

ANNUAL REPORT FOR 2011

Integrated Operational Programme



Intended for the 9th meeting of the IOP Monitoring Committee
held on 31 May 2012

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EXECUTIVE SUMMARY

The Integrated Operational Programme implemented in the 2007-2013 programming period focuses on the support for development of information technologies in public administration, improving the infrastructure for social services, public health, employment services and services in the field of security, risk prevention and management, support of tourism, cultural heritage, improving the environment in housing estates and development of systems for creation of territorial policies.

Details concerning the **progress and implementation of IOP until 31 Dec 2011** are presented in this Annual Report, compiled by the Managing Authority in cooperation with other actors involved in the programme.

The total IOP allocation (ERDF contribution) amounts to EUR 1 602.7 million, major part of which in the amount of EUR 1 591.4 million is channelled to the Convergence objective, while EUR 29.4 million goes to the Regional competitiveness and employment objective.

Throughout 2011, a total of 599 project applications in the amount of EUR 289.3 million were submitted, altogether 841 projects in the amount of EUR 354.1 million were approved and the amount of EUR 184.8 million was paid to beneficiaries. The certified expenditure reached EUR 194 million.

Before the end of 2011, projects amounting to EUR 1 344.2 million were approved for implementation, which equals nearly 71 % of the total allocation. Funds in the amount of EUR 355.9 million were reimbursed to beneficiaries, which equals 18.7 % of the total allocation. Expenditure in the amount of EUR 295.7 million was certified (15.5 %).

In 2011, there were two important milestones in the programme. Firstly, the EC approved the amendment to the IOP Programming Document and secondly, the volume of certified expenditure under the Convergence objective exceeded the target set for the fulfilment of n+3 rule in 2011. Under the Regional competitiveness and employment objective, a small part of the EC advance payment had to be used in order for the n+3 rule to be fulfilled.

Notwithstanding multiple measures taken and intensive education and training of Intermediate Bodies, a wide gap between the implementation of individual intervention areas still prevails. Underperformance is reported by intervention areas under the responsibility of MoLSA, MoI and MoC IB. A long-term issue has also been the high turnover of staff, at the MoI in particular, resulting in higher education and training needs of newly recruited staff. More details are included in the Report.

Apart from problems addressed by IOP MA in cooperation with IBs and other entities, there are still many problems at the national level that cannot be directly influenced by the MA and that complicate the programme implementation.

1 PROGRAMME IDENTIFICATION

OPERATIONAL PROGRAMME	Objective concerned: Convergence and Regional Competitiveness and Employment
	Eligible area concerned: <ul style="list-style-type: none"> • 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
	CCI number of the Programme: 2007CZ16UPO002
	Programme title: Integrated Operational Programme
ANNUAL IMPLEMENTATION REPORT	Reporting year: 2011
	Date of approval of the Annual Report by the Monitoring Committee: 31 May 2012

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

The IOP focuses on addressing common regional issues in the field of infrastructure for public administration, public services and territorial development: 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, support of tourism, cultural heritage, improving the environment in housing estates and development of systems for creation of territorial policies.

1.1 IOP objectives

The IOP strategy includes **the global objective and three specific goals** underlying the individual priority axes and intervention areas. The achievement of specific goals is preconditioned by the implementation of activities within individual priority axes, intervention areas and activities.

IOP Global Objective		
To support social and economic growth of the CR and to increase the quality of life of citizens through better functioning of the public administration and public services.		
Specific goal 1	Specific goal 2	Specific goal 3
Improving the effectiveness and quality of processes and improving the accessibility of public administration services at the national and regional level by applying modern ICT.	Modernisation and system change of the selected public services with the goal to initiate a process of overall public services transformation.	Better exploitation of the territory's potential by means of national and system interventions in tourism, culture, housing and the development of systems for territorial policies.

