightly over-committed to ensure full-take-up at the end of 2015 after factoring in anticipated savings from projects. Overall, expenditure reimbursed and certified over the reporting period amounted to 10 percentage points of the allocation for the Intervention Area.

Table 44 - Financial progress of PA 2 as of 31 December 2014

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 2.1 | 148,510,867 | 155,964,076 | 105.0% | 93,841,502 | 63.2% | 93,595,972 | 63.0% |
| **PA 2.** | **148,510,867** | **155,964,076** | **105.0%** | **93,841,502** | **63.2%** | **93,595,972** | **63.0%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share*

Statistics for decommissioning projects

In the reporting period, 6 projects were withdrawn. The reason was the inability to comply with the schedule due to procurement problems. There were disproportionate delays in procurement procedures and it was impossible to keep the project schedule.



Table 45 - Table of excluded projects in Intervention Area 2.1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area of support 2.1** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 49 | 0.81% | 1.59% |  |
| *N1.2 Project application failed to meet formal requirements* | 51 | 0.84% | 0.75% |  |
| *N2.3 Project not recommended for funding by the selection committee* |  | 0.00% | 0.41% |  |
| *N2.1 Project failed to meet the evaluation criteria* | 4 | 0.07% | 3.07% | 1 |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* |  | 0.00% | 0.30% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 1 | 0.02% | 0.47% |  |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* |  | 0.00% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 190 | 3.13% | 3.43% | 2 |
| *N7 Project not completed/withdrawn* | 69 | 1.14% | 1.92% | 3 |
| *N8 Agreement terminated by the MA/IB* | 1 | 0.02% | 0.07% |  |
| ***Total*** | **365** | **6.01%** | **12.05%** | **6** |

*Source: IS Monit7+ IOP as of 2 January 2014*

**Progress towards horizontal themes**

Equal opportunities

Projects approved under Priority Axis 2 by the end of 2014 include 5,293 cases of positive influence on equal opportunities (of which 5,272 are CzechPOINT type projects); the other 311 projects have neutral impact on equal opportunities.

Table 46 - Equal opportunities in Priority Axis 2

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| Number of projects **specifically focused on equal opportunities** | Number of projects | 0 |
| Number of projects **with positive impact on equal opportunities** | Number of projects | 5,293 |
| Number of projects **with neutral impact on equal opportunities** | Number of projects | 311 |

*Source: IS Monit7+ IOP as of 2 January 2015*

Sustainable development

5,471 projects approved by the end of 2013 should be environmentally neutral (of which 5,272 are CzechPOINT type projects), 17 projects have a positive impact on the environment, two projects undertook to contribute to improving air quality and two projects to improving water quality. It has been incorrectly stated that by introducing electronic communication, the projects will reduce pollution by reducing the use of paper (positive effect on water quality) and travel (positive effect on air quality). For horizontal theme "Utilising alternative sources", it has been mistakenly stated that use will be made of alternative power sources (diesel generator as an alternative power source to back up the operation of Technology Centre).

Table 47 - Sustainable development in Priority Axis 2

| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| --- | --- | --- |
| The project mainly focuses **on the environment** | Number of projects | 0 |
| The project **has a positive impact** on the environment | Number of projects | 10 |
| The project is environmentally **neutral** | Number of projects | 5282 |
| The project requires an **environmental impact assessment** | Number of projects | 0 |
| The project will contribute **to improving air quality** | Number of projects | 2 |
| The project **will** **contribute to improving water quality** | Number of projects | 3 |
| The project will use **alternative resources** | Number of projects | 2 |
| The project will **increase the area of urban vegetation** | Number of projects | 0 |
| The project will improve **the awareness of the population on environmental protection** | Number of projects | 0 |

*Source: IS Monit7+ IOP as of 2 January 2015*

### 3.2.2 Significant problems encountered and measures taken to overcome them

**Low take-up, progress towards the n+2 limit at risk due to risk projects**

Frequent changes in project schedule and procurement schedule (ESS, VIU, TC of regions – repeating or cancelling PPs), technical and technological problems in project implementation, eligibility of expenditure, transfers of funds into later stages.

**Measures taken**

The CRD holds consultations with beneficiaries concerning PPs, eligibility of expenditure, submission of PAs MRs at CRD branch offices and publishes frequently asked questions. Expert associates check for factual eligibility of expenditure and substantive changes, consult PPs with HQ, or use experts to assess the PPs.

The CRD monitors the status of submitted PDs and the status of PPS and links of eligible expenditure under the PPs on the respective project stage. CRD also identifies risk and dormant projects and monitors further progress towards remedial measures. The "Prevention" project is used for selected projects. According to the measures to maximize take-up, in 2014 the CDR set internal procedures to accelerate PA administration. The measures taken also include increasing the allocation for Call no. 22 HQ CRD has established detailed monitoring of evaluation and revision of project applications.

**Submission of project applications in excess of the allocation for the Call**

Before Call no. 22, 215 projects were submitted. The original allocation of the Call of CZK 250 million was increased to CZK 400 million before closing the Call. This allocation allowed 116 projects to cover their needs.

**Measures taken:**

In December, the MA IOP increased the allocation of the Call to a total of CZK 697 million. This step allowed all projects in the Call to meet their requirements.

### 3.2.3 Example project

**Intervention Area:** 2.1 Introducing ICT in territorial public administration

**Project name (registration number):** Digitization of the Archives of the City of Ostrava, CZ.1.06/2.1.00/09.07292

**Beneficiary:** City of Ostrava

**Project funding:** total budget of CZK 40,361,620 (SF contribution of CZK 34,307,377 and SB contribution of CZK 0)

The project concerns the digitization of archival records registered in the group of official books in volume of about 1.6 million pages, and the transfer of selected archival records to electronic form. This will eliminate the risk of physical damage and the disintegration of the paper form, which has a limited lifespan, and ensure public access to the data via a web portal. This objective will be fulfilled by creating the technical infrastructure necessary for data archiving and implementation of application environment that enables the electronic archive to be organised and selected archival records to be physically digitised.

## 3.3 Priority Axis 3 – Improving the quality and accessibility of public services

Activities of the Priority Axis 3 follow up on interventions to improve the quality and efficiency of public administration (Priority Axis 1 and Priority Axis 2). The common objective is to improve the organization, financing and evaluation of public services. Emphasis is placed on greater use of residential service provision, focus on preventive measures by standardizing quality and ensuring availability of specialized services and the promotion of individual approach to clients. The basic prerequisite for fast and efficient changes while maintaining standards in all regions is coordinated approach at national level.

Priority Axis focuses on **four Intervention Areas:**

* **3.1** – Services in the field of social integration
* **3.2** – Services in the field of public health
* **3.3** – Services in the field of employment
* **3.4** – Services in the field of security, risk prevention and management

### 3.1.3 Progress and its analysis

**3.1.3. A – Information on physical and financial progress**

**Priority axis implementation**

Calls

**In Intervention Area 3.1** no calls were announced and were ongoing in 2014.

**In Intervention Area 3.2** a total of two calls were announced in 2014. Call no. 17 was focused on Activity 3.2(c) – Management of quality and cost effectiveness of the public health system, where 8 project applications were submitted which have successfully passed the evaluation and selection process and were covered by a legal act.

The second Call was Call no. 18 focused on Activity 3.2(a) Controlled modernization and renewal of the instrumentation including technical support within the traumatology network. Under this Call, a total of 11 project applications were received which have successfully passed the evaluation and selection process. 10 of them were covered by a legal act. The last project is awaiting the legal act to be issued by the Ministry of Defence. The absorption capacity for Activity 3.2(a) shows enormous interest of applicants in all specialist national networks.

In 2014, the IA 3.2 was affected by blocking the certification process by the European Commission. This fact is reflected in the suspension of the issuance of legal acts for projects submitted under Calls no. 17 and 18 to minimize the risk of over-committing the SB (the refund from the EC would be less than the amount of committed funds). With some exceptions, legal acts were issued in late 2014, where the final audit report revealed almost no additional requirements for the budget of the Ministry of Health, thereby removing the risk of over-commitment. The final audit report demonstrated the functionality of the control mechanisms, whereby the MA and the Ministry of Health were assured of the smooth running of further implementation and take-up of grant funds.

For January 2015, the IB MoH prepared an announcement of the 19th Call focused on supporting specialized departments in comprehensive cancer centres under 10% flexibility regime for the amount of CZK 1.6 billion (ERDF share).

In **Intervention Area 3.3**, 12 project applications out of a total of 29 applications submitted have been excluded since the start of announcement of Calls. Of the 29 project applications submitted, only one project failed the acceptability check, 6 project applications were excluded due to failure to meet project evaluation. 3 projects were unfinished/withdrawn by the applicant, which amounts to 10.34% of the total number of applications. In 2014, 1 project was excluded, namely in AI 3.3(a), "LO CR Liberec – construction, purchase and renovation of the administration building".

Following the IOP Take-up Strategy, the allocation of Call no. 27 was increased **in Intervention** **Area** **3.4** to the total of CZK 415 million, ERDF contribution. After consultations with the beneficiary, the Call was set up in a way to allow an increase in the allocation in case of favourable take-up development in 2014.

Table 48 - Overview of announced and ongoing calls in PA 3 in 2014

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order no.** | **Call no.** | **Submission of project applications** | | **Type of Call** | **Priority Axis / Support Area number** | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
| **Starting date of project application receipt** | **Call deadline** | **EUR** | **number** | **EUR** | **number** | **EUR** |
| 22 | 04 | 11. 11. 2009 | 31. 12. 2014 | continuous | 3.3 | 38,818,965 | 20 | 60,742,604 | 18 | 44,373,604 |
| 66 | 21 | 10. 12. 2013 | 23. 5. 2014 | round-based | 3.4 | 19,685,877 | 15 | 18,655,501 | 15 | 18,671,283 |
| 67 | 17 | 20. 12. 2013 | 14. 3. 2014 | round-based | 3.2 | 5,049,048 | 8 | 3,919,632 | 0 |  |
| 68 | 18 | 20. 12. 2013 | 14. 2. 2014 | round-based | 3.2 | 21,190,641 | 11 | 23,996,513 | 0 |  |
| 71 | 23 | 28. 2. 2014 | 30. 6. 2014 | round-based | 3.4 | 31,917,196 | 13 | 30,652,647 | 13 | 30,387,591 |
| 74 | 26 | 30. 6. 2014 | 29. 8. 2014 | round-based | 3.4 | 33,260,603 | 1 | 32,850,103 | 1 | 32,850,103 |
| 75 | 27 | 5. 9. 2014 | 27. 2. 2015 | round-based | 3.4 | 14,978,491 | 1 | 14,825,216 | 0 |  |
| Services in the field of public health | | | | |  | 26,239,689 | 19 | 27,916,145 | 0 | 0 |
| Services in the field of employment | | | | |  | 38,818,965 | 20 | 60,742,604 | 18 | 44,373,604 |
| Prevention, security and risk management services | | | | |  | 99,842,167 | 30 | 96,983,467 | 29 | 81,908,977 |
| **Total PA 3** | | | | | | **164,900,821** | **69** | **185,642,216** | **47** | **126,282,581** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: public funds, total*

Indicators

**Intervention Area 3.1**

**Indicator** **75713** – Facilities undergoing transformation

After adjusting the Programming Document, the target value dropped from 30 to 20 facilities. The number of facilities which began transformation is 3; the MoLSA expects this indicator to be achieved.

As of 13 March 2015, MoLSA is committed under the approved projects of 19 facilities (i.e. the target value of 20 facilities for this indicator will not be achieved). Any further non-achievement of the set target value may be potentially at risk in the case of those social institutions that implement only one project in the IOP. However, the MoLSA cannot currently unequivocally confirm further progress towards the target value because the deadline for the completion of many projects in IA 3.1(a) is 30 November 2015 and there can be unexpected problems in project implementation.

The target value of **indicator 75714 – Number of supported organizations** in activity 3.1 (b) remained unchanged after the modification of the Programming Document remains at 30 facilities. As of 2 March 2015, the indicator of the number of supported organizations implementing projects aimed at the integration of Roma localities to the market is 25. In 2014, the number of supported organizations was increased by 10 newly supported organizations.

As of 2 March 2015, the achieved value of **indicator 75802** – Number of supported entities in the field of investment promotion of the social economy in relation to Activity 3.1(c) is 41 supported entities, up nine newly supported entities compared to 2013. 53 projects are committed; therefore, unless there are unexpected events, the MoLSA assumes the fulfilment of the target value of this indicator. In 2014 the MoLSA adopted substantial measures to support the beneficiaries in IA 3.1(c) and intensified work with beneficiaries through individual consultations. In this activity, a project pipeline was prepared from which MoLSA, in December 2014, reached out to all projects approved by the selection committee with a call for implementation.

In the progress towards **indicator** **75711** – Alternative social services in activity 3.1(a), the value achieved as of 2 March 2015 compared with the previous reporting period was increased by 15 alternative social services. 89 alternative social services in IA 3.1(a) are committed; therefore this indicator is expected to be exceeded.

Also concerning **indicator** **75712** – Number of new activities and social services, which is linked to Activity 3.1(b), there was a rise by 40 new social services compared to 2014. As of 31 December 2014, the value of this indicator is 92. The planned target value of indicator 142 will not be achieved based on the current status of implementation of projects in IA 3.1(b). The commitment under approved projects is currently at 129.

The target value of **indicator 75603** – Effectiveness of support in Activity 3.1(c) is at 60%; the achieved value is 73.5%, i.e. the indicator is exceeded. In 2014, based on the implementation of the Action Plan on Evaluation, monitoring indicators and objectives of the IOP were interconnected to unify the indicator of support effectiveness from 1st and 8th Calls in 3.1(c). Thus, the MoLSA ensured comparability of reported values ​​by obtaining the number of FTEs from the target group in Call no. 1 projects, whose results were previously mandatorily reported as the number of employees.

**Intervention Area 3.2**

**Indicator 80721 – Improved equipment of specialized departments**

Currently, the indicator stands at 68.86% of the target value of 60% (excess by about 8%). Due to the planned start of projects in the 19th Call, in 2015 there will even be a slight increase in the commitment from the approved projects and thus an increase in the excess of the target indicator.

**Indicator 080712 – Number of available prevention programmes for the population**

Currently, the indicator is at 107% (48 prevention programmes have been introduced from the target value of 45 programmes). Activity 3.2(b) reported a gradual increase of absorption capacity in health risk prevention and epidemiology, which resulted in a greater number of announced calls with submitted projects of lower financial volume. Given that the outcome of each of the implemented projects is usually one prevention programme and currently registered commitment of approved projects is 56 prevention programmes, the target value of the indicator will be higher at the end of the programming period.

**Indicator 080704 – Number of programmes introducing standards and standard procedures for quality and cost-effectiveness control**

Currently, the indicator is at 58 % (14 prevention programmes have been introduced out of the target value of 24 programmes). Currently, the commitment is at 15 programmes. The commitment consisting in the number of programmes therefore corresponds to the target value. Given the starting implementation of projects in the 17th Call in 2015, the target value of the indicator in the next year is likely to be exceeded.

**Indicator 080101 – Number of projects to promote health - to prevent health risks**

Currently, the indicator is at 104 % (47 health risk prevention projects have been implemented out of the target value of 45 projects). Activity 3.2(b) reported a gradual increase of absorption capacity in health risk prevention and epidemiology, which resulted in a greater number of announced calls with a larger number of submitted projects of lower financial volume. Given that the indicator reflects the number of completed health risk prevention projects and currently the commitment of approved projects is at 55 projects (122%), the target value of the indicator will be exceeded in the future by approximately 22%.

**Indicator 080102 – Projects to promote health - to modernize instrumentation**

Currently, the indicator is at 164 % (85 instrumentation modernisation projects have been implemented out of the target value of 50 projects). Activity 3.2(a) reported the greatest absorption capacity after physical renewal or acquisition of medical equipment for individual hospitals – specialized centres within the national networks (traumatology, oncology, cardiology, neurology, etc.). Given the length of the programming period and the requirements for physical equipment of the centres spread over different years and thus ensuring the quality of care, the announcing of calls was adapted to these requirements. The reason for the announcement of a larger number of calls saturating smaller projects of each network was also the necessity to achieve the value of the result indicator 080721, which uses measurement units in the form of percentages expressing increased number of physical equipment of standardized specialized departments at 60% standard. Given that the indicator reflects the number of implemented projects for the modernization of instrumentation and, in 2015, projects of Call no. 18 and 19 will be implemented, the target indicator will be significantly exceeded.

**Indicator 080702 – Number of projects aimed at the implementation of standards and standard procedures for quality and cost-effectiveness control**

Currently, the indicator is at 80 % (12 of the projects aimed at the implementation of standards and standard procedures for quality and cost-effectiveness control have been implemented out of the target value of 15 projects). Given that the current commitment is at 15 approved projects, the target value of the indicator will be achieved according to plan. Given the starting implementation of projects in the 17th Call in 2015, the target value of the indicator is likely to be slightly exceeded.

**Indicator 080100 – Projects to promote health**

The progress towards the indicator 80100 corresponds to the values ​​of indicators 80102, 80101 and 80702, whose sum constitutes the said indicator. The target value of this indicator (110) has already been achieved; the current value is 144.

**Intervention Area 3.3**

There are 13 projects committed in monitoring indicator **74521 – Number of supported employment service institutions** in Intervention Area 3.3 Activity (a). These are a large-scale investment projects whose completion date has been extended. Implementation completion is scheduled for 30 June 2015 – 30 November 2015. The current value of this indicator is 3. In two large investment projects, the MoLSA reported problems that indicate a withdrawal from project implementation.

The risk projects include "LO CR Prague – purchase of office building" (addressing eligibility   
of expenditure with the EC), and the "LO CR – Pardubice – construction of building and a training centre" where the contractor withdrew from the contract. The project will therefore not be included   
in the achieved value. We anticipate achieving the target value for 12 projects under the assumption   
of positive developments in the negotiations with the EC on the project "LO CR Prague – purchase   
of office building". If the eligibility of expenditure of this project is not recognized, the value reached can be predicted at 11.

**Indicator 74532** – Number of newly built and supported existing training centres of employment services in Activity 3.3 (b) includes 1 successfully completed project entitled "LO CR - Hradec Králové – reconstruction of the training centre" and achieved value of this indicator is therefore 1. The target value of the indicator involves the construction of three ES training centres. Currently,   
4 approved projects are committed. In 2015, the MoLSA expects withdrawal from the project of the beneficiary LO CR Pardubice. Despite this unfavourable fact, we expect (in an optimistic scenario, unless there are really serious facts in project implementation) the achievement of the target indicator value, i.e. construction of three ES training centres.

The value **of the indicator 74533** – Number of newly built information-education ES centres is 1 and is linked to the successful completion of the project in Activity 3.3(c) "Construction of an information-education centre of the South Bohemian region". In Activity 3.3(c), project called Information and education centre of the Pilsen region is also under commitment. Therefore it can be expected that the planned target value of the indicator (2) will be achieved, unless there are serious complications in the project.

Result **indicator** **74514** – Increase in the quality of work and client environment of employment service institutions is reported in percentage terms over the programming period. Successful completion of the project implementation achieved a total of 11.9% (the achieved value in the table below does not include the project "LO CR Prague – purchase of office building" – therefore it contains the value of 8.29%). Given the current state of implementation of risk projects ("LO CR Prague – the purchase of an office building" and the project "LO CR – Pardubice – construction of building and training centre"), the MoLSA does not expect the target of 18% of this indicator to be met.

The progress towards **indicators 74512** and **74513** will occur continuously in the period from the date of completion of the projects until the date of completion of the compulsory 5 year sustainability period. Therefore, the achieved value of these indicators currently shows little progress.

In comparison with 2013, Activity 3.3(b) in 2014 advanced in the progress towards indicator **74512** – Increase in the capacity of employment service training centres. The achieved value of the indicator shows a 1.27% increase in the capacity of ES training centres. Progress towards this indicator occurs after the implementation of individual project, in the sustainability period; therefore, it currently shows low progress. Progress towards the value is continuous over a 5 year sustainability period. Given that on 31 December 2014 only one project was completed, there is a continuous progress towards the monitoring indicator only in this project. The MoLSA cannot unequivocally confirm that at the sustainability period the target value will be achieved for 3 projects related to the fulfilment of MI 74512.

The value also increased in 2014 in the case of indicator **74513** – Increase in the capacity of consulting and training centres, which is linked to Activity 3.3(c). Currently, the achieved value is 4.98% (a total of 394 clients were trained in the information-education centre). Two approved projects are committed, with a target value for the increase in consulting and training centre capacity by 25%. The MoLSA therefore expects the target value of the indicator to be met.

**Intervention Area 3.4**

The target value **of the indicator 260407** will be achieved only after the completion of the project NIS IRS. Established integrated operational centres must be integrated with the National Information System of the IRS, thereby achieving their integration, leading to the achievement of the project monitoring indicator. The MA IOP is preparing a revision of the monitoring indicator to ensure a more precise interpretation and prevent ambiguities when completing project implementation.

Projects that use **Indicator 260412 –** **Number of technological facilities to eliminate threats or consequences of security risks** are gradually being completed and the current MI values are increasing. In 2015, the largest part of the completed projects will be completed and the target value of the indicator will be achieved.

Concerning **indicator 260408** – **Number of newly built logistics bases,** one project was completed in 2010. Following the inclusion of major projects, the target value was increased to 2 to match reality after the completion of all projects. The completion of major projects is expected in 2015.

Concerning **indicator 260404 – Creating new capacities to ensure effective provision of humanitarian aid to other countries,** one project was completed in 2010. Due to changes to the Programming Document, following the inclusion of major projects, the target value was increased to match reality after the completion of all projects. The completion of major projects is expected in 2015.

Table 49 - Output indicators in PO 3

| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 330300  Core 41 | Number of projects focusing on social inclusion | Number | MA IOP | Achieved | 0 | 0 | 0 | 66 | 98 | 28 | 50 | 84 | N/A | 84 |
| Baseline | 0 | 0 | 0 | 0 | 66 | 98 | 28 | 50 | N/A | 0 |
| Planned | N/A | | | | | | | | 127 | 127 |
| 75713 | Facilities undergoing transformation | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 3 | N/A | 3 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | N/A | 0 |
| Planned | N/A | | | | | | | | 20 | 20 |
| 75714 | Number of supported organisations | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 8 | 15 | 25 | N/A | 25 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 15 | N/A | 0 |
| Planned | N/A | | | | | | | | 30 | 30 |
| 75802 | Number of supported entities | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 20 | 32 | 41 | N/A | 41 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 32 | N/A | 0 |
| Planned | N/A | | | | | | | | 52 | 52 |
| 80100  Core 38 | Projects to promote health – total | Number | MA IOP | Achieved | 0 | 0 | 63 | 66 | 68 | 87 | 104 | 144 | N/A | 144 |
| Baseline | 0 | 0 | 0 | 63 | 66 | 98 | 87 | 104 | N/A | 0 |
| Planned | N/A | | | | | | | | 110 | 110 |
| 80102 | Projects to promote health - to modernize instrumentation | Number | MA IOP | Achieved | 0 | 0 | 24 | 34 | 42 | 50 | 61 | 85 | N/A | 85 |
| Baseline | 0 | 0 | 0 | 24 | 34 | 42 | 50 | 61 | N/A | 0 |
| Planned | N/A | | | | | | | | 50 | 50 |
| 80101 | Projects to promote health - to prevent health risks | Number | MA IOP | Achieved | 0 | 0 | 0 | 17 | 17 | 28 | 32 | 47 | N/A | 47 |
| Baseline | 0 | 0 | 0 | 0 | 17 | 17 | 28 | 32 | N/A | 0 |
| Planned | N/A | | | | | | | | 45 | 45 |
| 80702 | Number of projects aimed at the implementation of standards and standard procedures for quality and cost-effectiveness control | Number | MA IOP | Achieved | 0 | 0 | 0 | 8 | 9 | 9 | 11 | 12 | N/A | 12 |
| Baseline | 0 | 0 | 0 | 0 | 8 | 9 | 9 | 11 | N/A | 0 |
| Planned | N/A | | | | | | | | 15 | 15 |
| 74521 | Number of supported employment service institutions | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 3 | N/A | 3 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | N/A | 0 |
| Planned | N/A | | | | | | | | 12 | 12 |
| 74532 | Number of newly built and supported existing training centres of ES | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | N/A | 1 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | N/A | 0 |
| Planned | N/A | | | | | | | | 3 | 3 |
| 74533 | Number of newly built informational and educational centres of ES | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | N/A | 1 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | N/A | 0 |
| Planned | N/A | | | | | | | | 2 | 2 |
| 260407 | Number of IRS operational centres with integrated ICT | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | N/A | 1 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | N/A | 0 |
| Planned | N/A | | | | | | | | 41 | 41 |
| 260408 | Number of newly built logistics bases | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | N/A | 1 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | N/A | 0 |
| Planned | N/A | | | | | | | | 2 | 2 |
| 260410 | Number of modernized or built front office contact centres connected to the IRS network | Number | MA IOP | Achieved | 0 | 0 | 76 | 242 | 269 | 311 | 357 | 368 | N/A | 368 |
| Baseline | 0 | 0 | 0 | 76 | 242 | 269 | 311 | 357 | N/A | 0 |
| Planned | N/A | | | | | | | | 369 | 369 |
| 260412 | Number of technological facilities to eliminate threats or consequences of security risks | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 24 | 181 | 230 | N/A | 230 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 181 | N/A | 0 |
| Planned | N/A | | | | | | | | 3,286 | 3,286 |

*Source: MSC 2007, as of 2 March 2015*



Table 50 - Result indicators in PO 3

| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 75711 | Alternative social services | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 2 | 5 | 16 | 31 | N/A | 31 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 2 | 5 | 16 | N/A | 0 |
| Planned | N/A | | | | | | | | 77 | 77 |
| 75712 | Number of new social services and activities | Number | MA IOP | Achieved | 0 | 0 | 0 | 3 | 3 | 18 | 52 | 92 | N/A | 92 |
| Baseline | 0 | 0 | 0 | 0 | 3 | 3 | 18 | 52 | N/A | 0 |
| Planned | N/A | | | | | | | | 142 | 142 |
| 75603 | Support effectiveness | % | MA IOP | Achieved | 0 | 0 | 0 | 61.8 | 61.11 | 65.29 | 68.2 | 73.5 | N/A | 73.5 |
| Baseline | 0 | 0 | 0 | 0 | 61.8 | 61.11 | 65.29 | 68.2 | N/A | 0 |
| Planned | N/A | | | | | | | | 60 | 60 |
| 80721 | Improvement of equipment in specialized centres in the national network | % | MA IOP | Achieved | 0 | 0 | 64.12 | 67.58 | 70.98 | 72.97 | 71.41 | 68.86 | N/A | 68.86 |
| Baseline | 0 | 0 | 0 | 64.12 | 67.58 | 70.98 | 72.97 | 71.41 | N/A | 0 |
| Planned | N/A | | | | | | | | 60 | 60 |
| 80712 | Number of available prevention programmes for the population | Number | MA IOP | Achieved | 0 | 0 | 0 | 12 | 19 | 26 | 28 | 43 | N/A | 43 |
| Baseline | 0 | 0 | 0 | 0 | 12 | 19 | 26 | 28 | N/A | 0 |
| Planned | N/A | | | | | | | | 45 | 45 |
| 80704 | Number of programmes introducing standards and standard procedures for quality and cost-effectiveness control | Number | MA IOP | Achieved | 0 | 0 | 0 | 6 | 10 | 11 | 12 | 14 | N/A | 14 |
| Baseline | 0 | 0 | 0 | 0 | 6 | 10 | 11 | 12 | N/A | 0 |
| Planned | N/A | | | | | | | | 24 | 24 |
| 74514 | Increase in the quality of work and client environment in employment service institutions | % | MA IOP | Achieved | N/A | N/A | N/A | 0 | 0 | 1.73 | 1.73 | 8.29 | N/A | 8.29 |
| Baseline | 0 | N/A | N/A | N/A | 0 | 0 | 1.73 | 1.73 | N/A | 0 |
| Planned | N/A | | | | | | | | 18 | 18 |
| 74512 | Increase in the capacity of employment service training centres | % | MA IOP | Achieved | N/A | N/A | N/A | 0 | 0 | 0 | 0.61 | 1.27 | N/A | 1.27 |
| Baseline | 0 | N/A | N/A | N/A | 0 | 0 | 0 | 0.61 | N/A | 0 |
| Planned | N/A | | | | | | | | 20 | 20 |
| 74513 | Increase in the capacity of consulting and training centres | % | MA IOP | Achieved | N/A | N/A | N/A | 0 | 0 | 0 | 0.28 | 4.98 | N/A | 4.98 |
| Baseline | 0 | N/A | N/A | N/A | 0 | 0 | 0 | 0.28 | N/A | 0 |
| Planned | N/A | | | | | | | | 25 | 25 |
| 260401 | Number of supported IRS units | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | 0 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 |
| Planned | N/A | | | | | | | | 3 | 3 |
| 260406 | Reducing the average response time for threatening or existing safety –risk | % | MA IOP | Achieved | 100 | 100 | 100 | 100 | 100 | 100 | 100 | N/A | N/A | 0 |
| Baseline | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | N/A | 100 |
| Planned | N/A | | | | | | | | 75 | 75 |
| 260404 | Creation of new capacities to ensure effective delivery of humanitarian aid to other countries | m 2 | MA IOP | Achieved | 0 | 0 | N/A | N/A | 2500 | 2500 | 2500 | 2500 | N/A | 2500 |
| Baseline | 0 | 0 | 0 | N/A | N/A | 2500 | 2500 | 2500 | N/A | 0 |
| Planned | N/A | | | | | | | | 3450 | 3450 |

*Source: MSC 2007, as of 2 March 2015*

**3.1.3. B Qualitative analysis**

**Financial progress**

**Intervention Area 3.1**

In comparison with 2013, funds covered by a Decision or Agreement decreased by EUR 1,148 thousand (total el. exp.). The reason was the withdrawal of the beneficiaries of 21 projects in this Priority Axis in 2014.