In accordance with Article 32 para 1 of General Regulation and based on discussions with the EC the IOP is drafted as a **multi-objective programme** which – apart from the main focus on support of regions under the Convergence objective – also facilitates the support under the Regional Competitiveness and Employment objective (RCE).

Seven of the eight **Cohesion regions** fall under the Convergence objective, while Prague falls under the RCE objective. Article 53 and Annex III to Council Regulation No 1083/2006 (EC) stipulates the method of calculation of ERDF contribution for these regions. Generally, the ERDF contribution shall not be higher than 85 % of eligible expenditure for operational programmes (Article 53 (3) (4) and Annex III) for both the objectives; the rest is the contribution from the state budget of the CR.

Table No 1 - Allocation by year and objective (in EUR)

Year	ERDF Convergence objective	ERDF RCE 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	4 193 781	225 842 751
2011	237 465 225	4 277 657	241 742 882
2012	247 398 119	4 363 210	251 761 329
2013	278 308 099	4 450 474	282 758 573
Total for 2007 - 2013	1 591 356 687	29 379 498	1 620 736 185

Source: Programming Document, December 2011

Table No 2 – Allocation by priority axis for 2007-2013 period (in EUR)

Number of Priority axis	Name of Priority axis	Fund/rate of co-financing related to	Community contribution	National funds	Indicative breakdown of national funds		Total funds	Co-financing rate	For information	
					National public funds	National private funds			EIB	Other funds
			A	b(=c+d)	c	d	d=a+b	e=a/d		
1a	Modernisation of public administration	ERDF/public Convergence objective	310 602 133	54 812 141	54 812 141		365 414 274	85 %		
1b	Modernisation of public administration – Regional competitiveness and employment objective	ERDF/public RCE objective	23 892 472	4 216 319	4 216 319		28 108 791	85 %		
2	Introducing ICT in territorial public administration – Convergence objective	ERDF/public Convergence objective	170 831 173	30 146 678	30 146 678		200 977 851	85 %		
3	Improving public services quality and accessibility – Convergence objective	ERDF/public Convergence objective	545 106 743	96 195 308	96 195 308		641 302 051	85 %		2 097 710
4a	National support of tourism – Convergence objective	ERDF/public Convergence objective	60 567 416	10 688 368	10 688 368		71 255 784	85 %		719 755
4b	National support of tourism – Regional competitiveness and employment objective	ERDF/public RCE objective	4 659 032	822 182	822 182		5 481 214	85 %		55 366
5	National support of territorial development – Convergence objective	ERDF/public Convergence objective	459 211 913	81 037 396	81 037 396		540 249 309	85 %		129 384 784
6a	Technical Assistance – Convergence objective	ERDF/public Convergence objective	45 037 309	7 947 760	7 947 760		52 985 069	85 %		
6b	Technical Assistance – Regional competitiveness and employment objective	ERDF/public RCE objective	827 994	146 117	146 117		974 111	85 %		
TOTAL (Convergence objective + Competitiveness objective)			1 620 736 185	286 012 269	286 012 269	0	1 906 748 454	85 %	0	132 257 615
Of which: Convergence objective			1 591 356 687	280 827 651	280 827 651	0	1 872 184 338	85%	0	132 202 249
Competitiveness objective			29 379 498	5 184 618	5 184 618	0	34 564 116	85%	0	55 366

Note: The rate of co-financing is related to public funds, private funds are given just for information in the "Other funds" column.

Source: Programming Document, December 2011

1.2 Division of Powers between the Managing Authority and Intermediate Bodies

Division of activities between the MA and IB is laid down in the IOP Programming Document, namely in Chapter 4 “Programme Implementation”, or in Sub-chapter 4.1 “IOP Implementation Structure”.

Pursuant to Government Resolution No 175/2006, the Ministry for Regional Development of the CR was designated to be the Managing Authority of the IOP. The IOP MA shall carry out the tasks in line with Article 60 of Council Regulation No 1083/2006. In accordance with Article 59 para 2, or Article 42 para 1 of Council Regulation No 1083/2006, the MA shall entrust some of the tasks to the Intermediate Bodies.

Due to understaffing in 2009 the MRD, MoLSA and MoI signed the Addendum to the Agreement on delegating the tasks from the IOP Managing Authority. The Addenda concerned the involvement of CRD in the administration of projects under Intervention areas 2.1, 3.1, 3.3 and 3.4.

In 2011, the activities were divided between the MA and IB in line with the Agreement on delegating the tasks of the IOP MA and Addendum No 1 signed between the MRD and MoI CR and between the MRD and MoLSA.

Powers with respect to the individual IOP intervention areas are given in the table below.

Table No 3 – IOP Intermediate Bodies broken down by intervention area

Intervention area	Intermediate Body
1.1 a,b Developing information society in public administration	Ministry of Interior CR (SF Department)
2.1 Introducing ICT in territorial public administration	Ministry of Interior CR (SF Department), Centre for Regional Development CR
3.1 Social integration services	Ministry of Labour and Social Affairs CR (EU Funds Implementation Department and Programme Financing Department), Centre for Regional Development CR
3.2 Public health services	Ministry of Health CR (EU Funds Department)
3.3 Employment services	Ministry of Labour and Social Affairs CR (EU Funds Implementation Department and Programme Financing Department), Centre for Regional Development CR
3.4 Services in security, risk prevention and management	Ministry of Interior CR (SF Department), Centre for Regional Development CR
4.1 a,b National support of tourism	Centre for Regional Development CR
5.1 National support for utilising the cultural heritage potential	Ministry of Culture (Strategy and Aid Policy Department)
5.2 Improving the environment in problematic housing estates	Centre for Regional Development CR
5.3 Modernisation and development of systems for creating territorial policies	Centre for Regional Development CR
6.1 a,b Activities connected with the IOP management and 6.2 a,b Other costs of the IOP technical assistance	Centre for Regional Development CR

1.3 Links of IOP to Strategic Documents

The links of IOP to strategic documents follow from the Programming Document and relate to the following documents¹.

National Lisbon Programme for 2005-2008 (National Reform Programme of the CR)

The National Reform Programme (NRP) is a document through which the CR responded to the EU initiative aimed at the creation of a new system of managing the Lisbon agenda. The NRP shall contribute to the simplification and enhanced effectiveness of the to date practice in coordinating the economic policies at the level of EU as well as the Member States, and secure better identification of these Member States with the set out priorities of the Lisbon Strategy.

The IOP builds on the principles of the Lisbon strategy relying on the development of information and knowledge-based society and on investments in human capital. The main instruments applied by the IOP in the fulfilment of the Lisbon Strategy principles are the reinforcement of central state administration and territorial public administration, improvement of quality and accessibility of public services and elimination of regional disparities by effective use of socio-economic sources.

Table No 4 - IOP link to the NRP

NRP focus	IOP priority axis			
	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 labour market	X	X		X
Inclusion in labour market		X	X	
Education	X	X		

Note: XX – direct link; X – indirect link

Source: Programming Document, December 2011

Community Strategic Guidelines

The strategy governing the use of financial resources from EU Structural Funds in the programming period 2007 – 2013 is based on Council Decision (EC) of 6 October 2006 on Community strategic guidelines on cohesion (2006/702/EC). This Decision in line with the General Regulation specifies the EC strategic priorities for cohesion policy in order to promote the implementation of Lisbon strategy.

IOP content reflects the focus of all the Community guidelines in the way shown in the following table.

¹ Other policy documents defining the strategies and priority axes of IOP are given in Annex 1 to the Programming Document.

Table No 5 – IOP links to CSGs

Focus of CSGs	IOP Priority axis			
	PA-1, PA-2	PA-3	PA-4	PA-5
Guideline I.: 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.: 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 2011

National Strategic Reference Framework of the CR 2007-2013

The NSRF of the CR 2007-2013 outlines the basic directions for interventions from the Structural Funds in the CR and constitutes the key strategic starting point for elaboration of the IOP.