Conversely, reimbursed and certified funds reported a significant annual increase in 2014. In 2014, certified funds totalled EUR 12.786 mil. EUR (EU share); in early 2014, the MoRD established the necessary volume of expenditure for certification (n+2 rule) at EUR 8,793,110. This favourable development was achieved because the beneficiaries were asked to phase projects and submit applications for payment no later than in September 2014 in order to maximize take-up of funds in 2014.

**Intervention Area 3.2**

Towards the end of 2014, in Intervention Area 3.2 commitment reaches 94.5% (EU funds) or 95.2% (total el. exp.). The share of certified expenditure is at 71.9% (EU funds) and 72.5% (total el. exp.). Certified expenditure posted an annual increase of 15%. The measures in place to speed up the take-up of funds to the beneficiaries and thanks to more efficient control processes helped to administer an enormous number of applications for payment, increasing the amount of funds reimbursed to beneficiaries (approximately 75% of the total allocation).

**Intervention Area 3.3**

Compared to 2013, there was a reduction of funds covered by a Decision / Agreement (amendment)   
of EUR 11,116,618 (total eligible costs). The reason was the withdrawal of beneficiaries from project implementation while funds of individual Decisions were reduced due to completed orders.

Concerning disbursed and certified funds, 2014 saw a slight annual increase. Funds reimbursed   
to beneficiaries increased by EUR 2,740,296 (total eligible costs); certified funds increased by EUR 3,328,322 (total eligible costs). As of 31 December 2014, certified funds amounted to 51.5%   
of the allocation.

**Intervention Area 3.4**

Factors affecting the financial progress in the Intervention Area especially include public procurement, which significantly delay the implementation of projects and thus the disbursement of funds.   
As of 31 December 2014, approved applications totalled EUR 320.8 million, which represents   
100.5 % of the allocation for this Intervention Area. In 2014, 29 projects were approved.   
The allocation for the Area was slightly over-committed to ensure full-take-up at the end of 2015 after factoring in anticipated savings from projects.

Overall, expenditure reimbursed and certified over the reporting period amounted to 14 percentage points of the allocation for the Intervention Area.

Table 51 - Financial status of PA 3 as of 31 December 2014

| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 3.1 | 64,286,158 | 60,033,137 | 93.4% | 31,290,425 | 48.7% | 30,051,378 | 46.7% |
| 3.2 | 292,331,419 | 278,347,235 | 95.2% | 219,237,187 | 75.0% | 211,834,008 | 72.5% |
| 3.3 | 47,301,825 | 34,445,296 | 72.8% | 24,381,356 | 51.5% | 24,381,356 | 51.5% |
| 3.4 | 319,160,670 | 320,869,615 | 100.5% | 117,931,394 | 37.0% | 117,925,444 | 36.9% |
| PA 3. | **723,080,072** | **693,695,283** | **95.9%** | **392,840,361** | **54.3%** | **384,192,185** | **53.1%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share + national public sources + private expenditure*

Table 52 - Financial progress of PA 3 as of 31 December 2014

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 3.1 | 54,643,234 | 50,275,563 | 92.0% | 25,939,530 | 47.5% | 24,909,164 | 45.6% |
| 3.2 | 248,481,706 | 234,739,988 | 94.5% | 185,141,766 | 74.5% | 178,699,090 | 71.9% |
| 3.3 | 40,206,551 | 29,278,406 | 72.8% | 20,724,148 | 51.5% | 20,724,148 | 51.5% |
| 3.4 | 271,286,569 | 272,739,157 | 100.5% | 100,241,681 | 37.0% | 100,236,623 | 36.9% |
| **PA 3.** | **614,618,060** | **587,033,114** | **95.5%** | **332,047,125** | **54.0%** | **324,569,025** | **52.8%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share*

Statistics for decommissioning projects

Since the Calls in the Intervention Area 3.1 were announced, 336 out of the total of 474 project applications submitted have been excluded, representing 70.89% of the total number of submitted applications. The most common reason for exclusion of a project application is the non-compliance with the project evaluation criteria (status N.21) having a share of 40% of the applications excluded in relation to the total applications submitted. In 2014, there was a significant increase in the number of projects with N.5 status. In 2014, a total of 21 projects in IA 3.1 were withdrawn during implementation.

Table 53 - Table of excluded projects in Intervention Area 3.1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area of support 3.1** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 16 | 3.38% | 1.59% |  |
| *N1.2 Project application failed to meet formal requirements* | 13 | 2.74% | 0.75% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 11 | 2.32% | 0.41% | 11 |
| *N2.1 Project failed to meet the evaluation criteria* | 190 | 40.08% | 3.07% | 10 |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* | 7 | 1.48% | 0.30% | 1 |
| *N2.3 Project not recommended for funding by the selection committee* | 24 | 5.06% | 0.47% | 8 |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* | 1 | 0.21% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 59 | 12.45% | 3.43% | 10 |
| *N7 Project not completed/withdrawn* | 15 | 3.16% | 1.92% | 11 |
| *N8 Agreement terminated by the MA/IB* |  | 0.00% | 0.07% |  |
| ***Total*** | **336** | **70.89%** | **12.05%** | **51** |

*Source: IS Monit7+ IOP as of 2 January 2015*

In **Intervention Area 3.2,** the rate of excluded projects is 20.08% (50 projects). In 2014, a total of 5 projects were classified as negative status N5 or N7 – Project not completed / withdrawn. Project withdrawal was due to problems in the implementation phase, mainly in the area of ​​procurement procedures, which did not allow the project to be implemented according to the original parameters. One beneficiary withdrew before the legal act was issued. In 2014, no project was excluded in the evaluation and selection process.

Table 54 - Table of excluded projects in Intervention Area 3.2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area of support 3.2** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 2 | 0.80% | 1.59% |  |
| *N1.2 Project application failed to meet formal requirements* | 2 | 0.80% | 0.75% |  |
| *N2.3 Project not recommended for funding by the selection committee* |  | 0.00% | 0.41% |  |
| *N2.1 Project failed to meet the evaluation criteria* | 16 | 6.43% | 3.07% |  |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* |  | 0.00% | 0.30% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 13 | 5.22% | 0.47% |  |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* | 1 | 0.40% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 3 | 1.20% | 3.43% | 1 |
| *N7 Project not completed/withdrawn* | 13 | 5.22% | 1.92% | 4 |
| *N8 Agreement terminated by the MA/IB* |  | 0.00% | 0.07% |  |
| ***Total*** | **50** | **20.08%** | **12.05%** | **5** |

*Source: IS Monit7+ IOP as of 2 January 2015*

In **Intervention Area 3.3**, 12 project applications out of a total of 29 applications submitted have been excluded since the start of announcement of Calls. Of the 29 project applications submitted, only one project failed the acceptability check, 6 project applications were excluded due to failure to meet project evaluation. 3 projects were unfinished/withdrawn by the applicant, which amounts to 10.34 % of the total number of applications. In 2014, 1 project was excluded, namely in AI 3.3(a), "LO CR Liberec – construction, purchase and renovation of the administration building".



Table 55 - Table of excluded projects in Intervention Area 3.3

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Support Area 3.3** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 1 | 3.45% | 1.59% |  |
| *N1.2 Project application failed to meet formal requirements* |  | 0.00% | 0.75% |  |
| *N2.3 Project not recommended for funding by the selection committee* |  | 0.00% | 0.41% |  |
| *N2.1 Project failed to meet the evaluation criteria* | 6 | 20.69% | 3.07% |  |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* |  | 0.00% | 0.30% |  |
| *N2.3 Project not recommended for funding by the selection committee* |  | 0.00% | 0.47% |  |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* |  | 0.00% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 2 | 6.90% | 3.43% | 1 |
| *N7 Project not completed/withdrawn* | 3 | 10.34% | 1.92% | 1 |
| *N8 Agreement terminated by the MA/IB* |  | 0.00% | 0.07% |  |
| ***Total*** | **12** | **41.38%** | **12.05%** | **2** |

*Source: IS Monit7+ IOP as of 2 January 2015*

Intervention Area 3.4 persistently shows low percentage of excluded projects. Since the beginning   
of the programming period, three project applications were withdrawn by the applicant. In 2014, no project was excluded.

Table 56 - Table of excluded projects in Intervention Area 3.4

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Support Area 3.4** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* |  | 0.00% | 1.59% | 0 |
| *N1.2 Project application failed to meet formal requirements* |  | 0.00% | 0.75% | 0 |
| *N2.3 Project not recommended for funding by the selection committee* |  | 0.00% | 0.41% | 0 |
| *N2.1 Project failed to meet the evaluation criteria* |  | 0.00% | 3.07% | 0 |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* |  | 0.00% | 0.30% | 0 |
| *N2.3 Project not recommended for funding by the selection committee* |  | 0.00% | 0.47% | 0 |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* |  | 0.00% | 0.03% | 0 |
| *N5 Project application withdrawn by the applicant* | 3 | 1.89% | 3.43% | 0 |
| *N7 Project not completed/withdrawn* |  | 0.00% | 1.92% | 0 |
| *N8 Agreement terminated by the MA/IB* |  | 0.00% | 0.07% | 0 |
| ***Total*** | **3** | **1.89%** | **12.05%** | **0** |

*Source: IS Monit7+ as of 2 January 2015*

**Progress towards horizontal themes**

Equal opportunities

Under Priority Axis 3, by the end of 2014 265 projects were approved which have a neutral impact on equal opportunities, 162 projects with a positive impact on equal opportunities and the remaining 56 project applications should be specifically focused on equal opportunities.

Table 57 - Equal opportunities in Priority Axis 3

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| Number of projects **specifically focused on equal opportunities** | Number of projects | 56 |
| Number of projects **with positive impact on equal opportunities** | Number of projects | 162 |
| Number of projects **with neutral impact on equal opportunities** | Number of projects | 265 |

*Source: IS Monit7+ as of 2 January 2015*

Sustainable development

The largest number of projects approved under Priority Axis 3 by the end of 2014 should be environmentally neutral (404), 77 with a positive impact on the environment, 20 project applications declares the improvement of air quality, 17 project applications are committed to raise awareness of the population of environmental protection, 13 projects will use alternative sources, 4 will improve water quality and 2 will increase the area of ​​urban vegetation.

Table 58 - Sustainable development in Priority Axis 3

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| The project mainly focuses **on the environment** | Number of projects | 0 |
| The project **has a positive impact** on the environment | Number of projects | 77 |
| The project is environmentally **neutral** | Number of projects | 404 |
| The project requires an **environmental impact assessment** | Number of projects | 0 |
| The project will contribute **to improving air quality** | Number of projects | 20 |
| The project **will** **contribute to improving water quality** | Number of projects | 4 |
| The project will use **alternative resources** | Number of projects | 13 |
| The project will **increase the area of urban vegetation** | Number of projects | 2 |
| The project will improve **the awareness of the population on environmental protection** | Number of projects | 17 |

*Source: IS Monit7+ as of 2 January 2015*

### 3.2.3 Significant problems encountered and measures taken to overcome them

**Intervention Area 3.1**

**Risk of non-compliance with n+2 rule and IOP allocation loss**

With regard to recent developments in the implementation of IOP, in 2014 IA 3.1 reported problems in the implementation of the n+2 rule. The main reasons mainly included shifts in schedules of implemented projects were due to extending the duration of works, obtaining building permits, total time delays, etc. With regard to these risks, the MoLSA adopted a series of measures which helped in 2014 to exceed the limit for n+2 rule in IA 3.1 by CZK 132 million.

**Measures taken**

The IB MoLSA assessed the submitted change notification which had resulted in the transfer of funds from 2014 to 2015, and took steps to maximise take-up of funds. Savings due to the withdrawal of beneficiaries from the project, lower price as a result of procurement procedure or ineligible expenditure were used for pipeline projects in 3.1(a) and (c).

It also calculated potential savings, which were committed under projects aimed at transforming services. The MoLSA offered the funds to the MA for use in other Intervention Areas.

The MoLSA identified and approached suitable beneficiaries with the requirement to implement partial phasing to maximize take-up in 2014. The IB MoLSA urged beneficiaries to maximize cooperation in submitting monitoring reports and payment applications planned by the end of October 2014. In a letter, the MoLSA urged beneficiaries to submit monitoring reports and payment applications within 5 working days after the end of the implementation phase. During 2014, it organized four seminars for beneficiaries in Activities 3.1(a) and (b), which focused on the provision of information to fill out monitoring reports and payment applications in order to present the documents properly and in due time for PA administration, which significantly helped to exceed the n+2 limit.

**Extending the implementation of projects, the risk of beneficiaries withdrawing from projects during implementation in IA 3.1**

The reasons that lead to the extension of the project implementation include, in particular, problems with building proceedings and procurement procedures (delays in procurement proceedings, their cancellation and repeated announcement). Extending projects beyond August 2014 may significantly jeopardize the compliance with n+2. There are ongoing problems to comply with the set limits, ineligibility of unapproved extra work and compliance with indicators during sustainability period.

**Measures taken**

During the reference period, the MoLSA intensively communicated with the beneficiaries in order to solve problems in advance to avoid critical situations that require the termination of the project. There was continuous monitoring of project implementation and in the case of extended administration and transfers, measures to support take-up of the allocation were taken. The MoLSA has consistently informs beneficiaries of the need to consult the selection of contractors with the Centre for Regional Development in order to avoid violation of law or methodology. The CRD, MA IOP and the MoLSA cooperated to simplify procedures, modify the Guideline for applicants and beneficiaries, indicators, publish frequently asked questions (FAQ) and organise seminars for applicants and beneficiaries.  During the year, selected projects were involved in the Prevention project.

**Intervention Area 3.2**

Intervention Area 3.2 reported two issues that had an impact on the implementation of this measure – Cease of payment deadline for expenditure and establishing the Methodology of financial flows in connection with the AA audit. Both of these issues, including the measures adopted, are set out in Chapter 2.3 – Problems in implementing the programme and measures taken to overcome them

**Intervention Area 3.3**

**Risk of non-compliance with n+2/n+3 rule and IOP allocation loss**

The main reasons mainly included shifts in schedules of implemented projects were due to extending the duration of works, obtaining building permits, total time delays, etc. thanks to better take-up, the predicted loss of CZK 263.3 million did not materialise in IA 3.3. Consequently, a larger amount of funds is available for use in other IAs. These funds will be offered to the MA IOP.

**Measures taken**

The MoLSA identified and approached suitable beneficiaries with the requirement to implement partial phasing of projects to maximize take-up in 2014. Two seminars for beneficiaries were held with a total attendance of 45 persons, which focused on providing information to complete monitoring reports and payment applications in order to present documents properly and in due time.

The IB MoLSA invited the beneficiaries to maximize cooperation in submitting monitoring reports and payment applications and to submit them within 5 working days after the completion of the implementation phase.

In 2014, negotiations were held with the competent representatives of DG LO CR Prague in order to intensify the work of stakeholders and accelerate the administration of all projects under Activities 3.3 (a) and (b).

On 29 August 2014, the deadline for submitting project applications in Call no. 4 for Activities 3.3 (a) and (b) was extended until 31 December 2014, which should allow the submission of a new project application to purchase the office building for funding in IA 3.3 IOP. Project LO CR Brno - Venkov was proposed, but after a thorough re-evaluation, this project was not recommended for implementation. Currently, preparations are made for the potential submission of project LO CR in Litvinov in the amount of CZK 10–20 million. The MoLSA leads intensive communication with beneficiaries and DG LO Prague. The schedule of project activities in 3.3 (a) and (b) is updated in regular weekly intervals in order to identify critical points in project administration and ensure all steps to speed up the process.

In 2014 the MoLSA thoroughly examined the submitted change notifications which led to the transfer of funds from 2014 to 2015. The condition for the approval of the transfer was monthly reporting of compliance with set schedule, which allowed the evaluation of project implementation. There were also continuous monitoring of project administration and the development of potential allocation loss was monitored.

**Extending the implementation of major investment projects, the risk of beneficiaries withdrawing from projects during implementation in IA 3.3**

The reasons that lead to the extension of the project implementation include, in particular, problems with building proceedings and procurement procedures (delays in procurement proceedings, their cancellation and repeated announcement).

**Measures taken**

The MoLSA intensively communicated with the beneficiaries in order to solve problems in advance to avoid critical situations that require the termination of the project. The MoLSA monitored the implementation of individual projects and in the case of extending the administration and transfers it took optimal measures to support take-up of the allocation – for example phasing of projects, etc. The MoLSA has consistently informs beneficiaries of the need to consult the selection of contractors with the Centre for Regional Development in order to avoid violation of law or methodology.

On 21 May 2014, the beneficiary of project called "LO CR Liberec – construction, purchase and reconstruction of office building" with approved funds totalling CZK 225,351,240 of eligible expenses announced withdrawal from the project. The DG LO CR cancelled the procurement procedure to select contractor of project documentation and contractor of construction, because during the procedure there were obstacles preventing the DG to proceed. The repeated announcement of the PP and completion of the project by 30 November 2015 was assessed as unrealistic.

The construction contractor of the project "LO CR - Pardubice - construction of building and training centre" (approved funds amounting to CZK 220,006,492) withdrew from the contract. The contractor submitted the first proposal to the LO CR on 21 November 2014; as of 31 December 2014, the negotiations had not finished. The available funds will be offered to MA IOP to be transferred to other IAs.

**The risk that the European Commission will not reimburse funds for the project "LO CR Prague - purchase of an office building".**

The project LO CR Prague - purchase of an office building had been repeatedly exposed to criticism from the European Commission in terms of lack of benefit of buying property in Prague for the Convergence region, and there was an ongoing risk that the EC will not reimburse funds of CZK 201.1 million (EU share). The EC considers that the part of the project associated with the training centre amounting to 17.15% is eligible. The EC decision is still pending. The MoLSA drew up a document with data that would be used in a letter to the European Commission to support recognition of the eligibility of the maximum amount of project costs. The required data were sent to the MA IOP on 4 December 2014. Following the audit of the Ministry of Finance no. IOP/2014/A/064, ineligible project expenditure were determined at about CZK 86 million.

**Intervention Area 3.4**

**Low take-up, progress towards the n+2 limit at risk due to risk projects**

The transfers of funds into the later stages, extending deadlines for the completion of project implementation. Shifts of activities in relation to the choice of general contractor – delayed implementation of regional projects linked to the overarching project NIS IRS. Repeated centrally awarded PCs and extended deadline for their implementation, incl. performance.

**Measures taken:**

The CRD consults with the beneficiaries in the preparation and implementation of procurement procedures to eliminate errors, continues to monitor the status of PPs. In order to accelerate administration, certain activities are referred to HQ CRD (e.g. concerning Call no. 23 the entire project administration was referred to HQ CRD, especially because the administration of public procurement) and a specialist coordinator is used. The HQ CRD regularly monitors the status of project administration, so as to be able to timely take extraordinary measures.

### 3.3.3 Example project

**Intervention Area 3.1** Services in the area of social integration, Activity (a) investment support for the process and implementation of a coherent approach in the transformation of residential social services into other types of social services

**Project name (registration number):** Transformation of Vincentina Šternberk, CZ.1.06/3.1.00/07.08072

**Beneficiary:** Olomouc Region

**Project funding:** CZK 59,190,887.7 (SF contribution – CZK 50,312,254.65 and SB contribution – CZK 878,632.35)

The project creates favourable conditions and environment for a new way of providing residential social services in the Olomouc region, which will enable better quality of life for people with mental and multiple disabilities.

Olomouc Region, together with project partner Vincentinum – social services provider, built in Lužnice, Uničov, Šternberk and Šumperk new homes and created conditions for the transition from an institutional way of life to a natural environment.

In **Lužnice**, the special home service will be provided to 6 clients, **in Uničov** the home for people with disabilities will be provided to 24 clients, **in Šternberk** the home with special regime will be provided to 12 clients and in **Šumperk** sheltered housing will be provided to 6 clients and a home for people with disabilities to 12 clients.

Šumperk – Revoluční street, reconstruction – sheltered housing for 6 clients



**Intervention Area 3.2** – Services in the field of ​​public health

**Project name (registration number):** Pardubická krajská nemocnice, a.s. – instrumentation for Comprehensive cardiovascular centre, CZ.1.06/3.2.01/13.08661

**Beneficiary:** Pardubická krajská nemocnice, a.s.

**Project funding:** total budget of CZK 17,124,581 (SF contribution – CZK 14,555,894 and SB contribution – CZK 2,568,687)

The project was aimed at the modernization and renovation of instrumentation in the comprehensive cardiovascular centre in Pardubice Regional Hospital. The project aimed at purchasing angiography line with flat detector, which allows doctors to make vascular and extra-vascular interventions, particularly interventions in lower limb arteries. The second instrument was intraaortic balloon counterpulsation, which allows the use of a gentle method to provide mechanical support for blood circulation, which improves the survival of patients e.g. with cardiogenic shock complicating the acute coronary syndromes.

Angiographic line



**Intervention Area:** 3.3 Employment services – Activity (a) support (investment) for transformation and strengthening employment services in the Czech Republic

**Project name (registration number):** LO CR – Havířov – reconstruction of pavilion B for the purpose of employment, CZ.1.06/3.3.00/04.08419

**Beneficiary:** Labour Office of the Czech Republic

**Project funding:** Total budget: CZK 25,118,014.00 CZK (SF contribution – CZK 21,350,311.00 and SB contribution – CZK 3,767,703.00)

The project aims to ensure greater accessibility to service for clients in the area of ​​employment and non-insurance social benefits. The project will reduce operating costs and costs of the payment of rent in leased premises.

Contact office of the Labour Office in Havířov is currently located in two buildings. Centralizing the contact office into one building will solve the current problems, such as the availability of services, providing wheelchair access, saving operating costs and maintenance of buildings and savings of cost of the rent for the leased premises. The reconstruction will create good conditions for clients and employees.

The reconstruction of the contact office building includes a comprehensive reconstruction of 1st, 3rd and 4th floor. The entire building will undergo replacement of windows and doors, thermal insulation of the shell and roof construction of external lift and wheelchair access to the building.

[](http://www.mpsv.cz/files/clanky/15151/01.jpg)

**Intervention Area:** **3.4** – Services in the field of security, risk prevention and management

**Project name (registration number):** Technological equipment for the Medical Rescue Service of the Zlin region (Zdravotnická záchranná služba Zlínského kraje, p.o.), CZ.1.06/3.4.00/23.09458

**Beneficiary:** Zdravotnická záchranná služba Zlínského kraje, p.o.

**Project funding:** total budget of CZK 62,662,643 (SF contribution of CZK 53,263,246 and SB contribution of CZK 0)

The project will procure technology and equipment used for more efficient processing of information, their better sharing and transmitting within the MRS ZR and between MRS ZR and medical facilities, and equipment – vehicles. The project will increase the quality and efficiency of pre-hospital emergency care and in dealing with emergencies. The aim of the project is the standardization, harmonization of processes and procedures, better communication, integration and data exchange, and the modernization and standardization of MRS ZR equipment.

## 3.4 Priority Axis 4a, 4b – National support for tourism

The aim of the Priority Axes is to create basic environment and necessary conditions for the development of tourism at national level. In order to ensure its effective development, it is essential to manage and coordinate some tourism activities from the national level, which contributes to creating suitable conditions for business development, growth, competitiveness and employment. Both priorities have national and systemic importance, unlike the measures in the Regional Operational Programmes that accept local or regional dimension. Priority Axes are followed up by complementary interventions in tourism from individual ROPs.

The Priority Axis covers the Convergence objective (4a) and the Regional Competitiveness and Employment objective (4b).

### 3.1.4 Progress and its analysis

**3.1.4. A - Information on physical and financial progress**

**Priority axis implementation**

Calls

In 2014, there was ongoing submission of applications in the continuous Call no. 12 announced in September 2011. The Call is focused on Activity (c) – Promotion of marketing at the national level and the creation of source databases, and Activity (e) – Promoting the presentation of the Czech Republic as a tourist destination. CzechTourism ("CzT") submitted in the 12th Call four new pair project applications, all of which were approved. The total financial requirements of these applications totalled CZK 251 million (ERDF).

In order to maximise take-up of the allocation, on 25 June 2014 the MA IROP announced the 25th continuous Call for Activity (d) – Presentation and promotion of cultural and natural heritage, cultural industry and services to be used for tourism at national level. The allocation amounted to CZK 127.5 million (ERDF) and the Call was intended for non-profit organizations and associations of legal entities with a nationwide scope in tourism.

As of the closing date for the receipt of applications (1 October 2014), the CRD registered 16 pairs of project applications whose requested funds by far exceeded the financial allocation of the Call. Based on the October update of the IOP take-up strategy, the MoRD's management decided that the available funds in the programme will be used to increase the allocation of the 25th Call by CZK 181.5 million to CZK 309 million (ERDF).

Evaluation of project quality was successfully completed for five pairs of project applications with a total financial requirement of CZK 142 million (ERDF).

In accordance with the December update of the IOP take-up strategy, the unused funds of the 25th Call were used to increase the allocation of calls in other Intervention Areas.

Table 59 - Overview of announced and ongoing calls in PA 4 in 2014

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order no.** | **Call no.** | **Submission of project applications** | | **Type of Call** | **Priority Axis / Support Area number** | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
| **Starting date of project application receipt** | **Call deadline** | **EUR** | **number** | **EUR** | **number** | **EUR** |
| 44 | 12 | 7. 9. 2011 | 31. 12. 2015 | continuous | 4.1a | 46,657,328 | 30 | 63,296,712 | 21 | 45,003,440 |
| 44 | 12 | 7. 9. 2011 | 31. 12. 2015 | continuous | 4.1b | 3,589,025 | 30 | 8,099,234 | 21 | 3,489,556 |
| 73 | 25 | 25. 6. 2014 | 1. 10. 2014 | continuous | 4.1a | 4,269,794 | 17 | 12,306,380 | 0 | 0 |
| 73 | 25 | 25. 6. 2014 | 1. 10. 2014 | continuous | 4.1b | 328,446 | 17 | 949,441 | 0 | 0 |
| Total CONV | | | | | | 50,927,122 | 47 | 75,603,092 | 21 | 45,003,440 |
| Total RCE | | | | | | 3,917,471 | 47 | 9,048,675 | 21 | 3,489,556 |
| **Total PA 4** | | | | | | **54,844,593** | **94** | **84,651,767** | **42** | **48,492,996** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: public funds, total*

Indicators

Target values ​​of most indicators were originally set up identically for the Convergence objective and the Regional Competitiveness and Employment objective. During implementation of the programme, the measurement of some indicators changed; the values ​​provided are based on the modified version.

Commitments under approved projects show that the progress towards **indicator 410100 Core 34 – Number of projects aimed at developing tourism** is at around 98%. In early 2015, the submission of another two pair projects are expected; the indicator should thus be achieved.

The progress towards the target values of several indicators is dependent on the implementation of a single (pair) project. These indicators include output indicators 413305 – Number of information portals, and 413315 – Number of established service standards, and result indicators 413320 – Number of newly classified and certified entities in tourism and 413311 – Share of tourism entities in the Czech Republic to be connected to the information system.

**Indicators 413305** **and 413311** are to be the result of a project entitled "Implementation of national information tourism portal."

Achieving the target value is now planned for the project's completion, i.e. on 31 October 2015. However, the implementation of this project has been consistently problematic; there are shifts in the schedule and implementation of activities and very slow progress towards indicator 413311. The above indicators together with indicator 413320 are considered to be the riskiest.

**Indicator 413320 – Number of newly classified and certified entities in tourism** is an indicator of the outcome of the project entitled "National system of quality of tourism services in the Czech Republic". The beneficiary has planned the achievement of the target value of the indicator for the project's completion date, i.e. 31 December 2015. The target value of the indicator (2000) is high, and this indicator is rated as very risky, because partial progress in the number of entities receiving certification is very slow. This situation is, to some extent, given by the complexity of some contractual relations established during project implementation. The beneficiary will probably ask for the reduction of the indicator value.

**Indicator 413315 –** **Number of established service standards** are also associated with the project "National system of quality of tourism services in the Czech Republic"; it reached the target value already in 2013.

The planned value of **indicator 410302 –** **Number of created publicity or marketing products for tourism** has been exceeded several times (target value of 9.29/0.71 was reached already in 2012). The achieved value of the indicator is directly linked to the number of projects approved in Activities (d) and (e). The original value of indicator 410302 did not reflect the fact that Activities (d) and (e) have the largest absorption capacity and the indicator was chosen by all applicants.

While examining the absorption capacity at the time of programme preparation, potential beneficiaries submitted data which lost their information value during programme implementation. Non-profit sector beneficiaries should have presented a smaller number of projects; however, because of co-financing needs, they submitted less expensive projects with budgets on the order of hundreds of millions of CZK. Therefore, a higher number of projects from multiple beneficiaries was supported.

The situation concerning the output indicator **410303 – Number of promotional campaigns for products in the field of tourism is analogical**

**Indicator 410304 –** Number **of marketing and statistical surveys** is shown in all the projects supported in Activity (c) – Promotion of marketing at the national level and the creation of source databases. The current status of project implementation does not indicate non-compliance with the target value of the indicator.

Table 60 - Output indicators in PO 4

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| 410100  Core 34 | Number of projects aimed at developing tourism | Number | MA IOP | Achieved | 0 | 0 | 12 | 12 | 8 | 14 | 32 | 50 | N/A | 50 |
| Baseline | 0 | 0 | 0 | 12 | 12 | 8 | 14 | 32 | N/A | N/A |
| Planned | N/A | | | | | | | | 88 | 88 |
| 413305 | Number of information portals | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| Planned | N/A | | | | | | | | 1 | 1 |
| 413315 | Number of established standards of tourism services | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | N/A | 5 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | N/A | N/A |
| Planned | N/A | | | | | | | | 5 | 5 |
| 410304 | Number of marketing and statistical surveys | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 1 | 3 | 11 | N/A | 11 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3 | N/A | N/A |
| Planned | N/A | | | | | | | | 6 | 6 |
| 410303 | Number of promotional campaigns for tourism products | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 5 | 12 | 22 | 31 | N/A | 31 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 5 | 12 | 22 | N/A | N/A |
| Planned | N/A | | | | | | | | 32 | 32 |

*Source: MSC 2007, as of 2 March 2015*

Table 61 - Result indicators in PO 4

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| 413311 | [Share of tourism entities in the Czech Republic to be connected to the information system](file:///C:\Users\krczuz\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.MSO\D51D397B.tmp#RANGE!_ftn1) | % | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| Planned | N/A | | | | | | | | 50 | 50 |
| 413320 | Number of newly classified and certified entities in tourism | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 389 | 853 | N/A | 853 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 389 | N/A | N/A |
| Planned | N/A | | | | | | | | 2000 | 2000 |
| 413321 | Number of created source databases | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | N/A | 6 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| Planned | N/A | | | | | | | | 6 | 6 |
| 410302 | Number of created publicity or marketing products for tourism | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 8 | 14 | 17 | 23 | N/A | 23 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 8 | 14 | 17 | N/A | N/A |
| Planned | N/A | | | | | | | | 10 | 10 |

*Source: MSC 2007, as of 2 March 2015*

**3.1.4. B Qualitative analysis**

On 31 December 2014 in Intervention Area 4.1a (Convergence objective), Grant legal acts covered 96.6% of the allocation. It is almost a 7% increase over the previous period due to the approval of project applications submitted in the 12th continuous Call. In Intervention Area 4.1b (RCE Objective), financial requests under legal acts issued cover 146% of the allocation. The difference between the objectives is due to a revision of the Programming Document of 2014, or the reduction in the EU contribution for the RCE objective in connection with the quantification of the allocation loss for the year 2013.

2014 saw continued positive trend in the take-up of funds, which was initiated in the previous year. As of 31 December 2014, beneficiaries were reimbursed a total of EUR 42.4 million (ERDF), representing 66.5% of the allocation of Intervention Areas 4.1a and 4.1b, representing nearly 20% increase compared to 2013. A similar increase was recorded in the volume of certified funds. The progress was due to the take-up plans where projects of the beneficiary CzechTourism ("CzT") due to be completed by 31 December 2014 has significant take-up planned for the final year of implementation, as well as due to extraordinary date for expenditure certification and intensive and close co-operation of CRD employees.

Despite this progress, in 2014 the RCE objective in Intervention Area 4.1 recorded a loss of CZK 4.51 million (ERDF).

Progress in take-up in 2015 will depend largely on the success of further implementation of projects of the most important beneficiaries – CzT and MoRD's Department of Tourism. Especially projects that were subject to time and financial changes in the past and projects with the date of completion by 31 December 2015 will require stability in project teams, flawless project management and strict adherence to the implementation schedules.

Other risks in relation to the take-up of the allocation include projects in the 25th Call which, with regard to the latest deadline for expenditure eligibility, have no more space for extensions in the case of complications. Flawless project management is imperative also for these projects.

In addition to savings in projects, withdrawal from projects and grant refund due to the failure to meet objectives is a factor that, despite over-commitment based on the approval of projects in Call no. 25 can lead to allocation loss, because the MA IOP will not have adequate time and resources to correct the negative development if funds become available.

In 2015, consultations with representatives of the main beneficiaries of the MA IOP and CRD will continue to solve problems in project implementation.

Table 62 - Financial status of PA 4 as of 31 December 2014 (total el. exp.)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 4.1a | 71,255,784 | 68,922,211 | 96.7% | 46,384,360 | 65.1% | 46,084,553 | 64.7% |
| **4.1a total** | **71,255,784** | **68,922,211** | **96.7%** | **46,384,360** | **65.1%** | **46,084,553** | **64.7%** |
| 4.1b | 3,647,971 | 5,334,532 | 146.2% | 3,567,901 | 97.8% | 3,544,843 | 97.2% |
| **4.1b total** | **3,647,971** | **5,334,532** | **146.2%** | **3,567,901** | **97.8%** | **3,544,843** | **97.2%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share + national public sources + private expenditure*



Table 63 - Financial progress of PA 4 as of 31 December 2014 (EU share)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 4.1a | 60,567,416 | 58,493,535 | 96.6% | 39,339,685 | 65.0% | 39,084,850 | 64.5% |
| **Total** | **60,567,416** | **58,493,535** | **96.6%** | **39,339,685** | **65.0%** | **39,084,850** | **64.5%** |
| 4.1b | 3,100,775 | 4,527,402 | 146.0% | 3,026,018 | 97.6% | 3,006,419 | 97.0% |
| **Total** | **3,100,775** | **4,527,402** | **146.0%** | **3,026,018** | **97.6%** | **3,006,419** | **97.0%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share*

Statistics for decommissioning projects

**Intervention Area 4.1** is struggling with poorly prepared applications. The MA IOP together with the CRD try to prevent an excessive number of excluded applications by intensive communication and consultation with the applicants, publication of frequently asked questions.

Nevertheless, 7 pair applications submitted in the 25th Call failed in 2014 to meet quality evaluation conditions. The weaknesses of the projects mainly included budgets and a lack of links to their activities, insufficient description of the activities and the lack of quality of input analysis. Projects also lost points in the evaluation of specific criteria. Another four pair applications were excluded in 2014 due to the failure to meet the acceptability criteria.

Due to the programme implementation phase, the MA IOP does not expect new calls to be announced and particularly focuses on intensive work with existing beneficiaries to ensure successful completion of projects under implementation.

Table 64 - Table of excluded projects in Intervention Area 4.1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area of support 4.1** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 32 | 14.55% | 1.59% | 8 |
| *N1.2 Project application failed to meet formal requirements* | 0 | 0.00% | 0.75% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 0 | 0.00% | 0.41% |  |
| *N2.1 Project failed to meet the evaluation criteria* | 70 | 31.82% | 3.07% | 8 |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* | 0 | 0.00% | 0.30% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 0 | 0.00% | 0.47% |  |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* | 0 | 0.00% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 8 | 3.64% | 3.43% |  |
| *N7 Project not completed/withdrawn* | 16 | 7.27% | 1.92% |  |
| *N8 Agreement terminated by the MA/IB* | 0 | 0.00% | 0.07% |  |
| ***Total*** | **126** | **57.27%** | **12.05%** | **16** |

*Source: IS Monit7+ as of 2 January 2015*

**Progress towards horizontal themes**

Equal opportunities

Until the end of 2014, Priority Axes 4a and 4b saw the approval of 44 projects with a positive impact on equal opportunities, 32 projects that have a neutral impact on equal opportunities and 2 projects which are targeted on equal opportunities.

Table 65 - Equal opportunities in Priority Axis 4

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| Number of projects **specifically focused on equal opportunities** | Number of projects | 2 |
| Number of projects **with positive impact on equal opportunities** | Number of projects | 44 |
| Number of projects **with neutral impact on equal opportunities** | Number of projects | 32 |

*Source: IS Monit7+ as of 2 January 2015*

Sustainable development

Most projects approved in Priority Axes 4a and 4b are environmentally neutral (60), 16 projects should have a positive impact on the environment and 12 should raise awareness of the population about environmental protection.

Table 66 - Sustainable development in Priority Axis 4

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| The project mainly focuses **on the environment** | Number of projects | 0 |
| The project **has a positive impact** on the environment | Number of projects | 16 |
| The project is environmentally **neutral** | Number of projects | 60 |
| The project requires an **environmental impact assessment** | Number of projects | 0 |
| The project will contribute **to improving air quality** | Number of projects | 0 |
| The project **will** **contribute to improving water quality** | Number of projects | 0 |
| The project will use **alternative resources** | Number of projects | 0 |
| The project will **increase the area of urban vegetation** | Number of projects | 0 |
| The project will improve **the awareness of the population on environmental protection** | Number of projects | 12 |

*Source: IS Monit7+ as of 2 January 2015*

### 3.2.4 Significant problems encountered and measures taken to overcome them

**Insufficient quality of submitted project applications**

Intervention Area 4.1 has been affected by a high percentage of excluded projects throughout the implementation of the programme due to their low quality. The weaknesses of the projects mainly include budgets and a lack of links to their activities, insufficient description of the activities and the lack of quality of input analysis.

**Measures taken:**

The MA IOP together with the CRD try to prevent an excessive number of excluded applications by intensive communication and consultation with the applicants, publication of frequently asked questions. Beneficiaries may use the Prevention project implemented by the Ministry of Regional Development, National Coordination Authority. The project aims to minimize the main risks of the project, remove errors, explain the rules of the programme, warn of the risks in the implementation phase and the sustainability of the project, propose remedial measures and assist in their implementation and supervise the submitted documentation. This service, due to its preventive nature, reduces the risk of the breach of grant conditions.

**Non-compliance with the n+2 rule**

The situation was caused mainly by non-compliance with project implementation schedules (deadline and financial extensions), delays in procurement procedures, poorly set project activities and frequent changes in project staffing (relating primarily to project teams of CzechTourism).

**Measures taken:**

Given the developments in implementation, there were ongoing regular monthly meetings of the two largest beneficiaries – CzechTourism and the MoRD's Department of Tourism with the representatives of the MA IOP and CRD, where they addressed and discussed current problems of individual projects. The meetings were based on inspection reports from the information system Monit7+, which present the status in individual projects, links between procurement procedures to payment applications, etc. Regular meetings will also take place in 2015.

In connection with high error rates of the submitted PAs, and given the high staff turnover in project teams of CzechTourism, in July 2014 the CRD organised training on the most common problems in the preparation and submission of PAs.

The CRD in cooperation with the MA IOP set internal procedures to speed up the PA administration according to the measures to maximize take-up in 2014. The CRD also invited the beneficiaries to maximize cooperation in submitting Pas (shortening the period for the submission of PAs from the completion of phase), and offer consultation on accounting and documenting the various types of expenditure. In relevant cases, the CRD also consulted with the beneficiaries the possibility to modify the phasing of projects.

The agreed extraordinary certification also had a significant impact on the reduction of loss in 2014.

**The need to repeat procurement procedures**

As part of project implementation, it is often necessary to repeat the procurement procedure due to the submission of none or only one tender, or due to inadequately prepared procurement documents.

**Measures taken:**

The CRD is committed to carrying out checks of the submitted procurement documents and the status of procurement procedures.

**State aid**

The implementation of some projects faces the risk of unauthorized State aid. This also applies to projects submitted in Call no. 25.

**Measures taken:**

The CRD uses consultations with MA IOP State aid experts. In cooperation with the MA IOP, the CRD published frequently asked questions with instructions on how to minimize the risk.

### 3.4.3. Example project

**Intervention Area:** 4.1 National support of tourism

**Project name, registration number:** Getting to know Czech mountains with Jetík, CZ.1.06/4.1.00/09.07210 and CZ.1.06/4.1.00/09.07211

**Beneficiary:** Horská služba ČR, o.p.s.

**Project funding:** CZ.1.06/4.1.00/09.07210

CZK 797,568 (SF contribution – CZK 677,934 and SB contribution – CZK 119,634)

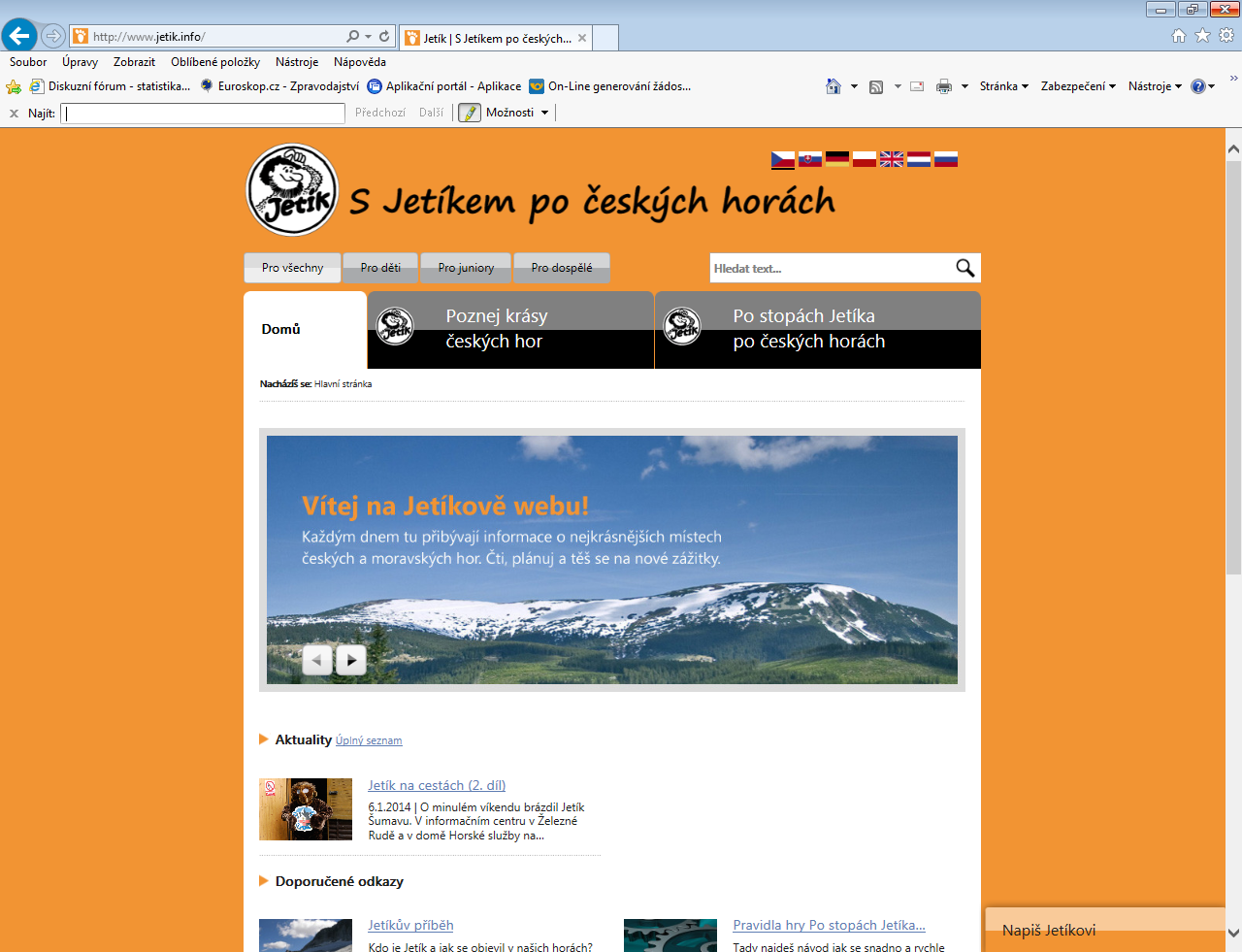
CZ.1.06/4.1.00/09.07211

CZK 10,368,444 (SF contribution – CZK 8,813,178 and SB contribution – CZK 1,555,266)

The project is focused on the creation and presentation of a marketing product called "Getting to know Czech mountains with Jetík" and includes a motivational contest "Following Jetík's footsteps around Czech mountains". Through games and an extensive publicity campaign, Czech mountains are presented as the ideal place for an active holiday and a place for a "safe adventure and safe learning" for little and big visitors.

The main mascot of the product and the promotional campaign is Jetík. The advertising campaign was aimed primarily at Czech visitors and partly, in cooperation with CzechTourism, also at foreign visitors (international exhibitions and fairs of the Czech Republic).

Sub-project activities also developed a promotional campaign aimed at children and youth. The campaign promoted tourism in mountain areas throughout the country in connection with the prevention of accidents, proper behaviour in the mountains and in the countryside, and also by raising awareness of the activities of the Mountain Rescue Service of the Czech Republic.



## 3.5 Priority Axis 5 – National support for territorial development

The aim of the interventions implemented through the Priority Axis "National Support for Territorial Development" is to create the basic environment that will be the foundation for complementary interventions from the Regional Operational Programmes. Each Intervention Areas have national and systemic importance and scope. The Intervention Areas are as follows:

* **5.1 –** National support to utilize the potential of cultural heritage
* **5.2** – Improving the environment in problematic housing estates
* **5.3 –** Modernisation and development of territorial policy creation systems

### 3.1.5 Progress and its analysis

**3.1.5. A – Information on physical and financial progress**

**Priority axis implementation**

Calls

**In Intervention Area 5.1** a MoRD Call no. 24 was launched based on a survey of absorption capacity conducted in March 2014 by the Managing Authority IOP. The Call received a total of 19 project applications, whose request for funding exceeded the original allocation for the Call more than twice. During the evaluation of projects, the Call was increased twice to include the savings from procurement procedures under IA 5.1 – by a total of CZK 180 million.

The excess of projects shows enormous interest of the owners of national cultural monuments – cities, churches, orders and individuals – in grants for the restoration of these monuments.

During the evaluation of submitted project applications a total of 6 projects were recommended for support in the Call no. 24 in 2014.

As a measure to reduce the risk of withdrawal of projects during implementation due to lack of time to complete implementation, the 24th Call required the beneficiaries to submit a final building permit along with the project application, and also given the relatively short time until the end of the programming period, the size of projects was limited from CZK 300–500 million (in previous calls) to CZK 30-200 million.

**In Intervention Area 5.2** there is a continuous Call no. 7 announced on 22 May 2009. On 19 March 2013, its financial volume was increased to EUR 192,573,322, i.e. 100% of the total allocation of Intervention Area 5.2

**In Intervention Area 5.3**, no new Call for projects was announced in 2014.

Table 67 - Overview of announced and ongoing calls in PA 5 in 2014

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order no.** | **Call no.** | **Submission of project applications** | | **Type of Call** | **Priority Axis / Support Area number** | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
| **Starting date of project application receipt** | **Call deadline** | **EUR** | **number** | **EUR** | **number** | **EUR** |
| 16 | 07 | 1. 7. 2009 | 31. 12. 2015 | continuous | 5.2 | 173,627,130 | 1,487 | 222,081,658 | 1,440 | 198,898,311 |
| 72 | 24 | 25. 4. 2014 | 30. 6. 2014 | continuous | 5.1 | 21,494,518 | 19 | 53,481,045 | 6 | 16,611,231 |
| **Total PA 5** | |  |  |  |  | **195,121,648** | **1,506** | **275,562,703** | **1,446** | **215,509,542** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: public funds, total*

Indicators

**Intervention Area 5.1**

**Output indicator 410401 – Number of regenerated cultural monuments** increased from 19 in 2013 to 31 in 2014, mainly due to the completion of the project Revitalisation of Jewish Monuments in the Czech Republic, which consisted of the restoration of 13 monuments of Jewish culture.

**Output indicator 410402 – Number of newly built or modernized cultural** facilities increased in 2014 to 1 thanks to the completion of the project in Activity 5.1c Glass Art Centre Huť František in Sázava.

**Result indicator 410404 – Number of created methodologies in the field of cultural heritage** remains zero because the projects in Activity 5.1a have an obligation to create professional methodology according to the specified binding structure within one year after the completion of the project, which will take place in 2015.

**Result indicator 410411 – Increase in the number of visitors to monuments and cultural facilities** increased from 129% to 142%, mainly due to high visitor traffic at the UNESCO Villa Tugendhat and the project Accessibility and new use of NCM Vítkovice.

**Intervention Area 5.2**

**Indicator 330103 – Number of projects increasing the attractiveness of living in a given area** is exceeded. When setting the indicators in the Programming Document, the MA IOP expected that sub-projects for the revitalization of public spaces will be implemented as a single project throughout the IDP territory. Cities, however, implement sub-projects and therefore the number of projects is higher than the target value of the indicator. The number of summary projects at IDP level corresponds to the target value of the indicator.

All other MIs show satisfactory development and are rather exceeded. This is due to a larger number of implemented projects than originally expected. This mainly reflects savings in projects where the unused allocation of the project returns to the total allocation of individual IDPs and can be reused.

**Intervention Area 5.3**

**Intervention Area** **5.3,** Activity (a) fulfilled the commitment of the approved projects met and expenditure for all projects in Activity (a) are certified. The target value of **the indicator 330400 – Number of projects for the creation of territorial and analytical documents of regions** ha already been achieved. In accordance with the expected target value of the number of projects for the creation of territorial and analytical documents of regions, 10 project applications were submitted and one project was excluded during administration.

The set-up of the target value of indicator **330415 Area of municipalities covered by the territorial and analytical documents of municipalities** was based on an estimated value of indicator **330401 –** **Number of supported projects for the creation of territorial and analytical documents of municipalities.** The area was calculated as the area of 140 smallest municipalities with extended powers, but in the end support was provided to 170 applications of municipalities and the area of municipalities covered by the territorial and analytical documents of municipalities achieved indicator 330415. The achieved values ​​of the indicators in Activity (b) were exceeded in all cases as of the relevant date.

The set-up of indicator **330411 –** **Number of supported projects for the creation of new or updating existing land use plans** was based on several-fold higher price for land use plans at the time of preparation of the programming document. The maximum price was CZK 4 million for 1 land use plan including expert opinions; however, the average grant application was CZK 800 thousand, which resulted in more than five-fold excess of the target value. The set-up of the target value of indicator 330416 was based on the estimated value of indicator 330411. The area was calculated as the area of ​​60 smallest municipalities over 500 inhabitants, which satisfied the conditions of the upcoming Calls in 5.3(b). The achieved value of indicator 330418 exceeds many times the target value because of the reasons provided with indicators 330411 and 330416 (output indicators) on which 330418 is based.