The most significant is the IOP link to the Strategic objective II Open, flexible and cohesive society, particularly to Priority D. Development of the information society and E. Smart Administration, which in the IOP is addressed by Priority axis 1 Modernisation of public administration and Priority axis 2 Introducing ICT in territorial public administration. Also important is the link to the NSRF Strategic objective I. Competitive Czech economy, specifically to Priority C. Development of sustainable tourism and utilisation of the potential offered by the cultural heritage, which in IOP is addressed through Priority axis 4 National support of tourism. The link between the IOP and the NSRF Strategic objective IV. Balanced territory development, namely Priority A. Balanced regional development and B. Development of urban areas is addressed within Priority axis 5 National support of territorial development.

More detailed definition of links is given in the table below.

Table No 6 – IOP links to NSRF

Focus of NSRF	IOP Priority axis			
	PA-1, PA-2	PA-3	PA-4	PA-5
I. Strategic objective: Competitive Czech economy				
Competitive business sector	X	X	X	X
Support of R&D capacity for innovation	X	X		
Development of sustainable tourism	X		XX	
II. Strategic objective: Open, flexible and cohesive society				
Education	X	X		
Increasing employment and employability		XX	X	X
Strengthening social cohesion		XX		X
Development of the information society	XX	X	X	X
Smart Administration	XX	XX		XX
III. Strategic objective: Attractive environment				
Protection and improvement of the environment quality	X	X	X	X
Improved accessibility to transport				
IV. Strategic objective: Balanced territory 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 2011

Strategy of implementation of Smart Administration in the period 2007–2013

The underlying policy document in the field of enhancing effectiveness of public administration is the Strategy for Effective Public Administration and Friendly Public Services (Smart Administration), approved by Government Resolution No 757/2007. The Strategy defines the areas and project topics primarily supported from OP HRE and IOP in the framework of implementation of the NSRF Smart Administration priority. In relation to IOP, the Strategy is implemented through intervention under Priority axes 1 and 2, with links to activities carried out under Priority axis 3 Improving public services quality and accessibility. IOP interventions are directed at safeguarding technology, which nowadays means especially the ICT supporting Government.