Table 68 - Output indicators in PO 5

| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 410401 | Number of regenerated immovable cultural monuments | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 3 | 6 | 19 | 31 | N/A | 31 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 3 | 6 | 19 | N/A | 0 |
| Planned | N/A | | | | | | | | 70 | 70 |
| 410402 | Number of newly built or modernized cultural facilities | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | N/A | 1 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 |
| Planned | N/A | | | | | | | | 5 | 5 |
| 330100  Core 39 | Number of projects increasing the attractiveness of cities | Number | MA IOP | Achieved | 0 | 0 | 66 | 230 | 598 | 857 | 1094 | 1347 | N/A | 1347 |
| Baseline | 0 | 0 | 0 | 66 | 230 | 598 | 857 | 1094 | N/A | 0 |
| Planned | N/A | | | | | | | | 1,000 | 1,000 |
| 331000 | [Number of newly created Urban development funds[2]](file:///C:\Users\krczuz\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.MSO\D51D397B.tmp#RANGE!_ftn2) | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | N/A | 1 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 |
| Planned | N/A | | | | | | | | 1 | 1 |
| 330103 | Number of projects increasing the attractiveness of living in a given area | Number | MA IOP | Achieved | 0 | 0 | 0 | 33 | 81 | 127 | 172 | 220 | N/A | 220 |
| Baseline | 0 | 0 | 0 | 0 | 33 | 81 | 127 | 172 | N/A | 0 |
| Planned | N/A | | | | | | | | 41 | 41 |
| 330101 | Number of projects improving the condition of residential buildings | Number | MA IOP | Achieved | 0 | 0 | 0 | 192 | 501 | 693 | 870 | 1062 | N/A | 1062 |
| Baseline | 0 | 0 | 0 | 0 | 192 | 501 | 693 | 870 | N/A | 0 |
| Planned | N/A | | | | | | | | 950 | 950 |
| 330102 | Number of pilot projects – support for selected Roma localities | Number | MA IOP | Achieved | 0 | 0 | 0 | 5 | 16 | 6 | 6 | 6 | N/A | 6 |
| Baseline | 0 | 0 | 0 | 0 | 5 | 16 | 6 | 6 | N/A | 0 |
| Planned | N/A | | | | | | | | 7 | 7 |
| 330400 | Number of projects for the creation of territorial and analytical documents of regions | Number | MA IOP | Achieved | 0 | 0 | 9 | 9 | 9 | 9 | 9 | 9 | N/A | 9 |
| Baseline | 0 | 0 | 0 | 9 | 9 | 9 | 9 | 9 | N/A | 0 |
| Planned | N/A | | | | | | | | 10 | 10 |
| 330401 | Number of supported projects for the creation of territorial and analytical documents of municipalities | Number | MA IOP | Achieved | 0 | 174 | 170 | 170 | 170 | 170 | 170 | 170 | N/A | 170 |
| Baseline | 0 | 0 | 174 | 170 | 170 | 170 | 170 | 170 | N/A | 0 |
| Planned | N/A | | | | | | | | 140 | 140 |
| 330411 | Number of supported projects creating new or updating existing land use plans | Number | MA IOP | Achieved | 0 | 2 | 93 | 227 | 287 | 330 | 353 | 412 | N/A | 412 |
| Baseline | 0 | 0 | 2 | 93 | 227 | 278 | 330 | 353 | N/A | 0 |
| Planned | N/A | | | | | | | | 60 | 60 |
| 330415 | Area of municipalities covered by the territorial and analytical documents of municipalities | km2 | MA IOP | Achieved | 0 | 65175 | 63398 | 63398 | 63398 | 63398 | 63398 | 63398 | N/A | 63398 |
| Baseline | 0 | 0 | 65175 | 63398 | 63398 | 63398 | 63398 | 63398 | N/A | 0 |
| Planned | N/A | | | | | | | | 34800 | 34800 |
| 330416 | Area of municipalities covered by new land use plan | km2 | MA IOP | Achieved | 0 | 84 | 2289 | 3344 | 6777 | 8361 | 9020 | 10359 | N/A | 10359 |
| Baseline | 0 | 0 | 84 | 2289 | 3344 | 6777 | 8361 | 9020 | N/A | 0 |
| Planned | N/A | | | | | | | | 140 | 140 |

*Source: MSC 2007, as of 2 March 2015*

Table 69 - Result indicators in PO 5

| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 410404 | Number of created methodologies in the field of cultural heritage | Number | MA IOP | Achieved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | 0 |
| Baseline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 |
| Planned | N/A | | | | | | | | 13 | 13 |
| 410411 | Increase in the number of visitors to monuments and cultural facilities | % | MA IOP | Achieved | 100 | 100 | 100 | 100 | 100 | 103 | 128.9 | 142 | N/A | 142 |
| Baseline | 100 | 100 | 100 | 100 | 100 | 100 | 103 | 128.9 | N/A | 100 |
| Planned | N/A | | | | | | | | 161 | 161 |
| 331200 | Number of regenerated apartments | Number | MA IOP | Achieved | 0 | 0 | 0 | 10,126 | 24,809 | 35,888 | 45,341 | 55,099 | N/A | 55,099 |
| Baseline | 0 | 0 | 0 | 0 | 10,126 | 24,809 | 35,888 | 45,341 | N/A | 0 |
| Planned | N/A | | | | | | | | 24,500 | 24,500 |
| 331300 | Revitalized territory area | m2 | MA IOP | Achieved | 0 | 0 | 0 | 381,848 | 1,094,067 | 2,182,516 | 3,165,872 | 4,390,968 | N/A | 4,390,968 |
| Baseline | 0 | 0 | 0 | 0 | 381,848 | 1,094,067 | 2,182,516 | 3,165,872 | N/A | 0 |
| Planned | N/A | | | | | | | | 4,108,000 | 4,108,000 |
| 331500 | Energy consumption savings of residential buildings | % | MA IOP | Achieved | 0 | 0 | 0 | 23.63 | 31.6 | 33.75 | 28.4 | 30.54 | N/A | 30.54 |
| Baseline | 0 | 0 | 0 | 0 | 23.63 | 31.6 | 32.76 | 28.4 | N/A | 0 |
| Planned | N/A | | | | | | | | 20 | 20 |
| 330418 | Increase in the surface area in development areas, development axes and specific areas covered by new land use plans | % | MA IOP / Institute for Spatial Development | Achieved | 0 | 0 | 0 | 9.12 | 18.25 | 23.16 | 24.48 | 42.32 | N/A | 42.32 |
| Baseline | 0 | 0 | 0 | 0 | 9.12 | 18.25 | 23.16 | 24.48 | N/A | 0 |
| Planned | N/A | | | | | | | | 0.18 | 0.18 |
| 330417 | Increase in the area of ​​the Czech Republic to be covered by territorial and analytical documents of municipalities | % | MA IOP / Institute for Spatial Development | Achieved | 0 | 0 | 80.3 | 80.3 | 80.3 | 80.3 | 80.3 | 80.3 | N/A | 80.3 |
| Baseline | 0 | 0 | 0 | 80.3 | 80.3 | 80.3 | 80.3 | 80.3 | N/A | 0 |
| Planned | N/A | | | | | | | | 18.5 | 18.5 |

*Source: MSC 2007, as of 2 March 2015*

**3.1.5. B Qualitative analysis**

**Financial progress**

Projects in **Intervention Area 5.1** covered by a Grant Decision account for EUR 213,976,932 (100.1% – EU share). Reimbursed funds increased from 44% (EUR 111 million) in 2013 to 65.6% in 2014 (EUR 140,175,543). Certified expenditure increased from 42% in 2013 to 65.2% (EUR 139,329,506 million) in 2014.

Cooperation among the MA, CRD and beneficiaries helped to reduce the estimated loss for 2014 resulting from non-compliance with the n+2.

In 2014, an additional Call no. 24 was announced as one of the measures for the use of the remaining funds in IA 5.1 IOP. Immediately after the publication of the legal act, new projects announced procurement procedures for works contractors, whose trouble-free course will be crucial for project implementation.

**Intervention Area 5.2** has been consistently fulfilling all take-up predictions. It is expected that almost the entire allocation will be taken up (approx. 97-98%). Currently, the MA IOP registers the amount of approx. CZK 110 million, which will not be taken-up because of full absorption capacity   
of IDP cities. The amount may still be increased by the savings realized from ongoing project applications. which will be completed at the final stage of implementation and the cities will not manage to use the savings to implement other projects which are not time-consuming and administratively demanding.

**Intervention Area 5.3** will announce no other Calls and allocation in this Intervention Area will be taken up.

Table 70 - Financial status of PA 5 as of 31 December 2014 (total el. exp.)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 5.1 | 251,453,425 | 251,737,569 | 100.1% | 164,912,409 | 65.6% | 163,917,071 | 65.2% |
| 5.2 | 251,032,890 | 375,738,729 | 149.7% | 293,809,934 | 117.0% | 292,368,592 | 116.5% |
| 5.3 | 18,270,715 | 18,463,709 | 101.1% | 18,378,638 | 100.6% | 18,202,713 | 99.6% |
| **PA 5.** | **520,757,030** | **645,940,007** | **124.0%** | **477,100,980** | **91.6%** | **474,488,375** | **91.1%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share + national public sources + private expenditure*

Table 71 - Financial progress of PA 5 as of 31 December 2014 (EU share)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 5.1 | 213,735,411 | 213,976,932 | 100.1% | 140,175,543 | 65.6% | 139,329,506 | 65.2% |
| 5.2 | 213,377,956 | 214,304,155 | 100.4% | 164,783,694 | 77.2% | 164,091,810 | 76.9% |
| 5.3 | 15,530,107 | 15,694,152 | 101.1% | 15,621,840 | 100.6% | 15,472,304 | 99.6% |
| **PA 5.** | **442,643,474** | **443,975,239** | **100.3%** | **320,581,077** | **72.4%** | **318,893,620** | **72.0%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share*

Statistics for decommissioning projects

In Intervention Area 5.1, as a measure to reduce the risk of withdrawal of projects during implementation due to lack of time to complete implementation, the 24th Call required the beneficiaries to submit a final building permit along with the project application, and also given the relatively short time until the end of the programming period, the size of projects was limited from CZK 300–500 million (in previous calls) to CZK 30-200 million.

Table 72 - Table of excluded projects in Intervention Area 5.1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Support Area 5.1** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 16 | 23.19% | 1.59% | 1 |
| *N1.2 Project application failed to meet formal requirements* |  | 0.00% | 0.75% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 3 | 4.35% | 0.41% | 3 |
| *N2.1 Project failed to meet the evaluation criteria* | 6 | 8.70% | 3.07% | 5 |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* |  | 0.00% | 0.30% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 4 | 5.80% | 0.47% |  |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* |  | 0.00% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 9 | 13.04% | 3.43% | 5 |
| *N7 Project not completed/withdrawn* | 2 | 2.90% | 1.92% | 1 |
| *N8 Agreement terminated by the MA/IB* |  | 0.00% | 0.07% |  |
| ***Total*** | **40** | **57.97%** | **12.05%** | **15** |

*Source: IS Monit7+ as of 2 January 2015*

**Intervention Area 5.2** reported 4.28% of excluded projects. The most frequent reason for exclusion is applicant's withdrawal due to failure to ensure co-financing.

Table 73 - Table of excluded projects in Intervention Area 5.2

| **Support Area 5.2** | | | | |
| --- | --- | --- | --- | --- |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 8 | 0.54% | 1.59% |  |
| *N1.2 Project application failed to meet formal requirements* | 3 | 0.20% | 0.75% |  |
| *N2.3 Project not recommended for funding by the selection committee* |  | 0.00% | 0.41% |  |
| *N2.1 Project failed to meet the evaluation criteria* |  | 0.00% | 3.07% |  |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* | 1 | 0.07% | 0.30% |  |
| *N2.3 Project not recommended for funding by the selection committee* | 3 | 0.20% | 0.47% |  |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* |  | 0.00% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 18 | 1.21% | 3.43% |  |
| *N7 Project not completed/withdrawn* | 40 | 2.69% | 1.92% | 12 |
| *N8 Agreement terminated by the MA/IB* |  | 0.00% | 0.07% |  |
| ***Total*** | **73** | **4.91%** | **12.05%** | **12** |

*Source: IS Monit7+ as of 2 January 2014*

**Intervention Area 5.3** reported 4.91 % of excluded projects. The most frequent reason is the failure of the applicant to complete the project.

Table 74 - Table of excluded projects in Intervention Area 5.3

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Support Area 5.3** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 30 | 4.29% | 1.59% |  |
| *N1.2 Project application failed to meet formal requirements* | 4 | 0.57% | 0.75% | 1 |
| *N2.3 Project not recommended for funding by the selection committee* | 26 | 3.71% | 0.41% |  |
| *N2.1 Project failed to meet the evaluation criteria* |  | 0.00% | 3.07% |  |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* | 21 | 3.00% | 0.30% |  |
| *N2.3 Project not recommended for funding by the selection committee* |  | 0.00% | 0.47% |  |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* |  | 0.00% | 0.03% |  |
| *N5 Project application withdrawn by the applicant* | 14 | 2.00% | 3.43% | 3 |
| *N7 Project not completed/withdrawn* | 9 | 1.29% | 1.92% | 5 |
| *N8 Agreement terminated by the MA/IB* | 5 | 0.71% | 0.07% |  |
| ***Total*** | **109** | **15.57%** | **12.05%** | **9** |

*Source: IS Monit7+ as of 2 January 2015*

**Progress towards horizontal themes**

Equal opportunities

Table 75 - Equal opportunities in Priority Axis 5

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| Number of projects **specifically focused on equal opportunities** | Number of projects | 6 |
| Number of projects **with positive impact on equal opportunities** | Number of projects | 686 |
| Number of projects **with neutral impact on equal opportunities** | Number of projects | 1310 |

*Source: IS Monit7+ as of 2 January 2015*

By the end of 2014, most common projects approved in PA 5 had a neutral impact on equal opportunities (total of 1,310), another 686 projects had a positive impact and 6 projects are specifically focused on equal opportunities.

Sustainable development

Projects approved by the end of 2014 are most typically environmentally neutral (1,085) or have a positive impact on the environment (826), or require an environmental impact assessment (200). 146 projects are intended to improve air quality, 37 projects will improve the awareness of the population of environmental protection, 29 projects will increase the area of ​​urban vegetation, 14 projects will use alternative resources and 8 projects will improve water quality, 8 projects are focused mainly on the environment.

Table 76 - Sustainable development in Priority Axis 5

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| The project mainly focuses **on the environment** | Number of projects | 8 |
| The project **has a positive impact** on the environment | Number of projects | 826 |
| The project is environmentally **neutral** | Number of projects | 1085 |
| The project requires an **environmental impact assessment** | Number of projects | 200 |
| The project will contribute **to improving air quality** | Number of projects | 146 |
| The project **will** **contribute to improving water quality** | Number of projects | 8 |
| The project will use **alternative resources** | Number of projects | 14 |
| The project will **increase the area of urban vegetation** | Number of projects | 29 |
| The project will improve **the awareness of the population on environmental protection** | Number of projects | 37 |

*Source: IS Monit7+ as of 2 January 2015*

### 3.2.5 Significant problems encountered and measures taken to overcome them

**Intervention Area 5.1**

**Risk of not completing projects in 3rd Call of the MoC**

The 3rd Call of the MoC determined completion deadline of projects at 31 December 2014. There were 3 projects with delays in implementation due to several factors – insolvency of works contractor, delays attributable to OPC or courts, or repeated procurement proceedings.

**Measures taken:**

The MA IOP issued Guideline no. 57, which allowed, under precisely defined conditions, for the extension of the project deadline beyond the deadline specified in the Call. Following this guideline, the MA updated the relevant Guide for applicants and beneficiaries and projects in the 3rd Call were allowed, upon the submission of a change notification with detailed reasons, to extend the project deadline to 30 September 2015.

**Intervention Area 5.2**

**Risk of savings in projects and CZK/EUR fluctuation**

The MA IOP has consistently monitored savings from projects compared to the originally budgeted price. Another risk for the under-utilisation of the allocation is the significant fluctuation in the EUR/CZK exchange rate. In accordance with the Agreement on the implementation of IDP, funds for individual cities are allocated in EUR. Another significant exchange rate fluctuation would again, as in 2013, lead to a significant increase in the allocation of IA, which the MA IOP would be unable to use considering the full absorption capacity.

**Measures taken**

The MA IOP urged the cities to create the project budgets with regard to real prices based on procurement procedures and on previous experience with the implementation of public contracts at the time of the IDP implementation.

The MA IOP also recommended that the cities respond to potential savings generated in the final stages of IDP implementation by preparing projects that can be implemented in a short timeframe, including the necessary administration. However, this MA IOP request is not obligatory for the cities and, it seems that IDP cities intend to make use of this option only partially. Another adopted measure is the over-commitment of the continuous Call no. 7 by about 3%.

**Intervention Area 5.3**

This Intervention Area did not have to deal with any problems in the reference period given its state   
of take-up.

### 3.5.3. Example project

**Intervention Area: 5.1** National support to utilize the potential of cultural heritage

**Project name, registration number:** Centre for the restoration of monuments of 20th century architecture, CZ.1.06/5.1.00/01.06348

**Beneficiary**: National Heritage Institute

**Project funding:** **Project funding:** total budget of CZK 179,203,478 (SF contribution of CZK 152,322,956 and SB contribution of CZK 26,880,522)

The project is aimed at building a national methodological Centre for the restoration of monuments   
of 20th century architecture (CRMA). In the implementation phase, the project will reconstruct the villa Stiassni in Brno and adapt it to the form corresponding to the requirements of the 21st century. Villa Stiassni was built in 1929 by the textile industrialist Alfred Stiassni and designed by the Brno architect Ernst Wiesner. The restoration of the villa involved testing of methodologies essential to the restoration of the villa itself, as well as for the restoration of other monuments from the 1920s   
to 1940s. These practices will later be presented in the operational phase, which will involve issuing methodologies focusing on issue of monument restoration of modernist architecture, i.e. monument buildings from the period 1920–1940. The CRMA will provide a comprehensive foundation for study, research, library, education, consulting and advisory activities related to this issue. Given the large group of buildings from 1920–1940, there is a strong demand for the services offered by the project. The project was completed on 12 December 2014.

After the reconstruction





**Intervention Area: 5.2 Improving the environment in problematic housing estates**

**Project name, registration number:** Regeneration of apartment building bl. 99, Budovatelů street in Most – thermal insulation, CZ.1.06/5.2.00/07.08637

**Beneficiary:** Unit owners' association bl. 99, no. 2

**Project funding:** total budget of CZK 12,701,653 (SF contribution – CZK 5,080,661, Private funds contribution – CZK 7,620,991)

The project deals with the thermal insulation of the building envelope and the rehabilitation of basement walls. New features that meet the technical requirements under current regulations.

**Intervention Area: 5.3 –** Modernisation and development of territorial policy creation systems

**Project name, registration number:** Land use plan of Troubelice, CZ.1.06/5.3.00/01.00271

**Beneficiary:** Troubelice (municipality)

**Project funding:** total budget, CZK: 568,000 (SF contribution – CZK 482,000, SB contribution – 85,200)

The land use plan is an essential tool for the development of Troubelice, in particular to ensure the protection of areas and corridors for transport and technical infrastructure, stabilize the settlement structure, ensure a comprehensive solution of territorial conditions, economic, social and environmental problems in the area, and avoid problems of environmental degradation and extensive urbanization. In accordance with Act no. 183/2006 Sb., the land use plan is the only tool of the municipality that can define new development areas.

The Troubelice project "Creation of Troubelice land use plan" is prepared with regard to sustainable development of the whole region. The land use plan also includes development plan of supra-local importance, which is contained in the land use planning documentation of the Olomouc region.

## 

## 3.6 Priority Axes 6a, 6b – Technical assistance

Priority Axes 6a and 6b are aimed at supporting the effective management of IOP during the entire programming period. They are cross-cutting Priority Axes, which will relate to all the other Priority Axes and Intervention Areas of IOP.

The Priority Axis covers the Convergence objective (6a) and the Regional Competitiveness and Employment objective (6b).

### 3.1.6 Progress and its analysis

**3.1.6. A - Information on physical and financial progress**

**Priority axis implementation**

Calls

In 2014, there was ongoing submission of project application to continual Calls no. 1 and no. 10 in Priority Axes 6a and 6b.

**In Intervention Area 6.1** there was a continuous Call no. 1 with allocation of EUR 25,014 million. 48 project applications were submitted with an allocation of EUR 40.1 million. 48 project applications were approved with an amount of EUR 37.83 million.

**In Intervention Area 6.2** in 2014 there was a continuous Call no. 10 with an allocation of EUR 9.81 million. 51 applications were submitted with the amount of EUR 5.18 million. 50 project applications were approved with an amount of EUR 4.1 million.

Table 77 - Overview of announced and ongoing calls in PA 6 in 2014

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order no.** | **Call no.** | **Submission of project applications** | | **Type of Call** | **Priority Axis / Support Area number** | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
| **Starting date of project application receipt** | **Call deadline** | **EUR** | **number** | **EUR** | **number** | **EUR** |
| 5 | 01 | 5. 6. 2008 | 30/09/2015 | continuous | 6.1a | 24,562,550 | 48 | 40,256,603 | 48 | 37,143,587 |
| 5 | 01 | 5. 6. 2008 | 30/09/2015 | continuous | 6.1b | 451,628 | 0 | 740,108 | 0 | 682,876 |
| 37 | 10 | 27. 9. 2010 | 30/09/2015 | continuous | 6.2a | 9,809,579 | 51 | 5,083,643 | 50 | 4,030,985 |
| 37 | 10 | 27. 9. 2010 | 30/09/2015 | continuous | 6.2b |  | 0 | 93,461 | 0 | 74,108 |
| Total CONV | | | | | | 34,372,129 | 99 | 45,340,246 | 98 | 41,174,572 |
| Total RCE | | | | | | 451,628 | 0 | 833,569 | 0 | 756,984 |
| **Total PA 6** | | | | | | **34,823,757** | **99** | **46,173,815** | **98** | **41,931,556** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: public funds, total*

Note: Given the multiple objectives of Priority Axes, the number of applications and projects covered   
y a Decision/Agreement is provided only in Support Areas related to the Convergence objective (a). In Support Areas that fall under the Regional Competitiveness and Employment (b), the number is zero.

Indicators

Priority Axes 6a and 6b report progress towards all monitored indicators. With effect from the 2 October 2009, methodological technical assistance sheet indicators were revised and a revised version of the Handbook for applicants and beneficiaries for technical assistance was issued. The achieved indicator values in projects are exceeded as compared to the target values set at the beginning of IOP technical assistance; they should be adjusted in the next revision of the Programming Document.

Table 78 - Output indicators in PO 6

| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 480500 | Number of issued studies and reports (including evaluation) | Number | MA IOP | Achieved | 0 | 0 | 0 | 152 | 615 | 997 | 1074 | 1201 | N/A | 1201 |
| Baseline | 0 | 0 | 0 | 0 | 152 | 615 | 997 | 1074 | N/A | 0 |
| Planned | N/A | | | | | | | | 14 | 14 |
| 480700 | Number of created methodical and technical and information documents | Number | MA IOP | Achieved | 0 | 0 | 14 | 91 | 111 | 153 | 257 | 289 | N/A | 289 |
| Baseline | 0 | 0 | 0 | 14 | 91 | 111 | 153 | 257 | N/A | 0 |
| Planned | N/A | | | | | | | | 84 | 84 |
| 481100 | Number of training sessions, seminars, workshops, conferences and other similar activities | Number | MA IOP | Achieved | 0 | 0 | 22 | 56 | 124 | 217 | 306 | 426 | N/A | 426 |
| Baseline | 0 | 0 | 0 | 22 | 56 | 124 | 217 | 306 | N/A | 0 |
| Planned | N/A | | | | | | | | 70 | 70 |
| 481600 | Number of persons who attended educational courses within technical assistance | Number | MA IOP | Achieved | 0 | 0 | 677 | 3040 | 5692 | 6889 | 7722 | 8337 | N/A | 8337 |
| Baseline | 0 | 0 | 0 | 677 | 3040 | 5692 | 6889 | 7722 | N/A | 0 |
| Planned | N/A | | | | | | | | 1400 | 1400 |
| 480800 | Materialised cooperation with the media and communication with the public | Number | MA IOP | Achieved | 0 | 0 | 5 | 52 | 57 | 110 | 138 | 151 | N/A | 151 |
| Baseline | 0 | 0 | 0 | 5 | 52 | 57 | 110 | 138 | N/A | 0 |
| Planned | N/A | | | | | | | | 30 | 30 |
| 480900 | Number of awareness and publicity activities | Number | MA IOP | Achieved | 0 | 0 | 4 | 34 | 72 | 116 | 145 | 162 | N/A | 162 |
| Baseline | 0 | 0 | 0 | 4 | 34 | 72 | 116 | 145 | N/A | 0 |
| Planned | N/A | | | | | | | | 32 | 32 |
| 483100 | Number of employed implementation structure workers | Number | MA IOP | Achieved | 0 | 0 | 56.31 | 142.98 | 239.6 | 416.23 | 508.91 | 657.85 | N/A | 657.85 |
| Baseline | 0 | 0 | 0 | 56.31 | 142.98 | 239.6 | 416.23 | 508.91 | N/A | 0 |
| Planned | N/A | | | | | | | | 90 | 90 |

*Source: MSC 2007, as of 2 March 2015*

Table 79 - Result indicators in PO 6

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NCI code** | **Indicator name** | **Unit of measurement** | **Source** | **Value** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **Target value 2015** | **Total** |
| 481900 | Number of trained persons – total | Number | MA IOP | Achieved | 0 | 0 | 277 | 1140 | 1967 | 2821 | 3686 | 4718 | N/A | 4718 |
| Baseline | 0 | 0 | 0 | 277 | 1140 | 1967 | 2821 | 3686 | N/A | 0 |
| Planned | N/A | | | | | | | | 1100 | 1100 |
| 480300 | The number of committee meetings (monitoring, advisory and management) | Number | MA IOP | Achieved | 0 | 0 | 3 | 8 | 10 | 11 | 13 | 16 | N/A | 16 |
| Baseline | 0 | 0 | 0 | 3 | 8 | 10 | 11 | 13 | N/A | 0 |
| Planned | N/A | | | | | | | | 14 | 14 |
| 482500 | Number of performed checks | Number | MA IOP | Achieved | 0 | 0 | 10 | 5304 | 5306 | 7420 | 7461 | 7461 | N/A | 7461 |
| Baseline | 0 | 0 | 0 | 10 | 5304 | 5306 | 7420 | 7461 | N/A | 0 |
| Planned | N/A | | | | | | | | 1350 | 1350 |

*Source: MSC 2007, as of 2 March 2015*

**3.1.6. B Qualitative analysis**

**Financial progress**

Priority Axes 6a and 6b reported approved projects worth EUR 42.95 million, which represents 105.2% of the allocation, of which EUR 36.48 million was approved in 2014. Beneficiaries were reimbursed EUR 30.4 million (74.5% of the allocation), of which in 2014 funds totalling EUR 25.84 million were reimbursed. Certified expenditure amounted to EUR 29 million (71% of the allocation). In 2014, certified expenditure totalled EUR 24.65 million.