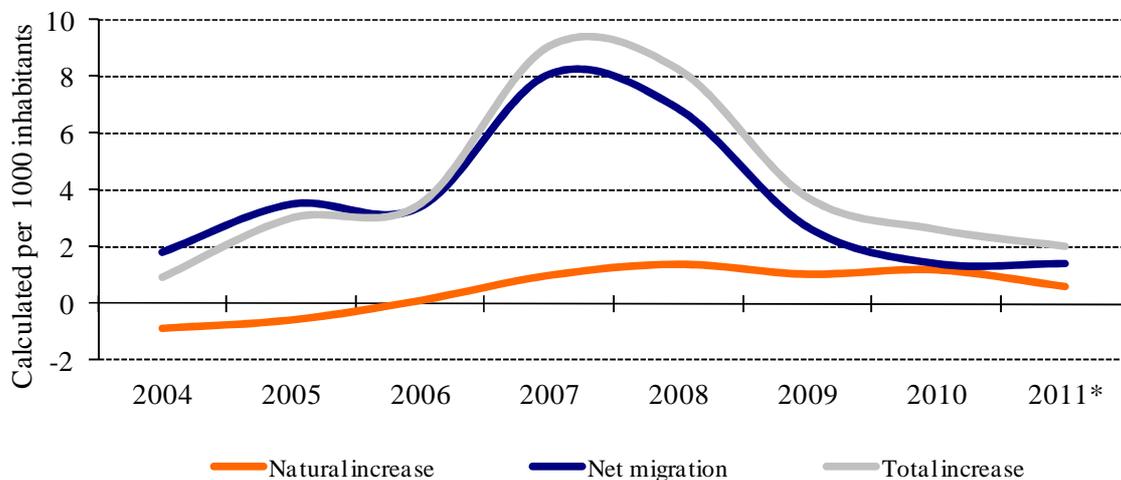
1.4 Socioeconomic Analysis of the CR

Population development

According to the preliminary results of the Population and Housing Census 2011, the population of the Czech Republic is 10 562 214, of which approximately 450 thousand are foreigners (4.3 % of population of the Czech Republic). Based on the population development in the 1st to 3rd quarter, the population increase in 2011 is estimated at 21 thousand persons. In relative terms it means the population increase by 2.0 ‰. The underlying trend of population development in 2011 does not differ much from that in 2010. As against the notable population growth in 2007-2008, the dynamics of population development continues to slow down. While in 2010, the slower population dynamics was caused primarily by decreasing intensity of foreign migration, in 2011 there was a considerably decline in the natural increase of the population. In 2011, the population increase driven by migration reached 1.4 ‰, i.e. the level of 2010. The natural increase, on the other hand, dropped from 1.2 ‰ to 0.6 ‰. In long-term perspective, the foreign migration thus represents the decisive component of the population development in the Czech Republic. The highest positive balance of migration is reported by Slovakia, Ukraine and Russia. With gradual fading away of the financial crisis consequences, the recovery of attractiveness of the Czech Republic for foreign migrants can be anticipated. With respect

to the current high unemployment rate, however, the growth in foreign migration balance will not be dramatic in the foreseeable future.

Chart No 1 – Population development 2004 - 2011



Note: *preliminary data based on statistics for the 1st to 3rd quarter of 2011.

Source: CSO.

Economic growth

The financial and economic crisis that started in 2008 has dramatically affected the economic environment of both the EU and CR. The global crisis on financial markets and subsequent recession were manifested in the Czech economy by a marked slowdown of economic growth.

While the year 2009 showed a dramatic decline in the performance of economy as a consequence of the global financial crisis (year-on-year decline by 2.5 %), in 2010 and 2011 the Czech Republic again reports economic growth. The preliminary estimates of GDP for 2011 reckon with the overall year-on-year economic growth of 1.7 %. Contrary to 2010, in spite of fairly unstable global economic situation the economy does not dramatically cool down. On the other hand though, it is necessary to point at the gradual slowdown of the rate of economic growth in the course of 2011. In the 4th quarter of 2011, the GDP increase year-on-year amounted to only 0.5 %.

Similarly to 2010, a positive impact on the development of GDP had especially the industrial branches (engineering, production of means of transport and electrical machinery, rubber industry and chemical industry) and market services. The economic performance of building industry, on the very contrary, due to lower volume of construction works contracts and limited spending of state institutions caused by budgetary cuts, continued to drop significantly.