Table 80 - Financial status of PA 6 as of 31 December 2014

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 6.1a | 31,973,750 | 33,890,240 | 106.0% | 25,263,713 | 79.0% | 23,964,606 | 75.0% |
| 6.2a | 8,114,236 | 8,282,604 | 102.1% | 4,590,268 | 56.6% | 4,516,369 | 55.7% |
| **6.a total** | **40,087,986** | **42,172,844** | **105.2%** | **29,853,980** | **74.5%** | **28,480,975** | **71.0%** |
| 6.1b | 587,779 | 623,065 | 106.0% | 464,581 | 79.0% | 440,696 | 75.0% |
| 6.2b | 149,197 | 152,274 | 102.1% | 84,426 | 56.6% | 83,059 | 55.7% |
| **6.b total** | **736,976** | **775,340** | **105.2%** | **549,007** | **74.5%** | **523,755** | **71.1%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share + national public sources + private expenditure*

Table 81 - Financial progress of PA 6 as of 31 December 2014

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Support allocation 2007–2013** | **Funds covered by Decision/Contract (amendment)** | | **Funds paid out to beneficiaries (accounted funds)** | | **Certified funds (including refunds)** | |
| EUR | EUR | % | EUR | % | EUR | % |
| **a** | **b** | **b/a** | **c** | **c/a** | **d** | **d/a** |
| 6.1a | 27,177,687 | 28,781,894 | 105.9% | 21,474,152 | 79.0% | 20,369,911 | 75.0% |
| 6.2a | 6,897,100 | 7,040,213 | 102.1% | 3,901,724 | 56.6% | 3,838,911 | 55.7% |
| **6.a total** | **34,074,787** | **35,822,107** | **105.1%** | **25,375,875** | **74.5%** | **24,208,822** | **71.0%** |
| 6.1b | 499,612 | 529,149 | 105.9% | 394,894 | 79.0% | 374,592 | 75.0% |
| 6.2b | 126,816 | 129,433 | 102.1% | 71,763 | 56.6% | 70,600 | 55.7% |
| **6.b total** | **626,428** | **658,583** | **105.1%** | **466,657** | **74.5%** | **445,192** | **71.1%** |

*Source: MSC 2007, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: EU share*

Statistics for decommissioning projects

**Intervention Area 6.1** did not report any withdrawn or excluded project in 2014.

Table 82 - Table of excluded projects in Intervention Area 6.1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area of support 6.1** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2014** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 0 | 0.00% | 1.59% | 0 |
| *N1.2 Project application failed to meet formal requirements* | 0 | 0.00% | 0.75% | 0 |
| *N2.1 Project failed to meet the evaluation criteria* | 0 | 0.00% | 3.07% | 0 |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* | 0 | 0.00% | 0.30% | 0 |
| *N2.3 Project not recommended for funding by the selection committee* | 0 | 0.00% | 0.47% | 0 |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* | 0 | 0.00% | 0.03% | 0 |
| *N5 Project application withdrawn by the applicant* | 0 | 0.00% | 3.43% | 0 |
| *N7 Project not completed/withdrawn* | 2 | 4.17% | 1.92% | 0 |
| *N8 Agreement terminated by the MA/IB* | 0 | 0.00% | 0.07% | 0 |
|  | **2** | **4.17%** | **11.63%** | **0** |

*Source: IS Monit7+ IOP as of 2 January 2015*

**Intervention Area 6.2** did not report any withdrawn or unfinished project application in 2014.

Table 83 - Table of excluded projects in Intervention Area 6.2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area of support 6.2** | | | | |
| **Project status** | **Number of excluded projects by Support Area** | **Share of excluded projects by Support Area** | **Comparative value of the share of excluded projects in entire programme** | **Number of excluded projects in 2013** |
| *N1.1 Project application failed to meet at least one acceptability criterion* | 0 | 0.00% | 1.59% | 0 |
| *N1.2 Project application failed to meet formal requirements* | 0 | 0.00% | 0.75% | 0 |
| *N2.1 Project failed to meet the evaluation criteria* | 0 | 0.00% | 3.07% | 0 |
| *N2.2 A letter on the exclusion of project application sent based on ex-ante control* | 0 | 0.00% | 0.30% | 0 |
| *N2.3 Project not recommended for funding by the selection committee* | 0 | 0.00% | 0.47% | 0 |
| *N4.1 Issuance of a grant decision/determination of expenditure rejected* | 0 | 0.00% | 0.03% | 0 |
| *N5 Project application withdrawn by the applicant* | 2 | 2.67% | 3.43% | 0 |
| *N7 Project not completed/withdrawn* | 4 | 5.33% | 1.92% | 0 |
| *N8 Agreement terminated by the MA/IB* | 0 | 0.00% | 0.07% | 0 |
|  | **6** | **8.00%** | **11.63%** | **0** |

*Source: IS Monit7+ IOP as of 2 January 2014*

**Progress towards horizontal themes**

Equal opportunities

All the 115 projects approved in the Priority Axes 6a and 6b have a neutral impact on equal opportunities

Table 84 - Equal opportunities in Intervention Area 6.2

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| Number of projects **specifically focused on equal opportunities** | Number of projects | 0 |
| Number of projects **with positive impact on equal opportunities** | Number of projects | 0 |
| Number of projects **with neutral impact on equal opportunities** | Number of projects | 115 |

*Source: IS Monit7+ IOP as of 2 January 2015*

Sustainable development

Beneficiaries of the 115 approved projects in Priority Axes 6a and 6b made a commitment that the completed project will be environmentally neutral.

Table 85 - Sustainable development in Intervention Area 6.2

|  |  |  |
| --- | --- | --- |
| **Monitoring of horizontal themes** | **Unit of measurement** | **Number of projects** |
| The project mainly focuses **on the environment** | Number of projects | 0 |
| The project **has a positive impact** on the environment | Number of projects | 0 |
| The project is environmentally **neutral** | Number of projects | 115 |
| The project requires an **environmental impact assessment** | Number of projects | 0 |
| The project will contribute **to improving air quality** | Number of projects | 0 |
| The project **will** **contribute to improving water quality** | Number of projects | 0 |
| The project will use **alternative resources** | Number of projects | 0 |
| The project will **increase the area of urban vegetation** | Number of projects | 0 |
| The project will improve **the awareness of the population on environmental protection** | Number of projects | 0 |

*Source: IS Monit7+ IOP as of 2 January 2015*

### 3.2.6 Significant problems encountered and measures taken to overcome them

**Financing administrative capacities until the end of the programming period**

The main problem was the need to decide in advance on the financing of the administrative capacity until the end of 2015, to ensure the administrative capacity to monitor the sustainability of projects from 2016 and ensure administrative capacity for successful conclusion of the IOP. In accordance with Government Resolution No. 144/2014, the MA IOP handed over the analysis of administrative capacities to the NCA.

**Measures taken**

To ensure the financing of expenditure, the MA IOP changed MoRD Calls No. 2 and 10, extended eligibility of expenditure to 31 December 2015 and completion of project implementation to 30 November 2015.

Simultaneously, on 22 August 2014, it revised the Guide for applicants and beneficiaries, including in it the Guideline for the development of human resources in the programming period 2014–2020 and 2007–2013, and the approved Government Resolution No. 444/2014 (the "Guideline").

The aim of the Guideline is to set uniform minimum requirements to ensure high-quality administrative capacity. It will establish rules to ensure high quality, stable and competent administrative capacity towards the end of the programming period 2007-2013. The Guideline contains system control and human resource development processes – from personnel planning through recruitment, selection and adaptation of employees, management and evaluation of employees, to the system of education and release of employees.

Also, based on the analysis of administrative capacity of IOP and IROP, on 31 October 2014 the estimated number of workers required for the completion of IOP was determined.

**Large number of public contracts**

Large number of public contracts, common to several projects, problems of beneficiaries with documentation mainly payroll costs, assigning costs to the corresponding contract or project.

**Measures taken**

Consultation with P-CRD, which administers TA IOP projects. In cooperation with the MA IOP and based on the experience, an update of the requirements to document eligible expenditure was made in order to simplify the documentation.

# 4 ERDF / COHESION FUND PROGRAMMES

Under Integrated Operational Programme, two major projects are presented Intervention Area 3.4.

On 31 October and 1 November 2013, the MA IOP presented the European Commission with the application for approval of the projects "Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods" (CCI 2013CZ161PR007) and "Strengthening the capacity for action of the Police of the Czech Republic to save lives and protect property during floods" (CCI 2013CZ161PR006).

The project "Strengthening the capacity for action of the Police of the Czech Republic to save lives and protect property during floods" (CCI 2013CZ161PR006) has total eligible expenditure of CZK 1.35 billion; the project aims to strengthen the effectiveness of the interventions of the Police during natural disasters, primarily during large-scale floods. Concerning the project of the Police Presidium, requested information was being added; the project is yet to be approved. As an alternative option in case the project is not approved, the Beneficiary in cooperation with the MA IOP has prepared two standard projects that share certain planned public contracts with the major project.

The project "Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods" (CCI 2013CZ161PR007) has a total eligible expenditure of CZK 1.45 billion; the project aims to strengthen the effectiveness of the interventions of the Fire Rescue Service during natural disasters, primarily during large-scale floods. On the basis of the EC requirements, on 30 May 2014, the MA IOP presented the EC with a modified application, which clarified the purpose of the acquired technology and extended the needs analysis of the DG FRS project "Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods". On 14 August 2014, the European Commission approved the project.

Implementation of the project is carried out according to the approved schedule and planned public contracts are continuously implemented.  For most public contracts, however, the beneficiary registers obstructive behaviour on the part of some tenderers. The tenders submitted exhibit shortcomings for which the evaluation committee needs to ask for an explanation.

It can be seen that the companies start preparing the tenders usually three weeks prior to the submission of tenders, because the contracting authority gets the crucial questions which affect the extension of the deadline for submission of tenders towards the end of the deadline for submitting requests for additional information.

# 

# 5 TECHNICAL ASSISTANCE

**Priority Axes 6a and 6b – Technical assistance**

Priority Axes 6a and 6b are aimed at supporting the effective management of IOP during the entire programming period 2007–2013. They are cross-cutting Priority Axes, which relate to all the other Priority Axes and Intervention Areas of IOP. In the management process, Priority Axes 6a and 6b support activities relating to the preparation, selection and evaluation of aid and operations.

Areas of intervention of Priority Axes 6a and 6b:

* 6.1a/6.1b – Activities associated with IOP management
* 6.2a/6.2b – Other IOP Technical Assistance activities.

The beneficiaries under TA IOP are the Ministry for Regional Development, Ministry of Culture, Ministry of Labour and Social Affairs, Ministry of Interior, Ministry of Health and the Centre for Regional Development.

**1) Share of financial allocation assigned for TA IOP (financial utilization of TA IOP)**

The share of Priority Axes 6a and 6b constitute 2.9% of the total allocation for the operational programme. 2.85% is allocated to the Convergence objective and 0.05% for the Regional Competitiveness and Employment objective.

Division of the technical assistance allocation between the implementation bodies was determined by Government Decree no. 537 of 14 May 2008 to ensure the activities of the Managing Authority and Intermediate Bodies in the implementation of the Integrated Operational Programme 2007–2013. The Managing Authority was assigned 21% of the total PA allocation and other division is equivalent to the share of delegated activities of each intermediate body.

Chart 10 -Division of technical assistance allocation among the beneficiaries after both reallocations



*Source: MA IOP, as of 31 December 2014*

**Progress in 2014**

During 2014, there were five meetings of the Selection Committee for TA IOP projects (of which 3 by a distance vote), which approved 11 projects amounting to CZK 100,826,500 (EUR 3,636,270.20).

The SC TA IOP also received 3 Notifications for SC TA IOP for consideration. They were requests for budget increase of previously approved projects totalling CZK 3,350,942 (EUR 120,850.48). The SC TA IOP approved all the submitted notifications.

Table 87 - Projects approved by the SC TA IOP in 2014

|  |  |  |
| --- | --- | --- |
|  | **6.1** | **6.2** |
| **Ministry of Regional Development** | 3 | 2 |
| **Ministry of Health** | - | - |
| **Ministry of Labour and Social Affairs** | - | - |
| **Ministry of Culture** | - | - |
| **Ministry of the Interior** | 2 | 2 |
| **Centre for Regional Development** | - | 2 |
| **Total** | **5** | **6** |

*Source: Secretariat of the SC TA IOP*

**(2) Projects implemented within TA IOP**

Table 88 - Implementation trends in Intervention Areas 6.1 and 6.2 in terms of projects, as of 31 December 2014

|  |  |  |
| --- | --- | --- |
|  | **6.1** | **6.2** |
| **Number of submitted projects** | 46 | 69 |
| **Number of approved projects** | 46 | 69 |
| **Financial volume of submitted projects, SF+SB (EUR 1 = CZK 25.140)** | EUR 36,254,491.20 | EUR 8,238,392.13 |

*Source: IS Monit7+ IOP as of 2 January 2015*

**Main areas to utilise TA IOP funds**

**1. Strengthening of administrative capacities**

All entities involved in the implementation of the programme use technical assistance funds to ensure administrative capacity in accordance with Government Resolution no. 444 of 16 June 2014, which approved the Guideline for the development of human resources in the programming period 2014-2020 and 2007–2013 with effect from 1 September 2014. Until then, the applicable regulation was Government Resolution no. 1332/2009, which approved the procedure and addressing the administrative capacity to utilise the Structural Funds for the period 2007–2013.

In 2014, the TA IOP was used to pay 189.09 FTEs in the structure set out in the following table

Table 89 - Administrative capacity in 2014

|  |  |
| --- | --- |
| **Entity** | **Actual FTEs according to administrative capacity, 2014** |
| Managing Authority of the IOP | 69.21 |
| Centre for Regional Development | 54.55 |
| Ministry of the Interior | 22.17 |
| Ministry of Labour and Social Affairs | 20.66 |
| Ministry of Health | 22.5 |
| **TOTAL** | **189.09** |

*Source: Report on IOP administrative capacity, 2014.*

**2. Ensuring professional training**

These activities regularly constitute a significant part of TA expenditure. Their use is described in detail in Chapter Training of MA IOP and IB IOP employees.

**3. Acquisition and installation of computer systems and information technologies**

**MoRD** – in 2014, there was ongoing implementation of project Specific modification of IOP Monit7+ applications and web applications Benefit for IOP – 3rd part with a budget of CZK 12,480,000 (EUR 450,086.56). In 2014, payment applications submitted totalled CZK 960,625.64 (EUR 34,644.61).

**CRD** – in 2014, the CRD procured IT technology under the project IOP CZ.1.6/6.2.00/10.07865 (final merged 6th and 7th stage of the project from 1 January 2014 – 31 December 2014) in the total amount of CZK 591,278.60 for the supply 10 desktop computers and 10 laptop computers incl. accessories.

**MoLSA** – in 2014, the TA project 7678 – "Technical assistance project of the MoLSA – publicity" procured a shredder of CZK 20,997 and a multifunction device worth CZK 17,990.

**4. Written outputs of the MA IOP and IBs**

Provided below are only **the most important and most costly outputs of the MA IOP.** In 2014, IBs did not finance written outputs**.**

KPMG Česká republika, s.r.o. - preparation of the study Identification of specific regions/areas of tourism with the need to support the development, including the proposal of a suitable directing of investments in specific areas, potentially proposal of target projects. Total costs CZK 235,950 (EUR 8,509.45).

KPMG Česká republika, s.r.o. - The preparation of the study Regionalization and evaluation of the potential and needs of both material and immaterial cultural sector in the Czech Republic in relation to tourism development – identification of territories and specific areas of the cultural industry with the need for development, mapping out possible ways of integrated development. Total costs CZK 235,950 (EUR 8,509.45).

Regional Development Agency of the Pilsen Region - quantification of the indicator of superior road network for SC 1.1 IROP programming document in different scenarios. The outcome was the quantification of area/population as the indicator values ​​and a clear map of the Czech Republic indicatively displaying the agreed scenario of status and outlook. Total costs CZK 18,150 (EUR 654.57).

Integra Consulting s.r.o. - Carrying out the SEA assessment of the Integrated Regional Operational Programme. Total costs CZK 363,000 (EUR 13,091.46).

Deloitte Advisory, s.r.o. - Preparation of a preliminary evaluation of the Integrated Regional Operational Programme for the programming period 2014–2020. Total costs CZK 350,900 (EUR 12,655.08).

Deloitte Advisory s.r.o. - preparation of an update of the interim and final reports from the interim evaluation of the Integrated Regional Operational Programme in response to the EC comments and modification of the Partnership Agreement. The update requirement resulted from the conclusions of the 9th meeting of the Working Group on elaboration of programmes and from the Coordination meeting of ex-ante evaluators. Total costs CZK 174,240 (EUR 6,283.90).

# 6 PROVIDING INFORMATION AND PUBLICITY

MA IOP publishes a list of approved projects and examples of projects implemented under the IOP at its website:

**Examples of implemented projects** are published and updated at: <http://www.kvalitazivota.eu/>

**List of beneficiaries** of the IOP is published and updated on a monthly basis at: <http://www.strukturalni-fondy.cz/cs/Microsites/Integrovany-OP/Zadatele-a-prijemci/Seznam-podporenych-projektu>

# 6.1 Promotional activities and communication tools used in 2014

Overview of all communication and promotional activities of IOP for 2014 is included in Annex no. 2.

### 6.1.1 Communication campaigns

**Advertising in Hospodářské noviny**

On 5 June In 2014, Hospodářské noviny published a six-page advertisement, of which three pages contained the presentation of the Integrated Operational Programme. The advertising was carried out in collaboration with the National Coordination Authority. The main topics included social entrepreneurship, healthcare, restoration of cultural heritage and IDP. The advertising was not paid from the IOP Technical Assistance budget.

Financial costs of TA IOP: CZK 0

Target group: general public

**IOP Newsletter "Pod lupou" (In the spotlight)**



In the reporting period, the MA IOP published four issues of the quarterly IOP newsletter "pod lupou". The issues focused on current events in the IOP and therefore successful projects and the preparation of the 2014–2020 period. The IOP Newsletter is published in 500 copies and distributed to almost 5,000 email addresses. Individual issues report on current events in the programme and on the implemented projects.

Financial costs of TA IOP: CZK 125,872

Target group: professional and general public

**Advertising in Respekt**

Publication of a presentation of the IOP – grants from Intervention Area 3.1 for investments of entrepreneurs who employ persons from defined groups. The advertisement was published on 18 August 2014 and on 25 August 2014 as a half-page advertisement.

Financial costs of TA IOP: CZK 6,549.44

Target group: general public

### 

### 6.1.2 Conference

**IOP and IROP conference: Achievements and new goals**

The MA IOP in cooperation with the city of Pardubice organized on 24 September 2014 a successful "IOP and IROP Conference: Achievements and new goals"; the conference took place in the Assembly Hall of the City Authority. The main topic was the evaluation of IOP experience and familiarisation with the new programming period and grant opportunities in the Integrated Regional Operational Programme (IROP). Also, the conference presented some successful IOP projects and new specific objectives of IROP. Attention was also paid to new aspects such as the Integrated Territorial Investment (ITI).

Financial costs of TA IOP: CZK 93,151.90

Target group: general public

### 6.1.3 Competitions, games and other public events

**Vote for Czech monuments – competition of the IOP.**

****

For tourists and those interested in Czech and Moravian heritage, the MA IOP prepared a four-month contest entitled Vote for Czech monuments. The contest was also accompanied by an advertising campaign on the iDNES web portal. Sixteen selected buildings, reconstructed thanks to grants from IOP, competed for votes of monument-lovers. Most votes were given to project Accessibility and new use of NCM Vítkovice, Glass Art Centre Huť František in Sázava placed second and the National Centre of Photography and Tapestries workshop in Jindřichův Hradec placed third.

Financial costs of TA IOP: CZK 262,225

Target group: general public

**2nd annual video contest Tape a smart office and win!**

C:\Users\couvla.DOMNT\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Word\bannerSF172x42.jpg

Second annual video contest "Tape a 'smart office and win!" with Samsung Gear 2 Neo or Fit as prizes was launched on 15 September 2014 and ended on 14 December 2014. The public could compete for the most attractive video themed: How do you see the modernization of authorities in the Czech Republic, what do you think helps most in the communication with authorities and how?

Tell us or suggest ways to improve the functioning of a "smart" office in the next period. The second category was intended for project implementers, who taped the video about their project, which received support from the Integrated Operational Programme (Intervention Area 1.1) or Operational Programme Human Resources and Employment (SA 4.1), and presented it to the public.

Financial costs of TA IOP: CZK 13,840

Target group: general public

### 6.1.4 Photo documentation

During 2014, the MA and some IBs continues photographic documentation of successful projects in IOP. It is one of the appropriate ways to simply present the impact of financial support from the IOP. Photos are widely usable to be placed on promotional items, websites, exhibitions or in publications.

# 6.2 Target groups

The primary target group for 2014 continue to be beneficiaries and applicants due to uneven take-up of IOP. The main objective of the Managing Authority was to ensure effective absorption capacity and the successful take-up of the assigned allocation. Increasing attention is also focused on the general public due to the approaching end of the programming period and the need to provide information on the results and IOP projects to a broad audience. This focus was also based on the recommendations of the evaluation study of communication and publicity activities of IOP 2008–2010 and on the priorities of the European Commission.

|  |
| --- |
| Target groups |
| Professional public – potential applicants and beneficiaries |
| Key messages in 2014   * The MA and IB inform objectively, timely and comprehensively about the remaining possibilities for project financing from the IOP; * Way of submission, selection, control and reimbursement of projects is transparent in every part of the process; * Beneficiaries receive timely and high quality information concerning the take-up conditions in individual IOP Intervention Areas and are warned of the most common errors in implementation. We know the problems that beneficiaries face in implementation, and we try to help them in a timely manner to overcome them. |
| General public |
| Key messages in 2014   * Money from the IOP is taken up transparently; * Control mechanism of take-up is set to prevent misuse of funds; * All beneficiaries have enough information to successfully implement their project; * Funds from IOP are used on rational projects with concrete and tangible benefits for citizens of the Czech Republic; * IOP increases the quality of life for all of us! |

The key messages for the professional public were conveyed through seminars for beneficiaries and applicants and the IOP and IROP conference: Achievements and new goals, by publishing current information on websites of the individual ministries and individual consultations with beneficiaries and applicants.

Key messages for the general public were conveyed through the publication of information on the websites of individual ministries, update of kvalitazivota.eu microsite, IOP information booths at Ladronka Fest and Europe Day (events were held in collaboration with the National Coordination Authority) and, for example, by presence at the Monuments fair.

# 6.3 Communication with the public, applicants and beneficiaries

**Questions**

In 2014, the MA and IB IOP received **10,467** e-mail questions.

Table 90 - Overview of the email questions received

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **e-mail questions** | **MoRD** | **MoLSA** | **MI** | **MoH** | **CRD** | **TOTAL** |
| **registered** | 127 | 640 |  |  | 500 | 1,267 |
| **non-registered** |  |  | 8,000 | 1,200 |  | 9,200 |
| **TOTAL** |  | | | | | **10,467** |

*Source: MA, IB - records of questions, as of 31 December 2014*

# 6.4 Total budget of the CoP IOP 2014

The total cost of the publicity paid from the Technical Assistance IOP in 2014 totalled EUR 74,003.72.

Table 91 - Total cost of IOP publicity paid from IOP Technical Assistance

| **MA / IB IOP** | **Indicative budget (EUR)** | **Actual value (EUR)** |
| --- | --- | --- |
| Ministry of Regional Development | 94,619.16 | 43,724.25 |
| Ministry of Labour and Social Affairs | 4,985.93 | 2507.07 |
| Ministry of the Interior | 12,827.07 | 10,707.89 |
| Ministry of Health | 35,687.02 | 5420.59 |
| Centre for Regional Development | 32,380.63 | 11,643.92 |
| **Total (incl. VAT)** | **180,499.81** | **74,003.72** |

*Source: MA and IB, as of 31 December 2014*

*CZK/EUR exchange rate: 27.728*

*Source of funding: public funds, total*

In 2014, some of the planned activities did not take place, but they were replaced with others in accordance with current needs to inform about the Integrated Operational Programme – e.g. information stand at a music festival was replaced with an information stand at the Monuments fair focused on the presentation of successful reconstruction and revitalization of Czech cultural heritage. Kid’s days at successful projects and travelling exhibition were postponed until 2015–2016 due to the specification of selection criteria in the procurement procedure. These changes had an impact on the expected full take-up of funds, which was ultimately lower. For example, the unspent funds of the Ministry of Labour and Social Affairs were transferred to 2015 and in the case of the Ministry of Health financial savings helped to implement activities that were not originally planned – they helped to organise a round table with representatives of the implementation structures of Visegrad countries, which ensured exchange of good practice.

# 6.5 Evaluation of activities in the field of publicity in 2014

IOP communication activities in 2014 focused on the professional and general public. The main activities included sharing experience from project implementation and acquainting the public with successful projects. With regard to the MA IOP acting as the Managing Authority for the Integrated Regional Operational Programme in 2014–2020, some of the communication activities related to this new programme in the reference period.

The Managing Authority and Intermediate Bodies worked towards presenting the results of successful IOP projects. During 2014, IOP and IROP conference: Achievements and New Goals was held, where the public could learn a lot about the functioning of the Structural Funds, support areas, obligations   
of beneficiaries and also look into the preparation for the 2014-2020 period.

All age groups could enjoy exciting contests such as "Vote for Czech monuments" which took from   
1 May to 31 August 2014, with the target group being the general public. Also, there was the second annual video contest "Tape a 'smart' office and win!"

2014 saw the completion of the photo documentation of 25 selected projects, which, given their quality and scope, can be used for publication, exhibition and electronic form of the promotion   
of programme results.

# 7 MISCELLANEOUS, SHARING EXPERIENCE, BEST PRACTICES

The MA IOP mostly uses these communication platforms to share IOP experience:

* IOP working groups;
* IOP staff training;
* meetings of IOP Managing Authority and Intermediate Bodies.

# 7.1 IOP working groups

Working groups represent a tool of communication on current issues or problems. The meetings of the WG are minuted and the MA evaluates the WG activities. In collaboration with the WG members, evaluation is made of the frequency of meetings per year, attendance, fulfilment of tasks assigned to the working group, participation and activity of members, membership satisfaction of members with the organization of the WG and the benefits of the working group.

Working groups can flexibly respond to current issues in the implementation of IOP. They are also intensively used as a training tool.

**Main conclusions of the working group meetings**

**WG for communication**

In the reference period, the WG for communication met on 24 April 2014; the agenda of this meeting was to set the annual communication plan 2014/2015 – the planned activities of MA+IB. The WG for communication did not meet again in the rest of the year; communication between members is done electronically.

**PS financial management**

In 2014, PS financial management met on: 28 January; 28 February; 27 March; 29 April; 29 May; 30 June; 30 September; 29 October

Regular meetings of the WG financial management address current problems in the administration   
of PAs with individual IBs in order to improve data for programme management and take measures   
to smoothly take up funds and reduce the risk of under-utilisation of the allocation.

The allocation take-up was monitored based on checks of progress towards predictions of submitted payment applications and more realistic predictions based on the current take-up situation.   
The Working Group addressed the requirements of MA towards the IB for the preparation of materials for summary payment applications and certification**.**

**WG for evaluation**

WG for evaluation does not have regular meetings; the issues are addressed through email communication especially through review groups on specific evaluations

**WG for risk management**

In the reference period, the Working Group for risk management met on 22nd April 2014 and   
on 9 October 2014. The main item on the agenda was the discussion of the IOP risk catalogue and the evaluation of implemented corrective actions and provision of information on further course of action in the current stage of IOP.

**WG for public procurement**

Working Group for public procurement met on 29 January 2014. The main item on the agenda of the meeting was the procedure following up on the newly released European Commission's guideline for determining the amount of financial corrections for non-compliance with the rules on public procurement (hereinafter "new EC Guideline"), which is annexed to the European Commission Decision C(2013) 9527. Then the PS for public procurement met on 9 April 2014, 10 July 2014, 25 September 2014 and on 10 December 2014. The agenda of the meeting included especially discussion on the application of the European Commission's guideline for determining the amount of financial corrections for non-compliance with the rules on public procurement (hereinafter "new EC Guideline"), which is annexed to the European Commission Decision C(2013) 9527. The last meetings of the WG also addressed the issue of conflict of interest.

**WG Jessica**

WG JESSICA last met on 18 June 2012; with respect to the implementation phase of the JESSICA tool in IOP, the WG was dissolved and no longer meets. It was replaced by technical negotiations between the MA IOP and HF SHDF depending on current needs.

**WG to reduce the risks in Smart Administration**

The WG does not regularly meet; the meetings are replaced by tripartite negotiations of the MA, IB and the beneficiaries, addressing specific issues in the projects.

**WG IS and monitoring**

The working group met during the reference period on 25 September 2014. The meeting was focused on user training in IS Monit7+ IOP concerning the creation of output reports and the possibility to obtain data from the IS and its use for monitoring the programme implementation and identifying potential problems and bottlenecks.

**WG PILOT**

With regard to trouble-free course of project implementation in Intervention Area 5.2, it was not necessary to convene the WG.

**WG Technical Assistance**

WG Technical Assistance did not meet in the reference period. In 2014, the Guidelines for applicants were updated, which was notified to applicants and the current version of the Guidelines was published on the SF website. Because Technical Assistance projects had no major problems or issues to be addressed which would affect all TA IOP beneficiaries, there was no reason to convene the WG meetings.

**WG for 5.2**

The working group meets only as required. In the reference period there was no need for such a meeting to be convened.

# 7.2 Training of MA IOP and IB IOP employees

### 7.2.1 Managing Authority of the IOP

In 2014, the system for the training of MA IOP employees was provided for in the following stages:

* planning of training through individual training plans for 2014,
* training (internal and external training events, e-learning)
* monitoring the implementation of individual training plans for 2014
* annual evaluation of progress towards the training plan of MA IOP,
* evaluation of the quality of training events.

In 2014, there were 126 training activities, of which 72 organised by external and 54 by internal trainers. Internal trainings included training events organized by the Managing Authority of IOP and events organized within the education system of employees implementing the NSRF for the period 2007–2013 and the HR department of the MoRD.

Table 92 - Number of training events and persons trained

|  |  |  |  |
| --- | --- | --- | --- |
| **Training events in 2014** | | **Persons trained in 2014** | |
| 126 | | 544 | |
| **internal** | **external** | **internal** | **external** |
| 54 | 72 | 353 | 191 |

*Source: Evaluation of training plan MA IOP 1 January – 31 December 2014*

The total number of training events includes all training events, not only those funded by the IOP Technical Assistance.

Chart 11 - Number of persons trained out of the number of MA IOP employees in 2013–2014

*Source: MA IOP*

In 2014, the largest number of educational events was aimed at mandatory training of MA IOP, financial and management control and public procurement.

Chart 12 - Overview of training thematic areas in 2014

***Note: the highest number of trainings is highlighted in green***

*Source: MA IOP*

### 7.2.2 IOP intermediate bodies

Intermediate bodies pay the costs of education within their TA IOP projects or are invited to trainings organized by the IOP Managing Authority.

In 2014, the MA IOP held 12 training events for the IBs. A total of 105 people were trained. The share of the persons trained in the total number of employees is shown in the following table. For a more precise quantification the table provides a comparison with 2013.

Table 93 - Share of the persons trained to total employees – IBs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of the intermediate body** | **Persons trained** | | **Number of employees in IB** | |
| **2013** | **2014** | **2013** | **2014** |
| Ministry of Health | 12 | 17 | 24.00 | 22.00 |
| Ministry of Labour and Social Affairs | 13 | 24 | 21.61 | 20.40 |
| Ministry of Culture | 6 | 0 | 15.75[[12]](#footnote-12) | 0.00 |
| Ministry of the Interior | 11 | 23 | 22.23 | 24.68 |
| Centre for Regional Development | 21 | 41 | 46.76 | 56.00 |

*Source: MA IOP*

Chart 13 - Overview of MA IOP training thematic areas for IB IOP in 2014

***Note: the highest number of trainings is highlighted in green***

*Source: MA IOP*

# 

# ABBREVIATIONS

|  |  |
| --- | --- |
| **Abbreviation** | **Full name** |
| AA | Audit Authority |
| AAB | Authorized audit body |
| ACR | Annual Control Report |
| AR | Association of Regions |
| BRA | Basic Registry Administration |
| CF | Cohesion Fund |
| CONV | Convergence objective |
| CoP | Communication Plan |
| COSMC | Czech Office for Surveying, Mapping and Cadastre |
| CP | Czech Post |
| CRD | Centre for Regional Development |
| CROP | Common Regional Operational Programme |
| CSG | Community Strategic Guidelines for Cohesion |
| CSO | Czech Statistical Office |
| Czech Republic | Czech Republic |
| CzT | CzechTourism |
| DB | Data box |
| DG | Directorate General |
| DG Fire Rescue Service | Directorate General of Fire Rescue Service of the Czech Republic |
| DoPF | Department of programme funding |
| DoSF (MoI) | Department of Structural Funds (MoI) |
| DoT | Department of Tourism |
| EAFRD | European Agriculture Fund for Rural Development |
| EC | European Commission |
| EFS | electronic filing service |
| ERDF | European Regional Development Fund |
| ESC | Economic and social cohesion |
| ESF | European Social Fund |
| EU | European Union |
| FI | Financial instrument |
| FRS | Fire Rescue Service |
| GAB | Guide for applicants and beneficiaries |
| GD | Grant decision |
| GFD | General Financial Directorate |
| GG | Global grant |
| HF | Holding Fund (JESSICA, SHDF) |
| HQ CRD | HQ of the Centre for Regional Development |
| IA | Intervention Area |
| IB | Intermediate body |
| ICT | Information and communication technologies |
| IDP | Integrated Development Plan |
| IOP | Integrated Operational Programme |
| IRS | Integrated Rescue System |
| ISBR | Information system of basic registers |
| ITS-NGN | Integrated telecommunications network of the MoI (New Generation Network), an abbreviation of the project Provision of infrastructure for the operation centres of basic IRS units |
| LO | Labour Office |
| MA | Managing authority |
| MC IOP | Monitoring Committee of the IOP |
| MI | Ministry of the Interior |
| MIP | Manual of internal procedures |
| MoC | Ministry of Culture |
| MoH | Ministry of Health |
| MoLSA | Ministry of Labour and Social Affairs |
| MoRD | Ministry of Regional Development |
| MR | Monitoring Report |
| NCA | National Coordination Authority |
| NCI | National Indicator Codelist |
| NRP | National Reform Programme |
| NSRF | National Strategic Reference Framework |
| NUTS | La Nomenclature des Unités Statistiques Territoriales (Statistical Territorial Unit) |
| OM IOP | Operating manual of the IOP |
| OP | Operational Programme |
| OP HRD | Operational Programme Human Resources Development |
| OP HRE | OP Human Resources and Employment |
| OP TA | OP Technical Assistance |
| OP EC | Operational Programme Education for Competitiveness |
| OPC | Office for the Protection of Competition |
| PA | Priority axis / priority area |
| PA | Payment Application |
| PACI | Public Administration Communication Infrastructure |
| PAIS | Public administration information systems |
| PD | Procurement documentation |
| PO SA | Programme Office for the Coordination of Smart Administration projects |
| PPA | Public Procurement Act |
| PR | Population Register |
| RCE | Regional competitiveness and employment |
| RDP | Rural Development Programme |
| ROP | Regional operational programme |
| RRO | Register of rights and obligations |
| SA | Smart Administration |
| SC | Selection Committee |
| SEA | Strategic Environment Assessment |
| SF | Structural Funds |
| SHDF | State Housing Development Fund |
| SOC | State organisation component |
| TA | Technical assistance |
| TAD | Territorial and analytical documents |
| TFA | Territorial financial authority |
| TOP | Thematic Operational Programmes |
| UDF | Urban Development Fund |
| WG | Working group |
| WPM | Work procedure manual |

# ANNEXES

**Annex 1 –** **Forms to report synergies by thematic areas**

**Annex 2 –** **Activities in the field of publicity for 2014**

**Annex 3** **– Action plans of evaluations**

**Annex 4 –** **Emergency action plan of the IOP**

### Annex 1 – Forms to report synergies by thematic areas

**Form 1 – smart administration**

**Author of document: Intermediate Body – Ministry of the Interior**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Author of form:** | | | *Intermediate Body – Ministry of the Interior* | | | | |
| **Thematic area\*:** | | | ***Modernising public administration*** | | | | |
| Synergistic Support Areas OP/ROP1\*: | | | *Support Area 4.1 OP HRE* | | | | |
| Links to Support Areas OP/ROP1\*: | | | */* | | | | |
| Agreement on cooperation between MA (PP) and MA (NP): | | | NO | | | | |
| ***Assessing the functioning of coordination mechanisms between MA (PP) and MA (NP) set in agreements between the MAs / in programme documentation / additional coordination mechanisms, incl. description of form*** *(i.e. sending schedule of calls, sending reports on implementation / annual reports, attendance at MCC / thematic microtomes\*\* convened under CCs / monitoring committees / working groups / annual conferences, information on seminars for applicants / beneficiaries, information in PAs / WPMs, etc.):* | | | | | | | |
| The Smart Administration coordinating system following the IOP and OP HRE was approached in a way that the administration of the relevant parts of the Operational Programmes was entrusted to one intermediate body subordinate to two different MAs, in this case the MA IOP (MoRD) and MA OP HRE (MoLSA). These two MAs and IB have concluded agreements on delegating activities | | | | | | | |
| ***Overview of synergic projects fulfilling the link – report MSC2007 221, if it is not used to monitor all the synergies of MSC2007, provide the actual record of synergistic projects*** | | | | | | | |
| Selection criteria: Programme = OP/*ROP1* | | | | | | | |
| Serial No. | Project synergy no. OP/ROP1 (PP, NP) | Project title OP/ROP1 | | Synergy description | Assigned synergy code | Project synergy no. OP/ROP2 | Project title OP/ROP2 |
| 1 | OP HRE  CZ.1.04/4.1.00/41.00001 | Staffing of processes, extracting information to create and consolidate the portfolio of records of the insured persons and their individual accounts in relation to the basic registers of public administration – part 1. | | The IOP project is an investment project and is used to purchase hardware and software. OP HRE projects are used to fill database by professionals and further process insured person data. | / | / | / |
| 2 | OP HRE  CZ.1.04/4.1.00/41.00002 | Staffing of processes, extracting information to create and consolidate the portfolio of records of the insured persons and their individual accounts in relation to the basic registers of public administration – part 2. | | The IOP project is an investment project and is used to purchase hardware and software. OP HRE projects are used to fill database by professionals and further process insured person data. | / | / | / |
| 3 | IOP  CZ.1.06/1.1.00/07.06393 | Creating an information and communication interface of CSSA for the purpose of providing information to clients | | The IOP project is an investment project and is used to purchase hardware and software. OP HRE projects are used to fill database by professionals and further process insured person data. | / | / | / |
| ***Comment on the table and other information on synergic projects*** *(total number of synergic projects, most frequent synergic area, the number of non-reported links due to NP/PP status becoming negative, ...):* | | | | | | | |
| Links between HRE and IOP (informal)   * **Super-strategic projects**   + Objective: to set up basic coordination of strategy structures (PO SA, Department of Chief Architect)   + Projects in OP HRE Call **no. 27** * **Analyses of public administration on proposal of procedures and activities leading to the achievement of the Strategy's objectives**   + Projects in OP HRE Call **no. 32**   + Analyses for the implementation of projects in IOP Calls **no. 3 and no. 7** * **Training of public administration officials and employees, methodologists and trainers and policy makers concerning the introduction of eGovernment into public administration**   + Projects in Call **no. 38**   + Projects concerning training in the field of CzechPOINT and eGovernment   + Links to projects in OP HRE Call **no. 40 and** IOP **Calls no. 3 and 7** * **Modelling public administration agendas**   + Projects in Call **no. 38**   + Objective: procedural and organizational audits of most important public administration agendas   + Links and impact on projects of OP HRE and IOP calls | | | | | | | |
| ***Problems and identified risks in ensuring links by managing authorities, measures taken:*** | | | | | | | |
|  | | | | | | | |
| ***Topics for the meeting of the coordinating committee / thematic microteam:*** | | | | | | | |
|  | | | | | | | |
| ***Other notes:*** | | | | | | | |
|  | | | | | | | |
| **Prepared by: IB MoI** | | | | | | | |

**Form 2 – Roma issues**

**Document prepared by: MANAGING AUTHORITY OF THE IOP**

|  |  |
| --- | --- |
| **Form prepared by:** | *Integrated Operational Programme* |
| **Thematic area\*:** | ***Roma issues*** |
| Synergistic IOP Support Areas: | ***3.1*** *Services in the field of social integration*  ***5.2*** *Improving the environment in problematic housing estates* |
| Links to Support Areas of OP HRE: | *3.2 Support for social integration of Roma localities* |
| Links to Support Areas of OP EC: | *1.2 Equal opportunities for children and pupils, incl. children and pupils with special educational needs*  *3.2 Support for the possibilities of further education* |
| Agreement on cooperation between MA IOP and MA OP HRE / OP EC | YES |
| ***Assessing the functioning of coordination mechanisms between MA (PP) and MA (NP) set in agreements between the MAs / in programme documentation / additional coordination mechanisms, incl. description of form*** *(i.e. sending schedule of calls, sending reports on implementation / annual reports, attendance at MCC / thematic microtomes\*\* convened under CCs / monitoring committees / working groups / annual conferences, information on seminars for applicants / beneficiaries, information in PAs / WPMs, etc.):* | |
| |  | | --- | | (1) Sending the schedule of calls: cooperation with Op HRE | | (2) Sending a message on the preparation of annual reports: NO | | (3) Sending a list of approved projects with synergic links: in MSC | | (4) Participation in MC: cooperation with OP HRE | | (5) Participation in WG: WG Pilot, WG ROMEA | | (6) Attendance in seminars for applicants: NO | | (7) Attendance in seminars for beneficiaries: NO | | (8) Sending a list of approved projects with synergic links: as needed in MSC | | (9) Other mechanisms: Cooperation with the Agency for Social Inclusion, workshops for IDP managers | | |
| ***Overview of synergic projects fulfilling the link – report MSC221; if the MA does not use MSC2007 to monitor all the synergies, it will provide the actual record of synergistic projects*** | |
| These projects are implemented within the IDPs in IOP. IDPs in IOP are primarily aimed at the regeneration of residential buildings and revitalization of public areas (IOP 5.2), and they can be supplemented by projects funded from other operational programmes. Projects implemented in a zone covered by an IDP will receive a ten-point bonus. Information is available in MSC and individual IDPs. Activity 5.2(c) directly incorporates the obligation of synergy with project 3.1b of IOP or 3.2 of OP HRE into the programming document. | |
| ***Comment on the table and other information on synergic projects*** *(total number of synergic projects, most frequent synergic area, the number of non-reported links due to NP/PP status becoming negative, ...):* | |
| It is possible to add projects to IDP in IOP by an IDP change notification. | |
|  | |
| **Prepared by: MA IOP** | |

\* Defined in the Guideline to ensure synergies between the OPs (Annexes 1 and 2)

\*\* See Annex to Decision no. 235/2009 of the Minister of Regional Development

**Form 3 – Improving the quality and accessibility of public services / social integration**

**DOCUMENT PREPARED BY: INTERMEDIATE BODY - MINISTRY OF LABOUR AND SOCIAL AFFAIRS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Form prepared by:** | | | | *Ministry of Labour and Social Affairs* | | | | |
| **Thematic area\*:** | | | | ***Social integration*** | | | | |
| Synergistic Support Areas OP/ROP1\*: | | | | ***3.1 – Services in the field of social integration*** | | | | |
| Links to Support Areas OP/ROP1\*: | | | | *3.2 – OP HRE – Roma issues,*  *3.1 – OP HRE – mirror projects and improving the quality and availability of public services*  *5.2 – IOP – social integration (IDP)* | | | | |
| Agreement on cooperation between MA (PP) and MA (NP): | | | | NO | | | | |
| ***Assessing the functioning of coordination mechanisms between MA (PP) and MA (NP) set in agreements between the MAs / in programme documentation / additional coordination mechanisms, incl. description of form*** *(i.e. sending schedule of calls, sending reports on implementation / annual reports, attendance at MCC / thematic microtomes\*\* convened under CCs / monitoring committees / working groups / annual conferences, information on seminars for applicants / beneficiaries, information in PAs / WPMs, etc.):* | | | | | | | | |
| In seminars for applicants, applicants are informed about synergic links between operational programmes. | | | | | | | | |
| ***Overview of synergic projects fulfilling the link – MSC2007 221 report*** | | | | | | | | |
| Selection criteria: Programme = OP/*ROP1* | | | | | | | | |
| Serial No. | Project synergy no. OP/ROP1 (PP, NP) | | Project title OP/ROP1 | | Synergy description | Assigned synergy code | Project synergy no. OP/ROP2 | Project title OP/ROP2 |
| 1 | CZ.1.06/3.1.02/01.06080 | | Extending social entrepreneurship of Active Colour s.r.o. - Wet paint shop | |  |  | CZ.1.04/3.1.06/30. 00010 | Extending social entrepreneurship of Active Colour s.r.o. - Wet paint shop |
| 2 | CZ.1.06/3.1.02/01.06088 | | CLEAR SERVIS – creation and development of laundry, ironing and repairing clothes in Těrlicko | |  |  | CZ.1.04/3.1.06/30. 00005 | CLEAR SERVIS – creation and development of laundry, ironing and repairing clothes in Těrlicko |
| 3 | CZ.1.06/3.1.02/01.06232 | | Wood production Tomíkovice – Social enterprise in the Roma locality Kobylá n.Vidnavkou, Velká Kraš | |  |  | CZ.1.04/3.1.06/30.00039 | Wood production Tomíkovice – Social enterprise in the Roma locality Kobylá n.Vidnavkou, Velká Kraš |
| 4 | CZ.1.06/3.1.02/01.06074 | | Sofira – Sun for All | |  |  | CZ.1.04/3.1.06/30. 00011 | Sofira – Sun for All |
| 5 | CZ.1.06/3.1.02/01.06448 | | DEK Group – support, help, do business | |  |  | CZ.1.04/3.1.06/30.00069 | DEK Group - support, help, do business |
| 7 | CZ.1.06/3.1.02/01.06944 | | Catering – operation of a vehicle | |  |  | CZ.1.04/3.1.06/30. 00098 | Catering – operation of a vehicle |
| 8 | CZ.1.06/3.1.02/01.06963 | | Forestry work – social enterprise for equal opportunities | |  |  | CZ.1.04/3.1.06/30.00118 | Forestry work – social enterprise for equal opportunities |
| 9 | CZ.1.06/3.1.02/01.07110 | | Processing of fruit and herbs in Velká Kraš | |  |  | CZ.1.04/3.1.06/30. 00128 | Processing of fruit and herbs in Velká Kraš |
| 10 | CZ.1.06/3.1.02/01.06232 | | Wood production Tomíkovice – Social enterprise in the Roma locality Kobylá n.Vidnavkou, Velká Kraš | |  |  | CZ.1.04/3.1.06/30.00039 | Wood production Tomíkovice – Social enterprise in the Roma locality Kobylá n.Vidnavkou, Velká Kraš |
| 11 | CZ.1.06/3.1.02/01.06457 | | Krabičky v.d. - social enterprise | |  |  | CZ.1.04/3.1.06/30.00141 | KRABIČKY v. d. - social enterprise |
| 12 | CZ.1.06/3.1.02/01.07131 | | Art with a handicap | |  |  | CZ.1.04/3.1.06/30.00163 | Art with a handicap |
| 13 | CZ.1.06/3.1.02/01.06942 | | Equipment for printing service centre Broumov | |  |  | CZ.1.04/3.1.06/30.00168 | Sociální podnik Centrum služeb Broumov s. r. o. |
| 14 | CZ.1.06/3.1.02/01.07541 | | Social enterprise – Sweet shop Sedmička Strakonice | |  |  | CZ.1.04/3.1.06/30.00166 | Social enterprise – Sweet shop Sedmička Strakonice |
| 15 | CZ.1.06/3.1.02/01.07596 | | Integration cafe PONTES | |  |  | CZ.1.04/3.1.06/30.00169 | Integration cafe PONTES |
| 16 | CZ.1.06/3.1.02/01.07113 | | Milk bar NAPROTI – creation and stabilization of a sustainable social enterprise | |  |  | CZ.1.04/3.1.06/30.00154 | Milk bar NAPROTI – creation and stabilization of a sustainable social enterprise |
| 17 | CZ.1.06/3.1.02/01.06284 | | Technical capacity of services Centrom | |  |  | CZ.1.04/3.2.01/19.0018 | Expansion of the capacity and range of services CENTROM |
| 18 | CZ.1.06/3.1.02/01.06284 | | Technical capacity of services Centrom | |  |  | CZ.1.04/3.2.01/19.00182 | Quality control of the registered social services in organization CENTROM II |
| 19 | CZ.1.06/3.1.02/01.06284 | | Technical capacity of services Centrom | |  |  | CZ.1.04/3.2.01/19.00229 | Qualification course of SSE VL |
| 20 | CZ.1.06/3.1.02/01.07307 | | Construction of low-threshold and counselling centre in Ostrava - Kunčičky | |  |  | CZ.1.04/3.2.00/55.00004 | Operation of low-threshold and counselling centre in Ostrava - Kunčičky |
| 21 | CZ.1.06/3.1.02/01.07288 | | Development of social services for the city of Broumov – equipment of premises for social services | |  |  | CZ.1.04/3.2.00/55.00007 | Development of social services for the city of Broumov |
| 22 | CZ.1.06/3.1.02/01.07303 | | Counselling centre KHAMORO | |  |  | CZ.1.04/3.2.00/55.00010 | Services of counselling centre KHAMORO |
| 23 | CZ.1.06/3.1.02/01.07577 | | Low-threshold facility for children and youth aged 15 to 26 years | |  |  | CZ.1.04/3.2.00/55.00005 | A comprehensive programme of integration of socially excluded persons and persons at risk of social exclusion in Most into society |
| 24 | CZ.1.06/3.1.02/08.07973 | Mini-technical services | | |  |  | CZ.1.04/3.1.06/30.00220 | Mini technical services |
| 25 | CZ.1.06/3.1.02/08.08002 | Extraction and processing of stone in Stará Červená Voda | | |  |  | CZ.1.04/3.1.06/30.00232 | Extraction and processing of stone in Stará Červená Voda |
| 26 | CZ.1.06/3.1.02./08.8035 | With a flair for the thing | | |  |  | CZ.1.04/3.1.06/30.00242 | With a flair for the thing |
| 27 | CZ.1.06/3.1.02/08.08119 | Wellness centre in Svitavy | | |  |  | CZ.1.04/3.1.06/30.00276 | Wellness centre in Svitavy |
| 28 | CZ.1.06/3.1.02/08.08141 | Roots are the basis II. | | |  |  | CZ.1.04/3.1.06/30.00290 | Roots are the basis II. |
| 29 | CZ.1.06/3.1.02/08.08134 | Social enterprise – accounting firm | | |  |  | CZ.1.04/3.1.06/30.00293 | Social enterprise – accounting firm |
| 30 | CZ.1.06/3.1.02/08.08125 | Social enterprise BENECYKL – investment part | | |  |  | CZ.1.04/3.1.06/30.00275 | Social enterprise BENECYKL s.r.o. |
| 31 | CZ.1.06/3.1.02/08.08302 | Social enterprise of the construction company I.V. ENERGY s.r.o. | | |  |  | CZ.1.04/3.1.06/30.00511 | Social enterprise I.V. ENERGY |
| 32 | CZ.1.06/3.1.02/08.08366 | The first producer of natural cider in Czech Republic | | |  |  | CZ.1.04/3.1.06/30.00387 | The first producer of natural cider in Czech Republic |
| 33 | CZ.1.06/3.1.02/08.08355 | Šikulové – production of modelmaking accessories | | |  |  | CZ.1.04/3.1.06/30.00244 | Social enterprise Šikulové - production of modelmaking accessories |
| 34 | CZ.1.06/3.1.02/08.08340 | Microbrewery on the farm | | |  |  | CZ.1.04/3.1.06/30.00401 | Microbrewery on the farm |
| 35 | CZ.1.06/3.1.02/08.08389 | Laundry Collarca | | |  |  | CZ.1.04/3.1.06/30.00533 | Laundry Collarca |
| 36 | CZ.1.06/3.1.02/08.08632 | Social enterprise AZPO Group s.r.o. - sustainable employment for the disadvantaged | | |  |  | CZ.1.06/3.1.02/08.08632 | Social enterprise AZPO Group s.r.o. - sustainable employment for the disadvantaged |
| ***Comment on the table and other information on synergic projects*** *(total number of synergic projects, most frequent synergic area, the number of non-reported links due to NP/PP status becoming negative, ...):* | | | | | | | | |
|  | | | | | | | | |
| ***Problems and identified risks in ensuring links by managing authorities, measures taken:*** | | | | | | | | |
|  | | | | | | | | |
| ***Topics for the meeting of the coordinating committee / thematic microteam:*** | | | | | | | | |
|  | | | | | | | | |
| ***Other notes:*** | | | | | | | | |
|  | | | | | | | | |
| **Prepared by:** IB IOP - MoLSA | | | | | | | | |

**Form 4 – tourism, promotion, marketing**

**Document prepared by: MANAGING AUTHORITY OF THE IOP**

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Form prepared by:** | | | *Integrated Operational Programme – MA IOP* | | | | |
| **Thematic area\*:** | | | ***Tourism, promotion, marketing*** | | | | |
| Synergistic Support Areas OP/ROP1\* \_\_\_\_\_\_\_\_\_\_\_\_: | | | *ROP SE 2.2 Development of tourism services*  *ROP SW 3.3 Development of tourism services, marketing and tourism products*  *ROP CB 2.3 Promotion and management of tourist destinations in Central Bohemia Region*  *ROP MS 2.4 Marketing of region*  *ROP CM 3.4 Promotion and management*  *ROP NE 3.2 Marketing and coordination activities in the field of tourism*  *ROP NW 4.3 Support for marketing and creating tourism products* | | | | |
| Links to Support Areas OP/ROP2\*\_\_\_\_\_\_\_\_\_\_: | | | *(Names of Support Areas\* OP/ROP2)* | | | | |
| Agreement on cooperation between MA (PP) and MA (NP): | | | YES | | | | |
| ***Assessing the functioning of coordination mechanisms between MA (PP) and MA (NP) set in agreements between the MAs / in programme documentation / additional coordination mechanisms, incl. description of form*** *(i.e. sending schedule of calls, sending reports on implementation / annual reports, attendance at MCC / thematic microtomes\*\* convened under CCs / monitoring committees / working groups / annual conferences, information on seminars for applicants / beneficiaries, information in PAs / WPMs, etc.):* | | | | | | | |
|  | | | | | | | |
| ***Overview of synergic projects fulfilling the link – report MSC2007 221, if it is not used to monitor all the synergies of MSC2007, provide the actual record of synergistic projects*** | | | | | | | |
| not applicable | | | | | | | |
|  |  |  | |  |  |  |  |
|  |  |  | |  |  |  |  |
|  |  |  | |  |  |  |  |
|  |  |  | |  |  |  |  |
| ***Comment on the table and other information on synergic projects*** *(total number of synergic projects, most frequent synergic area, the number of non-reported links due to NP/PP status becoming negative, ...):* | | | | | | | |
| Priority Axis 4 contains no projects showing synergies with projects implemented in the ROP.  In projects under Activity (d) – Presentation and promotion of cultural and natural heritage, cultural industry and services to be used for tourism shows links with CzechTourism projects under the existing partnership agreements.  Projects implemented in Activity (e) promoting the Czech Republic as a tourist destination show mutual synergies. | | | | | | | |
| ***Problems and identified risks in ensuring links by managing authorities, measures taken:*** | | | | | | | |
| No problems are identified in this area. | | | | | | | |
| ***Topics for the meeting of the coordinating committee / thematic microteam:*** | | | | | | | |
|  | | | | | | | |
| ***Other notes:*** | | | | | | | |
|  | | | | | | | |
| **Prepared by: MA IOP** | | | | | | | |