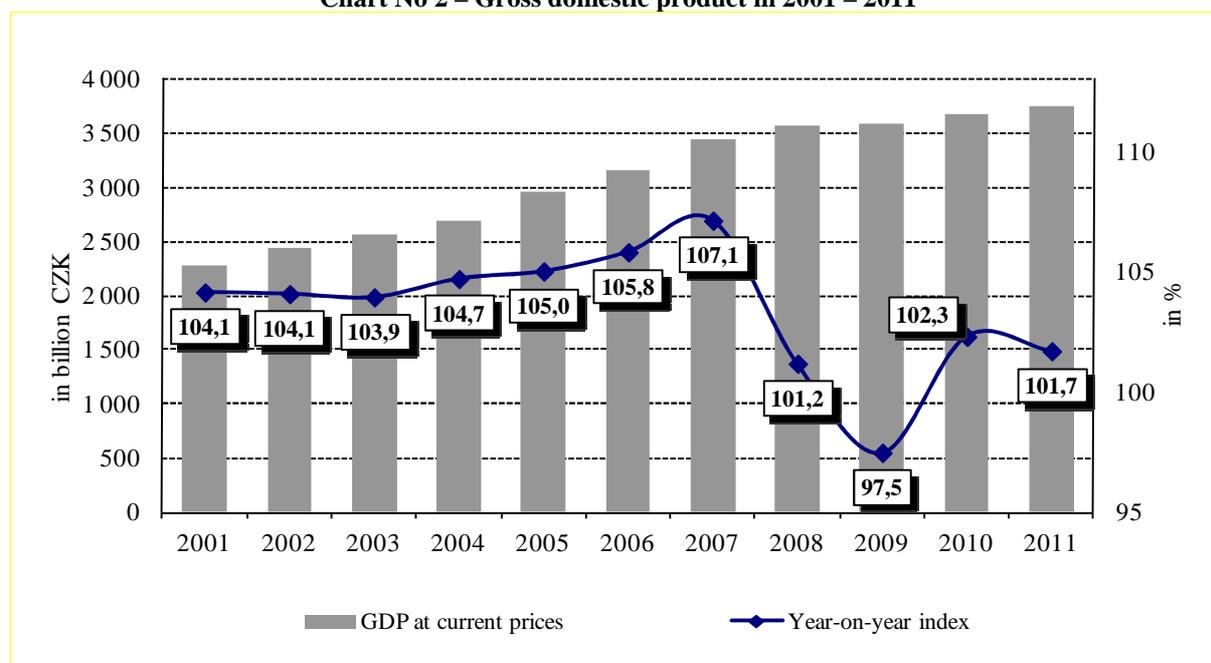
Bearing in mind the export orientation of Czech economy, it was the export that played an important role in maintaining the fairly positive economic development. The year 2011 witnessed a considerable increase in the volume of foreign trade (exports + 13.2 %, imports + 10.9 %). Major increase was also reported in the positive balance of payment (+ 36.6 %, i.e. CZK 70.2 billion). Positive development of foreign trade was achieved predominantly thanks to the machinery and means of transport categories.

In 2011, the GDP level did not reach its pre-recession level of the turn of 2008–2009 yet. Ranking among risks threatening the future EU development are especially the persistent problems in financial

sector, high levels of public debt in majority of EU Member States, subsequent impacts of budget consolidation, and uneven development in Eurozone countries. These risks have or may have a negative impact on the situation in the CR.

Based on the preliminary estimates, the economic development in the Czech Republic in 2011 almost equalled the average growth achieved across EU-27 (1.6 % EU27; 1.7 % CR).

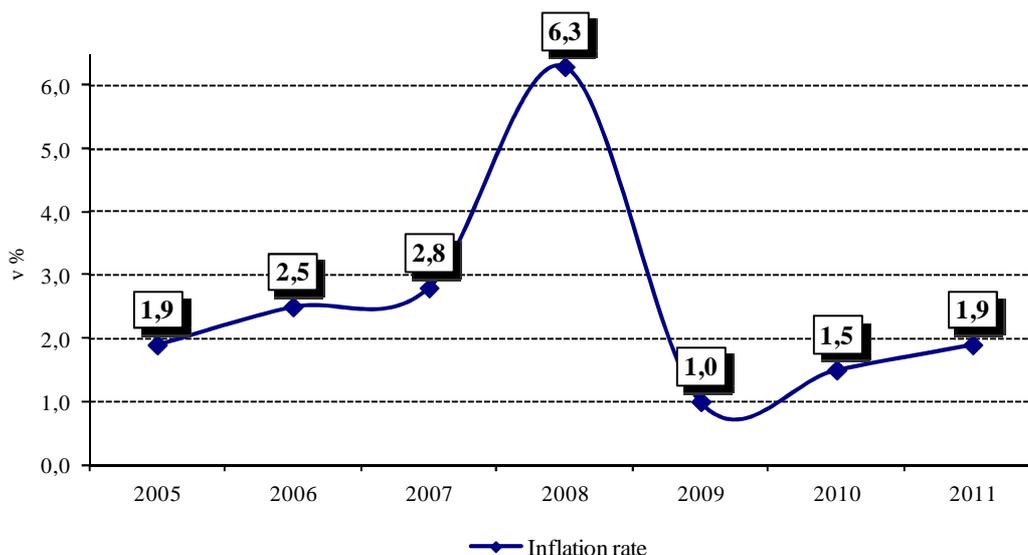
Chart No 2 – Gross domestic product in 2001 – 2011



Source: CSO.