**Form 5 – exploiting the potential of cultural heritage**

**Document prepared by: Managing Authority of the IOP**

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| **Form prepared by:** | | | *Managing Authority of the IOP* | | | | |
| **Thematic area\*:** | | | ***National support for territorial development*** | | | | |
| Synergistic Support Areas OP/ROP1\* **IOP/ROP**: | | | *(Names of Support Areas\* OP/ROP1)*  *5.1 National support to utilize the potential of cultural heritage* | | | | |
| Links to Support Areas OP/ROP1\*: | | | *(Names Support Areas\* OP/ROP2) locally relevant Regional Operational Programmes* | | | | |
| Agreement on cooperation between MA (PP) and MA (NP): | | | YES / | | | | |
| ***Assessing the functioning of coordination mechanisms between MA (PP) and MA (NP) set in agreements between the MAs / in programme documentation / additional coordination mechanisms, incl. description of form*** *(i.e. sending schedule of calls, sending reports on implementation / annual reports, attendance at MCC / thematic microtomes\*\* convened under CCs / monitoring committees / working groups / annual conferences, information on seminars for applicants / beneficiaries, information in PAs / WPMs, etc.):* | | | | | | | |
|  | | | | | | | |
| ***Overview of synergic projects fulfilling the link – report MSC2007 221, if it is not used to monitor all the synergies of MSC2007, provide the actual record of synergistic projects*** | | | | | | | |
| Selection criteria: Programme = OP/*ROP1* | | | | | | | |
| Serial No. | Project synergy no. OP/ROP1 (PP, NP) | Project title OP/ROP1 | | Synergy description | Assigned synergy code | Project synergy no. OP/ROP2 | Project title OP/ROP2 |
| 1 | CZ.1.06/5.1.00/01/06156 | Terezín – revival of historical monuments | |  |  | CZ.1.09/4.1.00/31.00770 | Revitalizing access to the reconstructed buildings in Terezin |
| 2 | CZ.1.06/5.1.00/01.05508 | Model renewal of NCM Premonstratensian Monastery in Teplá | |  |  | - | - |
| 3 | CZ.1.06/5.1.00/01.05498 | Accessibility and new use of NCM Vítkovice | |  |  | CZ.1.10/2.2.00/10.01160 | Accompanying tourism infrastructure for NCM Vítkovice |
| 4 | CZ.1.06/5.1.00/01.06135 | Revitalization of the castle hill in Litomyšl | |  |  | CZ.1.13/3.1.00/15.00844 | Revitalization of the historic building of the Regional Museum in Litomyšl |
| 5 | CZ.1.06/5.1.00/01.06155 | Kuks – Pomegranate | |  |  | CZ.1.13/3.1.00/24.01133 | Braun's Region II. |
|  |  |  | |  |  | CZ.1.13/3.1.00/24.01130 | Ensuring the availability of tourism attractions in Kuks |
|  |  |  | |  |  | CZ.1.13/3.1.00/24.01132 | ZOO Dvůr Králové a.s. |
|  |  |  | |  |  | CZ.1.13/3.1.00/24.01134 | Rentz's baroque print shop and street theatre in Kuks |
| 6 | CZ.1.06/5.1.00/01.06095 | Multi-purpose centre Chateau riding school in Lednice | |  |  | CZ.1.11/2.1.00/02.00453 | Reconstruction of the Chateau Hotel Lednice |
|  |  |  | |  |  | CZ.1.11/2.2.00/02.00545 | Creation and promotion of products, conduct of marketing campaign in the tourist area Pálava and LVA |
|  |  |  | |  |  | CZ.1.11/2.2.00/01.00134 | Tourist guide of Podluží and Hodonín area |
| 7 | CZ.1.06/5.1.00/01.06096 | Revitalisation of Jewish monuments in the Czech Republic | |  |  | CZ.1.11/2.2.00/02.00572 | Support for the development of tourism in Pelhřimov area |
|  |  |  | |  |  | CZ.1.11/3.2.00/01.00242 | Comprehensive renovation of the Charles Square in Polná and its immediate surroundings |
|  |  |  | |  |  | CZ.1.11/2.2.00/02.00506 | Presentation and promotion of significant tourist attractions of the city of Polná |
|  |  |  | |  |  | CZ.1.11/2.1.00/06.01093 | Accessibility of national cultural monument in Polná for tourism |
|  |  |  | |  |  | CZ.1.11/2.2.00/02.00474 | Where to in Boskovice? |
|  |  |  | |  |  | CZ.1.11/2.2.00/06.00945 | Visitor services of architectural heritage buildings in Boskovice |
|  |  |  | |  |  | CZ.1.11/2.2.00/01.00067 | Mikulov area – professional partner in tourism |
|  |  |  | |  |  | CZ.1.11/2.2.00/06.00937 | Multimedia guides for exhibitions in the Regional Museum in Mikulov |
| 8 | CZ.1.06/5.1.00/01.06093CZ.1.06/5.1.00/01.06348 | Villa Tugendhat Centre for the restoration of monuments of 20th century architecture | |  |  | CZ.1.11/2.2.00/02.00466 | Brno – city of the future – information and promotional materials of Brno |
|  |  |  | |  |  | CZ.1.11/2.2.00/02.00470 | Brno architectural trails |
|  |  |  | |  |  | CZ.1.11/2.1.00/02.00531 | Exhibition of Brno functionalism using cultural heritage monument "Café ERA" |
|  |  |  | |  |  | CZ.1.11/2.2.00/02.00537 | Jewish Brno |
| 9 | CZ.1.06/5.1.00/01.05477 | Architectural Heritage Centre in Plasy | |  |  | CZ.1.14/3.1.00/16.02545 | Plasy. A journey through a monastery – paths of knowledge |
| 10 | CZ.1.06/5.1.00/01.06132 | Revitalization of monasteries in Český Krumlov | |  |  | CZ.1.14/3.1.00/16.02542 | Museum of moldavites |
|  |  |  | |  |  | CZ.1.14/3.1.00/16.02543 | Creating new access routes to monasteries in the Czech Republic |
| 11 | CZ.1.06/5.1.00/01.05935 | National museum of photography and tapestry workshop – centre for indigenous crafts and unique technologies | |  |  | CZ.1.14/3.1.00/16.02544 | Centre of photography and modern media |
| 12 | CZ.1.06/5.1.00/01.06128 | Schola naturalis – project to revitalize the Veltrusy castle and centre of the European Landscape Convention. | |  |  |  |  |
| 13 | CZ.1.06/5.1.00/01.06138 | National Centre of Garden Culture in Kroměříž | |  |  | CZ.1.12/3.1.00/37.01796 | Information system in Kroměříž – city of UNESCO heritage sites |
|  |  |  | |  |  | CZ.1.12/3.1.00/40.01912 | Adjusting the boarding area before Flower Garden |
|  |  |  | |  |  | CZ.1.12/3.1.00/40.01913 | Design of the new public space in the Chateau garden |
| 14 | CZ.1.06/5.1.00/01.05920 | Velehrad – Centre for Cultural Dialogue between Western and Eastern Europe | |  |  | CZ.1.12/3.1.00/28.01424 | Tourist centre Velehrad |
|  |  |  | |  |  | CZ.1.12/3.1.00/28.01425 | Construction of access road and parking spaces for tourist destinations in the Velehrad disabled person's home |
|  |  |  | |  |  | CZ.1.12/3.1.00/43.02147 | Velehrad – infrastructure supporting tourism development |
|  |  |  | |  |  |  |  |
| ***Comment on the table and other information on synergic projects*** *(total number of synergic projects, most frequent synergic area, the number of non-reported links due to NP/PP status becoming negative, ...):* | | | | | | | |
| **Support in Intervention Area 5.1** is intended solely for NCMs and UNESCO monuments and for the development of cultural services at the national level and is prevented from overlapping with other grant programmes, which are primarily intended for other needs of cultural heritage sites and rural areas and monuments that exist in municipalities with up to 500 inhabitants. | | | | | | | |
| ***Problems and identified risks in ensuring links by managing authorities, measures taken:*** | | | | | | | |
| The measures taken by the IB MoC to ensure ties with ROP included close cooperation and communication with IOP beneficiaries in IA 5.1 and also ensuring the flow of information from the relevant ROPs, in whose scope IOP IA 5.1 projects have place of impact. The MA IOP continues in this collaboration. | | | | | | | |
| ***Topics for the meeting of the coordinating committee / thematic microteam:*** | | | | | | | |
|  | | | | | | | |
| ***Other notes:*** | | | | | | | |
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| **Prepared by: MA IOP** | | | | | | | |

### Annex 2 – Activities in the field of publicity for 2014

| **MA / IB** | **Project** | **Topic** | **Target group** | **Financial costs of TA IOP (EUR):** | **More information:** |
| --- | --- | --- | --- | --- | --- |
| MA | Website  [www.strukturalni-fondy.cz/iop](http://www.strukturalni-fondy.cz/iop) | Ongoing publication of information and website update | applicants and beneficiaries, the public, evaluators, implementation entities, media | CZK 0 | Website is continually updated throughout the period. |
| MA | IOP Newsletter  *"Pod lupou" (In the spotlight)* | Current information on IOP, successful projects, calls, FAQ. | applicants and beneficiaries, the public, implementation entities, media | CZK 125,872 | Four issues were published, focusing on current events in the IOP and the preparation of the 2014–2020 period. |
| MA in cooperation with IBs | Microsite kvalitazivota.eu | Ongoing publication of information about projects financed by the IOP | public | CZK 10,164 (webhosting) | Microsites inform about projects implemented in IOP. Updates are realised by MA and IB. |
| MA | Vote for Czech monuments – competition and an advertising campaign on the competition on the web portal idnes.cz | competition on the web: Vote for Czech monuments and advertising campaign | applicants, beneficiaries, public | CZK 262,225 | Advertising campaign to promote the competition Vote for Czech monuments. Webistes [www.mmr.cz](http://www.mmr.cz/) and [www.kvalitazivota.eu](http://www.kvalitazivota.eu/) published rules of the competition. It was held from 1 May to 31 August 2014. Competitors could vote for 16 unique heritage projects. The competitors had to choose a favourite project and give it their vote via the Web. |
| MA | IOP and IROP Annual Conference: Achievements and new goals | Conference concerning the transition from IOP to IROP | Professional public | CZK 93,151.90 | Conference to summarize the results of the IOP and the familiarization with the new programming period and grant opportunities in IROP. Pardubice, 24 September 2014 |
| MA | Advertising in MF Dnes | Announcement of Call no. 25 | public | CZK 93,848 | Information about announcement of calls in tourism. |
| MA | Questions through iop@mmr.cz | Questions on IOP | public, beneficiaries, applicants | CZK 0 | Number of questions answered: 62 |
| MA in collaboration with NCA | Advertising in Hospodářské noviny on 5 June 2014 | Advertising | public | CZK 0 | Publishing the presentation IOP – social entrepreneurship, healthcare issues, IDP and projects in the field of promoting cultural heritage, 3 pages. |
| MA | IOP information stands | Providing information on IOP | public | CZK 0 | IOP information stands at Ladronka fest and Europe Day. The events were held in collaboration with the National Coordination Authority. |
| MA | Photo documentation of the selected IOP projects | Photo documentation of selected projects from all areas of IOP support. | Beneficiaries and the general public | CZK 192,000 | Photo documentation of exterior and interior of IOP projects usable for electronic and hard copy publications. Photo documentation of a total of 25 projects was taken. |
| MA | Presence in the Monuments exhibition | Cultural heritage | public | CZK 89,540 | The stand presents repair of monuments funded from IOP at the specialized Monuments fair in the Industrial Palace at the Exhibition Grounds in Holešovice, Prague, 23 – 24 October 2014. |
| MA | Promotional items | Visibility of IOP and its projects | General and professional public | CZK 345,585 | Promotional items such as a calendar with photographs and descriptions of successful projects, agenda, new year card, solar chargers |
| MA | Seminars for IDP managers | IDP | Beneficiaries | CZK 0 | Regular briefings with representatives of IOP with IDP managers, on 27 November in Prague and on 4 December in Olomouc |
| MA | Seminar for beneficiaries in Intervention Area 5.1 | Cultural heritage | Beneficiaries | CZK 0 | Seminar for beneficiaries in Intervention Area 5.1 National support to utilize the potential of cultural heritage, Activity (a), (b), Prague on 19 January 2014. |
| MA | Press releases, communication on social networks | Visibility of MA activities | General and professional public | CZK 0 | Continuously published current information through press releases and information on social networks. |
| CRD | Professional PR articles | Grant of options in IOP 5.2 to repair prefabricated concrete buildings and regenerate housing estates (Integrated Urban Development Plans) | Beneficiaries and applicants and the general public | CZK 39,324 incl. VAT | The article "European grants help improve the environment of Czech housing estates" – the magazine Panelák 43 (Český Těšín, Ostrava, Karviná, February 2014), 44 (České Budějovice and Strakonice, May 2014), 45 (Brno, Břeclav, Uherské Hradiště, September 2014); article "Regeneration of residential houses using European structural funds" in the catalogue Bydlet v panelu 2014/2015 (September 2014); article "On the revitalization of housing estates in Czech cities" in the journal Construction of cities and municipalities 4/2014 (November 2014). |
| CRD | Press presentation in newspapers | Examples of completed projects in IOP 5.2 | Public | CZK 170,228 incl. VAT | Advertisements of 1/4 of printed page in colour in regional attachments or magazines of MF DNES - namely the following advertisements: 19. 9. 2014 Central Bohemia Region (renewal of Brandýs synagogue), 24 October 2014 CITY DNES – Prague (renewal of glassworks in Sázava), 6 December 2014 Zlín Region (Kroměříž Flower Garden restoration) 13 December 2014, Zlín Region (restoring the pilgrimage site at Velehrad), 29 December 2014 - Central Bohemia Region (Meeting Park in Kladno) + South Bohemia Region (revitalizing the Mír housing estate in Strakonice) + South Moravian Region (renewal of the Stiassni villa) + Moravian Silesian Region (Vítkovice) + Karlovy Vary (parks in housing estate Stará role) – A total of 9 ads each with a photograph of the implemented project and a short text. |
| CRD | CRD Newsletter | Preparation and implementation of projects, interesting projects | Applicants and beneficiaries or public | CZK 27,104 incl. VAT | Extraordinary extended edition of the CRD newsletter "Yesterday, today and tomorrow" no. 13 on integrated approaches in regional policy - their history in European regional policy, the pilot use in Czech operational programmes, evaluation of IDP, the introduction of the proposal of the integrated approaches in the new period 2014-2020 and preparation of strategies within the OPTA, specific cases of IDP Znojmo and ITI Ostrava – and administration of Intervention Areas focusing on cultural heritage and tourism. 1500 copies, target group: students of regionalist fields at Czech universities distribution to relevant departments throughout the Czech Republic with the assistance of secretariats of relevant departments, or libraries. |
| CRD | Website  [www.crr.cz](http://www.crr.cz/), [www.risy.cz](http://www.risy.cz/), [www.kvalitazivota.eu](http://www.kvalitazivota.eu/) | Ongoing disclosure of information on IOP, RIS continually updated list of projects implemented with EU support | Applicants and beneficiaries, the public, implementation entities, media | CZK 0 | Pages are continually updated throughout the year, the Quality of Life website is updated and interesting projects are added. |
| CRD | Promotional printed material | Promotional printed material | Attendees in seminars, public | CZK 75,806.5 incl. VAT | Table calendar "IOP: Renewal of Cultural Heritage 2015", table calendar using photographic documentation of projects implemented within the IOP 5.1 (documentation provided by the Managing Authority), intended for employees of the IOP implementation structure, clients (beneficiaries and applicants), partly for public, 500 copies. |
| CRD | Fairs and conferences | Presentation in IOP Intervention Area 5.2 | General and professional public | CZK 10,400 incl. VAT | Attendance at the trade fair Pragointerier / Prefabricated concrete houses and apartments, which was held on 14 – 16 March 2014 at the Exhibition Grounds in Holešovice, CRD provided a stand where candidates were given information materials and expertise on the restoration of housing estates under IOP; attendance at sixth annual conference "Region in the development of society" held on 23 October 2014 at the Faculty of Regional Development and International Studies, Mendel University in Brno, the participation of a representative of CRD in the discussion within the panel Regional Development in the Czech Republic, the Proceedings of the conference published text "Integrated approaches to urban development and the role of European funds". |
|  | Seminars | Seminars for applicants / beneficiaries in IOP focusing on different key themes (calls, procurement, monitoring reports, change notification, payment applications, etc.). | Beneficiaries, applicants | CZK 0 | In 2014 there was no CRD seminar, but our employees attended MA seminars for beneficiaries, particularly in the IOP Intervention Area 3.4 |
| CRD | Consulting services | Questions on IOP | public, beneficiaries, applicants | CZK 0 | The number of questions answered by e-mail is about 500, there are regular personal consultations with applicants and beneficiaries (no detailed records are kept). |
| MoLSA | Website  www.mpsv.cz | General information about Intervention Areas 3.1 and 3.3 | applicants and beneficiaries, the public, media | CZK 0 | Website is continually updated throughout the year. |
| MoLSA | Number of questions answered | Questions on IOP 3.1 and 3.3 | public, beneficiaries, applicants | CZK 0 | Number of email questions answered:  IA 3.1 – 421  IA 3.3 – 219  Number of telephone questions answered:  IA 3.3 – 231 |
| MoLSA | Personal consultation with applicants and beneficiaries | Personal consultations on IOP 3.1 and 3.3 | Beneficiaries, applicants | CZK 0 | Number of personal consultations:  IA 3.1 – 26  IA 3.3 – 22 |
| MoLSA | Seminars for beneficiaries and applicants on 3.1 | Information about calls and new information in IA 3.1 | Beneficiaries, applicants | CZK 2,866 | Three seminars for beneficiaries and applicants Total attendance: 40 persons |
| MoLSA | Seminars for beneficiaries and applicants on 3.3 | Information about calls and new information in IA 3.3 | Beneficiaries, applicants | CZK 2,974 | Two seminars for beneficiaries and applicants, total attendance 44 persons |
| MoLSA | Advertising - information about the project in IA 3.1 (c) | Advertising - information about the project in IA 3.1 (c) in Respekt | Beneficiaries, applicants | CZK 63,676 | Publication of a presentation of the IOP – grants from Intervention Area 3.1 for investments of entrepreneurs who employ persons from defined groups. The advertisement was published on 18 August 2014 and on 25 August 2014 as a half-page advertisement. |
| MI | Website [www.osf-mvcr.cz](http://www.osf-mvcr.cz/) | Ongoing publication of information and website update | applicants and beneficiaries, the public, evaluators, implementation entities, media | CZK 25,384.59 | Website is continually updated throughout the year. Attendance in 2014:  42,733 users  One modification – CMS |
| MI | Website  Projects of .osf-mvcr.cz | Database with presentations of successful projects | applicants and beneficiaries, the public, media | CZK 25,155.9 | Website is continually updated throughout the year. Attendance in 2014:  1,350 users  Two modifications – image gallery, CMS |
| MI | Hosting | Web Hosting of OSF | applicants and beneficiaries, the public, media | CZK 56,563.92 | Webhosting – in 2014 tendered as a small-scale contract in, January-February 2014, paid from MoI funds |
| MI | Twitter | Regular publishing of news from OSF | The public, media | CZK 0 | Twitter account launched from September 2011, currently about 200 followers |
| MI | Media communication | Advertising on the competition "Tape a smart office and win!" | Public | CZK 0 | 2x A4 colour advertising in magazine Veřejná správa (Nos. 19, 23) |
| CZK 70,512.75 | Banner advertising on the portal Novinky.cz from 13 October to 9 November, approximately 1 mil. impressions |
| MI | Number of questions answered | Questions on IOP | public, beneficiaries, applicants | CZK 0 | Number of questions answered: 8,000 (qualified estimate) – telephone, e-mail, personal consultation, on-line consulting |
| MI | Providing PR services to the public – press releases | Information on new IOP calls and projects in evaluation | The public, media | CZK 0 | Press releases: 3  E-Government will be supported from structural funds by CZK 650,000,000 (22 April 2014)  The e-Government projects are popular among government agencies (10 October 2014)  Both concerning Call no. 17 IOP  Certification of OP HRE projects: CZK 833 million, IOP: CZK 1,133 million (18 December 2014) |
| MI | Regular distribution and creation of newsletter | Informing about the activities of OSF, successful projects, statistics | Professional public | CZK 0 | Electronic form, sent out via e-mail to 1,145 addresses, available for download on OSF website; a quarterly |
| MI | PR articles | Various topics concerning IOP support and successful projects | The public, media | CZK 0 | Publication of 4 PR articles on OSF website  <http://www.osf-mvcr.cz/pr-clanky> |
| MI | Competition for the public | Video competition on OSF website for the public | Public | CZK 6,549.44 | The contest "Tape a smart office and win!" lasted from September to December 2014. The contestants had to shoot a short video themed "smart office". Two winners received a smart watch and a voucher to purchase books. Other contestants were rewarded with promotional items. |
| MI | Seminars for applicants and beneficiaries | Two seminars on Call no. 17 and sustainability and other practical problems in project implementation | Applicants and beneficiaries | CZK 5,514 | 5. 5. 2014 Prague – Seminar for applicants in Call no. 17, 49 attendees  11. 12. 2014 Prague – Seminar for beneficiaries – all Calls, project sustainability and frequently asked questions during project implementation, 58 attendees |
| MI | Promotional items | Different kinds of promotional items bearing the visual identity of IOP | Applicants and beneficiaries, professionals, IBs and implementation structure | CZK 93,412 | Pens 2,000 pcs  Highlighter (various colours) 1,000 pcs  Slip mat 500 pcs  Gummi bears 3,000 pcs  Caramel biscuits 3,000 pcs |
| MI | Promotion at professional conferences on public administration | Through stands with promotional items | Professional and general public | CZK 1,815.66 | 18 February 2014 – 10th The National conference on quality in public administration in Hradec Králové  25. 9. 2014 Public Administration 2014, University of Pardubice  Costs reimbursed only included cost of acquiring a promotional stand |
| MoI | Photography | Photo to promote projects/IOP | The public, media | CZK 12,000 | Illustrative photo made by a professional photographer to be used on the website, publicity materials, etc. |
| MoH | Website www.mzcr.cz | Continuous publication and update of information on Intervention Area 3.2 | Applicants and beneficiaries, public | CZK 0 | Website is continually updated throughout the year. |
| MoH | Website [www.kvalitazivota.eu](http://www.kvalitazivota.eu/) | Continuous publication of examples of successful projects in IA 3.2 | Public | CZK 0 | Website is continually updated throughout the year. |
| MoH | Personal, written, telephone and email communication | Provision of information – personal, telephone and email communication – continuous support to applicants and beneficiaries. | Implementation bodies and others | CZK 0 | Year-round activity |
| MoH | Seminars and training sessions for applicants (1) | Providing information for applicants of the 18th Call. (Familiarization with the grant applications, project financing, system evaluation and project selection, basic conditions of implementation, etc.). | Applicants | CZK 6,474 | 13 January 2014 a seminar for applicants in Prague – 18th Call. Number of attendees – 19 |
| MoH | Training for beneficiaries (3) | Providing information to the beneficiaries from the 13th, 14th, 17th and 18th Calls + seminar on public procurement. | Beneficiaries | CZK 42,594 | 13 January 2014, 6 February 2014, 24 June 2014 Prague training for beneficiaries of the 13th, 14th, 17th and 18th Call of the IOP. Number of attendees – 107 |
| MoH | Training for evaluators (2) | Providing information for evaluators of the 18th Call. | Evaluators | CZK 0 | 25 February 2014 and 27 February 2014 Prague training for evaluators – 18th Call. Number of participants: 6 – it took place in the building of the Ministry of Health. |
| MoH | Round tables of Visegrad Countries – Lessons learned from programming period 2007 – 2013 in health | Sharing experience – workshop – presentation of successful projects, exchange of best practices between EU Member States in the programming period 2007–2013 | EF staff | CZK 88,043.50 | 25 – 26 June 2014 in Jihlava. Number of attendees: 24 |
| MoH | Publications, brochures, pamphlets, training materials |  | Publications, brochures, pamphlets, training materials | CZK 13,190 | The planned publication was not published due to time constraints. To meet the publicity needs, a camera was purchased. |

### Annex 3 – Action plans of evaluations

**Action plan Evaluation of the implementation of the JESSICA financial instrument with regard to its usefulness in the programming period 2014–2020**

| **CONCLUSIONS** | **RECOMMENDATIONS** | **Implementation entities of JESSICA FI in IOP** | | | |
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| **CORRECTIVE MEASURES** | **DEADLINE** | **TO BE DONE BY** | **ACHIEVED** |
| At the level of some processes, space for simplification and streamlining of administrative procedures was identified. | 1. Improving mutual communication and cooperation of all stakeholders involved in implementation. | Timely inform about important matters (electronically or by telephone) and set up regular semi-annual working meetings of representatives of the implementation structure, which will deal with current problems (the working meetings may also be held ad hoc outside its regular dates). | by 30 November 2014, information on how the remedial measure is designed is to be sent to the MA | MA – department 262, FI coordinator, HF, SHDF | MA: The MA complies with timely provision of information about important matters. Ad hoc working meetings are not held.  HF: HF SHDF representatives regularly attend semi-annual working meetings of the implementation structure representatives. HF also deals with the implementation issues through "ad hoc" meetings, i.e. HF maintains ongoing active communication with MA IOP and UDFM on the course of the implementation of JESSICA FI, especially via email, phone and in person. |
| 1. Strengthening and maximizing the quality of administrative controls and performance of activities. | Implementation bodies provide procedural training to improve staff competence, ensure standardizing the procedures for the exercise of administrative controls and establish clear responsibilities for the performance of activities. | by 30 November 2014, information on how the remedial measure is designed is to be sent to the MA | MA – Dept. 262 and 264,  HF, SHDF | HF: HF employees regularly attend professional training. Uniform procedures and administrative controls are ensured by the MCS, Agreement on the management of funds, Business plan and Manual of control activities, including checklists. Job descriptions ensure clear division of labour activities among HF employees. Employee authorities result from MCS. In case of absence (illness, vacation, business trip) agenda is always transferred, substitution and continuity of determined procedures ensured. |
| 1. Reduction of documents that are required by the annex to Monitoring Report no. 10 Documenting eligible expenses – HF employees who are 100% involved in the implementation of the IOP do not present monthly statements. | The MA will adjust the relevant Annexes to the Manual for the implementation of the JESSICA FI. | by December 2014 | MA | Achieved On 30 May 2014, in response to this point, the HF sent an opinion which clarified the interpretation of the Manual for the implementation of JESSICA FI. |
| 1. The HF should not be required to submit procurement documents to the MA for approval 10 working days before publication of the procurement procedure or before sending the call to contractors in the case of Category 2 small-scale contracts. | The MA will modify the obligation to submit the PDs relating to category 2 small-scale contract. | by December 2014 | MA | Achieved In the revision of the Manual for the implementation of the JESSICA FI (1.6) on 25 August 2014 and in the revision of the Decision Terms issued on X. October 2014, the MA IOP changed the obligation to submit the PDs relating to category 2 small-scale contract following a recommendation. |
| 1. Use a sample to check whether UDFM complied with the procedures and criteria for project selection. | The HF will determine a model application for credit, which will be used to check whether the UDFM complied with the procedures and criteria for project selection. The determined model will be incorporated into the MCS. | by December 2014 | HF | Determined in MCS HF as from 1 January 2014 |
| 1. In the credit repayment phase, extended the frequency of reporting from monthly to quarterly submission. | In the credit repayment phase, the HF will amend the Agreement and Business Plan, which will extend the frequency of reporting from monthly to quarterly. | in credit repayment phase | HF |  |
| The current status of take-up supported by the interest of potential applicants for the product indicates that by the end of 2015 the allocated amount could be taken up in full. | 1. Continuously follow trends in the take-up of the financial instrument's allocation and absorption capacity and to implement measures to eliminate the risk of under-utilisation. | The administrator will provide a detailed overview of potential applicants, full information service for potential applicants and, in the case of withdrawal, and the administrator will approach other potential applicants. | by December 2015 | UDFM |  |
| The reason to repeat the procurement procedure at UDFM was incorrect setting of the conditions in the procurement documents, which discouraged the majority of applicants. Potential applicants found vague definition of the conditions of the procurement documents particularly problematic. Specifically, they did not understand established terminology; also problematic was the area of ​​financial flows and high responsibility for credit repayment. Procurement conditions for the banking sector were very risky given the potential profit. | 1. Perform a detailed analysis and market research, questionnaire survey and consult with experts from the banking sector (e.g. at Czech Banking Association). Define documents that will be referred to in the Agreement so that the tenderers can become familiar with the rules of the programme and the EU regulations. Clearly define and clarify all the terminology and documentation and, in accordance with the Public Procurement Act, consider choosing appropriate forms of PPs. | Prior to announcing the procurement procedure to select the Manager, the MA and HF will conduct a detailed analysis and market research and clearly define and clarify all the terminology in the procurement documentation. | before selecting the Manager | MA – consultation, HF |  |
| The implementation showed problems in the breach of agreement in the case of payment of individual tranches for individual approved investments. | 1. Consistently check whether the credit agreement is signed in accordance with the statutes of the unit owners' association. | The Manager will provide for a system of checks of signatures on credit agreements to ensure that they are signed in accordance with the statutes of the unit owners' association. | by November 2014 | UDFM | UDFM: Achieved The signatures are not attached on the basis of powers of attorney; the condition requiring that acting on behalf of the unit owners' association is according to applicable statutes is met (statutes are submitted as part of the credit application). |
| For the programming period 2014+, it is appropriate to increase the share of funds used through FI, since it is an important tool in terms of return on public funds and in terms of the lowest distortion of the market environment in terms of the banking market and the market in sectors where the subsidies are directed. | 1. Clearly define the scope of use of grants and FI and avoid duplication of their responsibilities in IROP with other operational and national programmes. | The MA will carry out Preliminary assessment of the use of the financial instrument in IROP, which will result in the proposal for the use of financial instruments in specific objectives and activities of IROP. | by February 2015 | MA – Department management | Under implementation |
| 1. Limit administrative burdens for end users – administrative burden should not be much heavier than in the case of commercial products. | The MA will utilise standardization and simplification of procedures that are enabled thanks to superior methodologies and, in preparing documents for the FI, it will also use methods from banking practice. | by April 2015 | MA – department 262, FI coordinator |  |
| 1. Unify the methodological environment to avoid fragmentation of approaches, criteria, requirements, etc. | The MA will incorporate all the guidelines of NCA for FI implementation to its governing documents (operating manual). | by April 2015 | MA – department 262, FI coordinator |  |
| 1. At various stages of FI implementation, consult the set up of all strategic documents with all FI implementation entities. | When preparing the chapter F of the IROP Operational Manual and their revisions, the MA will use all comments of FI implementation entities. | by April 2015 and during FI implementation | MA – department 262, FI coordinator |  |

### Annex 4 – Emergency action plan of the IOP

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| **Emergency Plan of the Integrated Operational Programme** | | | | | | | | | | |
| **Risk number** | **Risk title** | **Description of risk** | **Number of measure** | **List of measures** | **Responsible person** | **Date** | **Method to verify compliance with measures** | **Progress at the end of Q2 2014** | **Progress at the end of Q3 2014** | **Progress at the end of Q4 2014** |
| 1 | Under-utilisation of available IOP funds and IOP funds made available during implementation | Due to the intervention of the CNB in ​​November 2013, there was a sudden EUR/CZK fluctuation from EUR 1 = CZK 25.7 to EUR 1 = CZK 27.5, which increased the available allocation. There is an associated risk of programme over-commitment if the Czech *koruna* strengthens in 2014 and 2015. | 1.1 | A detailed internal analysis of the full take-up of programme funds for 2014 and 2015 in order to identify appropriate measures in various Intervention Areas (announcement or increase in Calls, dissolution of project pipelines, over-commitment and use of 10% flexibility between Priority Axes) | MA | 10 March 2014; monthly | By 15 March 2014, the MA will sends the MoRD-NCA an analysis and each time by the 15th day of the following month it will send a monthly monitoring report for the MoRD management. | Achieved, on 17 March 2014 the material was presented to the meeting of the MoRD management "Analysis of full take-up of the Integrated Operational Programme", Ref. no. 9513/2014-26. The MA informs the MoRD management about the current progress each month through monthly monitoring IOP reports. | Achieved, on 17 March 2014 the material was presented to the meeting of the MoRD management "Analysis of full take-up of the Integrated Operational Programme", Ref. no. 9513/2014-26. The MA informs the MoRD management about the current progress each month through monthly monitoring IOP reports. Update of the Full Take-up Strategy is being prepared (to be submitted in early October). | Achieved  The MA informs the MoRD management about the current progress each month through monthly monitoring IOP reports. In October and early December, the MA updated the Full Take-up Strategy of the IOP. Another update of the Strategy is planned for late January 2015. IOP take-up plan for 2015 and 2016 should be prepared by the same date. |
|  |  | Available allocation is also increased thanks to savings in projects and refunds from corrections and sanctions. |  |  |  |  |  |  |  |  |
|  |  | The released funds returned to the programme are delayed and therefore it will be impossible to use the available funds in 2014 and 2015 effectively because of the short deadline for the implementation of potential new projects. |  |  |  |  |  |  |  |  |
| 2 | Failure to comply with take-up limit for 2014 | The achievement of the take-up limits according to N+2 rule for 2014 is negatively affected by project implementation delays, errors and delays in implementation and administration, savings in projects and complications related to the investigation of procurement procedures by the OPC. | 2.1 | Set quarterly take-up milestones for IB IOP and ensure continuous monitoring through monthly reporting on the progress towards the programme objectives for the MoRD management. | MA | monthly | Each time by 15th day of the following month, the MA will send a copy of the monthly reporting on the progress towards programme objectives for MoRD management to MoRD-NCA. | The MA informs the MoRD management about the current progress each month through monthly monitoring IOP reports. | The MA informs the MoRD management about the current progress each month through monthly monitoring IOP reports. | Achieved The MA informed the MoRD management each month through monthly monitoring IOP reports. |
|  |  |  | 2.2 | Material for the Government in order to ensure that the Government orders that barriers to the implementation of dormant and high-risk projects be promptly removed or order that they are terminated by the beneficiary. | MA | 20 March 2014 | The MA will send the MoRD-NCA a material for the Government and summary information on the proposed measures on the part of beneficiaries. | Achieved The MoRD management is kept informed about current developments, discussed by the Government on 4 July 2014; pursuant to resolution no. 432/2014, an update has been prepared and discussions are held with the management of the ministries concerned, 21 July 2014. | A revision of problem and dormant projects was performed and the revision was presented for information to MoRD management. Based on the results of the revision, letters of the 1st Deputy Minister of the MoRD are prepared for executive representative of institutions where problematic projects are implemented - information on the problematic status of projects + possible impacts in the event that the projects in question will fail to be implemented within agreed timetables and the requirement to send information on the actual list the measures taken by the beneficiaries for the successful completion of the project. | Achieved Another revision of the list of problematic and high-risk projects is to be prepared by the MA at the end of January 2015 and submit it to the Management Meeting. |
|  |  | The MA IOP registers and, in cooperation with IB IOP, establishes measures for high-risk or dormant projects with problematic implementation. | 2.3 | Completion of projects by beneficiaries in response to the document for the Government submitted by 28 February 2014 | MA | 30 April 2014 | By 15 May 2014, MA will send the MoRD-NCA summary information about the number and the sum of projects completed by beneficiaries in connection with the document for the Government. | Achieved The MoRD management is kept informed about current developments, discussed by the Government on 4 July 2014; pursuant to resolution no. 432/2014, an update has been prepared and discussions are held with the management of the ministries concerned, 21 July 2014. |  | Achieved Another revision of the list of problematic and high-risk projects is to be prepared by the MA at the end of January 2015 and submit it to the Management Meeting. |
|  |  |  | 2.4 | Modification of "Binding procedures of NCA". | MoRD | by 30 April 2014 | To be ensured by MoRD-NCA within the update of binding procedures. |  |  |  |
|  |  | Penalties set in the Grant Decision Terms are, in accordance with the existing methodologies, more stringent than required by the newly issued (Tariff of COESIF on sanction for misconduct in PPs) and planned methodologies (Methodology for financial flows and control). | 2.5 | Updating the Decision Terms and the Determination of expenditure in respect of updating the methodologies at the national level and the experience from project implementation and audit findings. | MA | from 1 April 2014 | The MA will send the modified documentation to MoRD-NCA for comments. | Achieved The Terms and Decisions are modified in accordance with the priorities of each Intervention Areas of the IOP. | Achieved The Terms and Decisions are modified in accordance with the priorities of each Intervention Areas of the IOP. | Achieved Modification of Terms and Decisions is completed. |
|  |  |  | 2.6 | Following an agreement with the PCA, extend the schedule of certifications to include an extraordinary certification of the IOP at the end of 2014. | MA; MoF-PCA | 31 March 2014 | MA informs, by the deadline, the MoRD-NCA about the agreement with the MoF-PCA. | Achieved MA IOP and PCA agreed on the certification date to maximize take-up of funds. |  | Achieved To maximize the take-up of funds, the MA IOP and PCA agreed on a date for an extraordinary certification. |
|  |  | For these reasons, the take-up plan is not adhered to and there is a risk of non-compliance with the N+2 rule. | 2.7 | Ensure the preparation of documents to carry out potential extraordinary certification at the end of 2014 (after consultation with PCA). | MA | 31/10/2014 | MA, by the deadline, will summarily inform the MoRD-NCA about the preparation of materials for the extraordinary certification. | Continuous progress achieved in cooperation with the IBs and CRD | Achieved MA IOP and PCA agreed on the certification date to maximize take-up of funds. | The Convergence objective allocation is taken up, the MA assumes allocation loss for the RCE objective of about CZK 60 million. |
|  |  | Due to the set date of IOP certification on 15 September 2014 according to the Methodology of financial flows and control, there is a risk of failing the n+2 limits. | 2.8 | Accelerate the evaluation of the contested PPS by the OPC | OPC | \_\_\_ | By the 15th day of each month following the end of the quarter, the MA will inform the MoRD-NCA about projects concerned by OPC examination (number and financial volume according to variants: an examination on the basis of audit reports, appeals of tenderers). | Continuous progress achieved. | Continuous progress achieved. | On 10 December 2014, the NCA received documents on the application of Article 95 for the year 2014, now ongoing continuous communication with the NCA. |
| 3 | Suspension of reimbursement of funds from the European Commission following the findings of audits and inspections, assessment of penalties and fines; | According to MA IOP, the audit authority does not reflect the opinions of MA IOP in apparently erroneous findings, which causes unnecessary increased error rate of the programme. The MA IOP has no chance to defend its opinion and according to the amendment of Methodology of Financial Flows and Audit which is under preparation, the AA opinion will be irreversible. Other risks include unclear and unpredictable rules for determining various types of correction from ACRs. | 3.1 | The MA initiates negotiations with the Ministry of Finance on the issue. | MA | \_\_\_ | To be verified by the MoRD-NCA as part of addressing the relevant issue. | The MA IOP prepares meetings with the AA to streamline addressing the conclusions of controls and audits. | The MA IOP is in contact with the AA and addresses the issue ad hoc at the level of the projects concerned. | On the basis of received reports from audits of operations, the MA IOP and the AA discuss the expenditure that has been mistakenly identified as ineligible. |
|  |  | Error rate in ACR for 2012 and 2013 exceeded 2%. The EC has suspended the payment period pursuant to Article 91. | 3.2 | Quantification, division and deduction of across-the-board financial correction | MA; MoF-PCA | \_\_ | Measures have already been taken – cumulative residual risk has been calculated. Given that this risk is below 2%, an across-the-board financial correction is not necessary in 2014. | Achieved |  |  |
| 4 | Insufficient administrative capacity of intermediary bodies to complete programme implementation. | There is a risk that at the end of the current programming period, administrative capacity of intermediary bodies could be weakened due to the fact that they will not perform this role for operational programmes in the programming period 2014–2020. | 4.1 | Continuously monitor and assess the state of the administrative capacity of IBs. | MA | 21 May 2014 | By 15 January 2015, MA will inform the MoRD-NCA about the evaluation of the state of administrative capacity of IBs. | Administrative capacity has been addressed within the management of implementation structure at regular meetings between the MA IOP and the directors of the IBs IOP. Documents from IBs were sent to the MA by 30 April 2014; by 31 May 2014 they were evaluated by the MA IOP. The MA IOP convened a meeting with individual IBs for 12 June 2014. | The administrative capacity of IOP has been addressed within the management of the implementation structure and at regular meetings between the MA IOP and the directors of the IB IOP. The IBs informed about the problem concerning obtaining funding table positions related to IOP administration after 2015. The MA IOP in cooperation with IB IOP prepare a proposal of arguments for the funding of table positions after 2015 to individual IB IOP. | The MA IOP in collaboration with IB IOP have prepared for the NCA a document entitled IOP administrative capacity at the end of the programming period, concerning the provision for administrative capacities after 2015 in individual IB IOP. During 2015, it will monitor and ensure administrative capacities and the handover of agenda connected with the phasing out of the IOP. |
|  |  |  | 4.2 | If the state of the administrative capacity at IB will be evaluated as unsatisfactory, the MA will take over part of the agenda of the IB. |  | 31 December 2014 | The MA informs the MoRD-NCA about whether part of the agenda was transferred from IB to MA | NR |  | The MA IOP in collaboration with IB IOP have prepared for the NCA a document entitled IOP administrative capacity at the end of the programming period, concerning the provision for administrative capacities after 2015 in individual IB IOP. During 2015, it will also use a working group to ensure administrative capacities and the handover of agenda connected with the phasing out of the IOP. |
| 5 | Failure to complete major projects in Support Area 3.4 | In 2013, the MA sent two major projects in Support Area 3.4 to the European Commission for approval. Extension of the approval process or appeals of tenderers to the OPC may put the completion date of projects under implementation at risk (June 2015). | 5.1 | Ensure approval of the EC for two major projects implemented in the Support Area 3.4 – Services in the field of security, risk prevention and management. | MA | 31 May 2014 | To be verified by the MoRD in the information system SFC2007. | MA IOP communicates with the EC; approval of projects is not within the responsibility of the MA IOP. | MA IOP communicates with the EC; approval of projects is not within the responsibility of the MA IOP. Major project of the FRS approved by the EC on 14 August 2014 The project is currently under implementation and is carried out according to the approved schedule.  Concerning the Police project, requested information is being supplemented, the project has not yet been approved. | Major project of the FRS approved by the EC on 14 August 2014 The project is currently under implementation and is carried out according to the approved schedule. The implementation of the Police project takes place outside the regime of major projects. |
|  |  |  | 5.2 | Pre-check of procurement documentation: | MA, CRD | After the submission of procurement documentation | By the 15th day of each month following the end of the quarter, the MA will inform the MoRD-NCA of progress towards the schedule of major projects. | The MA informs the MoRD management about the current progress each month through monthly monitoring IOP reports. | The MA informs the MoRD management about the current progress of major projects each month through monthly monitoring IOP reports. Concerning the major project of FRS, a total of 27 PPs are planned (19 PPs have been pre-checked + 1 pre-check is in progress, 17 PPs have been announced), the Police project – 21 PPs (15 have been pre-checked, 14 announced). | The MA informs the MoRD management about the current progress of the FRS project each month through monthly monitoring IOP reports. The project now includes 36 PPs (of the original PPs, 9 had to be cancelled and re-announced due to submission of none or one tender), 5 PPs are being pre-checked and 3 are in progress.  The implementation of the Police project takes place outside the regime of major projects. |
|  |  |  | 5.3 | Monthly meetings with owners of large projects with detailed monitoring of progress towards schedules | MA | 31 March 2014; monthly |  | Progress on track | Progress on track Major projects are dealt with in regular meetings with the beneficiaries. Meetings are held at least once a month and are attended also by representatives of the CRD in addition the representatives of the beneficiaries and the MA. The meetings are used to provide information about current projects, discuss current issues, monitor PPs, schedules etc. The MA informs the MoRD management about the current progress each month through monthly monitoring IOP reports. | Progress on track The FRS project is currently under implementation and is carried out according to the approved schedule. There are ongoing negotiations on the project and ongoing consultations as needed (usually more than once a month). The implementation of the Police project takes place outside the regime of major projects. |

**Information on the fulfilment of corrective measures arising from the evaluation of JESSICA FI in IOP**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | **Planned date of corrective measure** | **Performed by** | **Information on the preparation of corrective measure** |
| **Failure to share information** | by 30 November 2014, information on how the remedial measure is designed is to be sent to the MA | MA  HF  UDFM | MA: The MA complies with timely provision of information about important matters. Ad hoc working meetings are not held.  HF: HF SHDF representatives regularly attend semi-annual working meetings of the implementation structure representatives.  HF also deals with the implementation issues through "ad hoc" meetings, i.e. HF maintains ongoing active communication with MA IOP and UDFM on the course of the implementation of JESSICA FI, especially via email, phone and in person.  UDFM: Fulfilled by regular meetings between representatives of UDFM, HF SHDF. |
| **Inadequate setting of control mechanisms** | by 30 November 2014, information on how the remedial measure is designed is to be sent to the MA | MA  HF  UDFM | MA: The risk will be reflected in the risk analysis for the 9th monitoring report of HF.  HF: HF employees regularly attend professional training.  Uniform procedures and administrative controls are ensured by the MCS, Agreement on the management of funds, Business plan and Manual of control activities, including checklists.  Job descriptions ensure clear division of labour activities among HF employees. Employee authorities result from MCS. In case of absence (illness, vacation, business trip) agenda is always transferred, substitution and continuity of determined procedures ensured.  UDFM: The UDFM updated the internal Programme Guideline, which responded to current approach to individual credits. At the same time, in cooperation with the HF, it updated the business plan in this area.  The UDFM conducted an internal audit, which also identified various corrective measures and also carried out checks of a certain number of business transactions. Error rate in the submitted projects has been reduced to a minimum. |
| **Fluctuation** | by 30 November 2014, information on how the remedial measure is designed is to be sent to the MA | MA  HF  UDFM | The MA has ensured a stable staffing situation and substitutability – coordinator for FI and Head of the Methodology Department. The MA uses a system of training and financial incentives to ensure stable administrative environment.  HF: HF creates working conditions and a system of financial incentives in line with the HF budget and also creates conditions for non-financial incentives of employees.  In the case of a risk an employee departure, the HF promptly reacts by advertising a selection procedure with set qualification requirements, which constitute a prerequisite for rapid training in the issues of JESSICA FI, eliminating work activities downtime.  UDFM: The UDFM did not notice fluctuation that would affect the operation of the programme. The business network has fill substitutability at every stage of application evaluation. |
| **Lack of employee qualification** | by 30 November 2014, information on how the remedial measure is designed is to be sent to the MA | MA  HF  UDFM | MA: employees who deal with the implementation of JESSICA FI follow educational plan prepared every year and attend relevant training courses.  HF: All HF employees have a university degree; the team is composed of experts knowledgeable of PA, SF/ESIF and banking.  All HF employees are involved in the education system of the NSRF, regularly attending trainings related to issues and activities of SF/ESIF.  Within the HF SHDF there is thorough management control in accordance with the internal regulations of the State Housing Development Fund.  UDFM: Achieved through specific training of employees involved in implementation. |
| **Human error** | by 30 November 2014, information on how the remedial measure is designed is to be sent to the MA | MA  HF  UDFM | MA: acts in accordance with the Manual for the implementation of JESSICA FI. It has set up a control system which checks all monitoring reports of the holding fund, all its expenses and procurement procedures.  During 2014, the MA evaluated JESSICA FI, which will be followed up by the control of effectiveness of the FI control system, ending in 2015.  In the second half of 2015, the MA will conduct an on-the-spot inspection.  HF: HF ensures the performance of inspections in accordance with the HF Manual of control activities including controls in accordance with Act no. 320/2001 Sb., on financial control, and Act no. 255/2012 Sb., control rules.  Within the HF SHDF there is thorough management control in accordance with the internal regulations of the State Housing Development Fund.  UDFM: The UDFM ensures its activities according to its internal regulations; all activities are subject to exactly given approval powers. |
| **Failure to comply with deadlines** | by 30 November 2014, information on how the remedial measure is designed is to be sent to the MA | MA  HF  UDFM | MA: The MA pays increased attention to the compliance with deadlines. Since the publication of the final evaluation report of the JFI, the MA did not breach any binding deadlines. As far as possible, the MA will accelerate internal processing of MRs.  HF: The HF complies with the prescribed deadlines towards all entities of the implementation structure in accordance with the Agreement on the administration of funds, Business plan, HF Manual of control activities, Grant Decisions and Manual for the implementation of the JESSICA FI in IOP.  UDFM: The UDFM fully complies with all deadlines set by the credit agreement, amendments, business plan, etc. |

**Action plan "Analysis of administrative capacities and outsourcing in the implementation structure of IOP 2014"**

| **Conclusions and recommendations** | **Managing Authority of the IOP** | | | **Intermediate Bodies of IOP** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **CORRECTIVE MEASURES** | **DEADLINE** | **ACHIEVED** | **CORRECTIVE MEASURES** | **DEADLINE** | **TO BE DONE BY** | **ACHIEVED** |
| Total expenditure on training during the first half of 2014 increased (from 1% to 2%), primarily in the MA (from 0.7% to 2.8%). Although part of the expenditure in MoLSA has decreased since H2 2013 from 6.3% to 4.9% of total expenditure, the MoLSA spent on staff training the highest share of its funds within the implementation structure. The lowest share of expenditure on training from technical assistance funds was spent in the reference period by the CRD.  Recommendation 1:   * Continue the trend of increasing the expenditure on training the IOP implementation structure employees, while respecting the need to implement measures to ensure the maximum amount of expenditure for the certification in 2014. | Ensure and promote training activities in order to enhance professional competence of the IOP implementation structure employees. | by March 2015 |  | Ensure and promote intensive training activities in order to enhance professional competence of the IOP implementation structure employees. | by March 2015 | CRD  MoLSA  MoI  MoH |  |
| The overall turnover rate during the reporting period fell by nearly 4 percentage points (from 14.81% to 10.99%). The highest turnover rate is observed in IB MoI (24%), followed by MoLSA (over 14%), and the MA (approximately 13%). As of 30 June 2014, the lowest turnover was reported at CRD (approximately 4.6%) and the Ministry of Health (approximately 8.3%). Recommendation 2:   * Create such working conditions at the MA IOP and IB, including the setting of financial and non-financial incentives, which will prevent increasing employee turnover. Effectively use all measures from Government Resolution no. 444/2014. | a) Create working conditions and a system of financial and non-financial incentives that will reduce the departure of experienced and high-quality employees.  b) Effectively use all measures from Government Resolution no. 444/2014. | a) immediately  b) by March 2015 |  | a) Create working conditions and a system of financial and non-financial incentives that will reduce the departure of experienced and high-quality employees.  b) Effectively use all measures from Government Resolution no. 444/2014. | a) immediately  b) by March 2015 | CRD  MoLSA  MoI  MoH |  |
| There are large differences between the IBs in the cost of administration acts. In the reporting period, the financial costs of one submitted project ranged from CZK 101.4 thousand (CRD) to CZK 5.2 million (MoLSA); the cost of one approved project ranged from CZK 109.7 thousand (CRD) to CZK 3.4 million (MoI); the cost of one approved payment request ranged from CZK 66.3 thousand (CRD) to CZK 292.3 thousand (MoH).  Recommendation 3:   * As part of the IOP implementation structure, we recommend continuing to link the system of remuneration and inclusion of FTEs to the financing from TA IOP linked to the real performance of the administration. | As part of the annual employee evaluation, the MA will examine whether the number of people involved at all levels of administration (including support units) funded from the TA IOP and the remuneration system reflect the actual performance and the need for the involvement of individual employees. | by March 2015 |  | As part of the annual employee evaluation, the MA will examine whether the number of people involved at all levels of administration (including support units) funded from the TA IOP and the remuneration system reflect the actual performance and the need for the involvement of individual employees. | by March 2015 | CRD  MoLSA  MoI  MoH |  |
| The highest half-year costs related to the allocation in the reporting period are in IB MoLSA. The total annual costs of MoLSA related to the allocation are almost four times higher in the reporting period than the costs of the MoI, which has the lowest costs within the IOP.  Recommendation 4:   * The MoLSA will examine the share of individual items of expenditure in the total financial costs of the MoLSA and propose streamlining. |  |  |  | The MoLSA will examine individual components of financial costs whether or not they are effective and will propose streamlining of expenditure. | by March 2015 | MoLSA |  |

1. Other conceptual documents defining the strategies and priority axes of the IOP are listed in Annex 1 of the Programme Document. [↑](#footnote-ref-1)
2. For indicators expressing the number of supported projects, the value achieved is monitored from the project's completion. In 2007 and 2008, due to the need to report physical progress, these projects were calculated from a point in which the project was already under implementation. This was changed in 2009 and historical data were recalculated. [↑](#footnote-ref-2)
3. Indicator 011406 – default value was determined based on the survey ENERGO 2004; in the following years, this survey was not conducted – therefore, no indicator value is provided for the years 2007–2014. The MA addresses an alternative way to follow this indicator. [↑](#footnote-ref-3)
4. Indicator 153501 – for individual years, provided as %, source: <http://info.worldbank.org/governance/wgi/sc_chart.asp> [↑](#footnote-ref-4)
5. Target values ​​are not determined, the column "2015 target" is therefore not listed. [↑](#footnote-ref-5)
6. During the implementation of the IA, the MA IOP identified differences between the actual absorption capacity and the originally planned allocation ratio between priority themes 55 and 57. Priority theme 55 was over-filled because of greater absorption capacity of the supported themes than was expected; also, a lower absorptive capacity of the priority topic 57 was identified. For this reason, a lower share of the originally planned funds was directed to this topic. [↑](#footnote-ref-6)
7. In terms of monitoring the impact of projects on equal opportunities and sustainable development, this Report only shows approved projects with positive status (i.e. without excluded projects). [↑](#footnote-ref-7)
8. The 2011 Annual Report of the IOP specified 90% of approved projects. The value in the 2013 Annual Report of 28.52% represents funds taken up with regard to the total allocation for the priority theme. [↑](#footnote-ref-8)
9. De minimis aid (or also small-scale aid) is not considered "State aid", because, due to its low amount, the European Commission believes that it does not meet the definition of the last two elements of State aid definition – it should not affect trade and distort competition between Member States. [↑](#footnote-ref-9)
10. Within the meaning of Article 39 of Council Regulation (EC) no. 1083/2006 laying down general provisions on the European Regional Development Fund, European Social Fund and the Cohesion Fund and repealing Regulation (EC) no. 1260/1999. [↑](#footnote-ref-10)
11. Of these 13 cities, 8 received scores for criterion 2.e – "IDP contains a solution in a socially excluded Roma locality". [↑](#footnote-ref-11)
12. MoC – transfer of the agenda to the MoRD – CRD as of 31 October 2013. [↑](#footnote-ref-12)