Inflation

Following dramatic fluctuations in the dynamics of price development in the period from 2007 to 2009, in 2010 the development was fairly stable. In the last two years, the inflation rate in the Czech Republic followed an upward trend. Similarly to 2010, the consumer prices in 2011 rose year-on-year by 0.4 percentage points. The year-on-year consumer price index in 2011 reached the value of 1.9 %. In comparison with the development of prices over the past 20 years, the inflation rate was constantly fairly low. The rise in prices was predominantly influenced by price dynamics in the category of food, alcoholic beverages and tobacco products, housing, energy and transport. In the course of 2012, a marked rise in prices in some categories of food and beverages and to some extent also in the group of health and transport is anticipated in consequence of the increase in VAT rate.

Chart No 3 - Inflation rate expressed as an increase of the average annual consumer price index 2005 - 2011

Note: The inflation rate expresses the percentage change in the average price level for 12 months of the year against the average price level for 12 months of the previous year

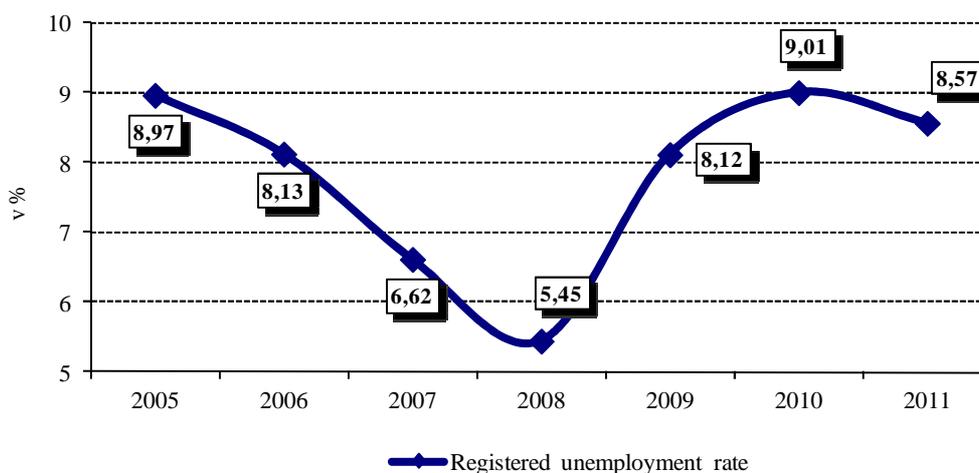
Source: CSO.

Unemployment

The economic downturn was accompanied by **growing unemployment both in 2009 and in 2010**. There was a slightly lower unemployment rate in 2011, which however stopped in the 4th quarter of the year. For this reason further decline of the unemployment rate is not expected in 2012, also based on the anticipated economic stagnation.

The considerable rise in the unemployment rate up to the values around 9 % was one of the most visible consequences of the global economic instability in the Czech Republic. The increase in the unemployment rate in 2009 and 2010 did not carry on in 2011. On the contrary, in 2011 the registered unemployment rate slightly fell to 8.6 %. The situation in the labour market of the CR varies a lot by region. In districts such as the City of Prague, Prague-West, Prague-East, the registered unemployment rate is around 4%. Nonetheless, in peripheral districts and in districts in structurally affected regions (such as Most, Jeseník and Bruntál districts), the unemployment rate is higher than 15%.

Chart No 4 – Unemployment in 2005 - 2011



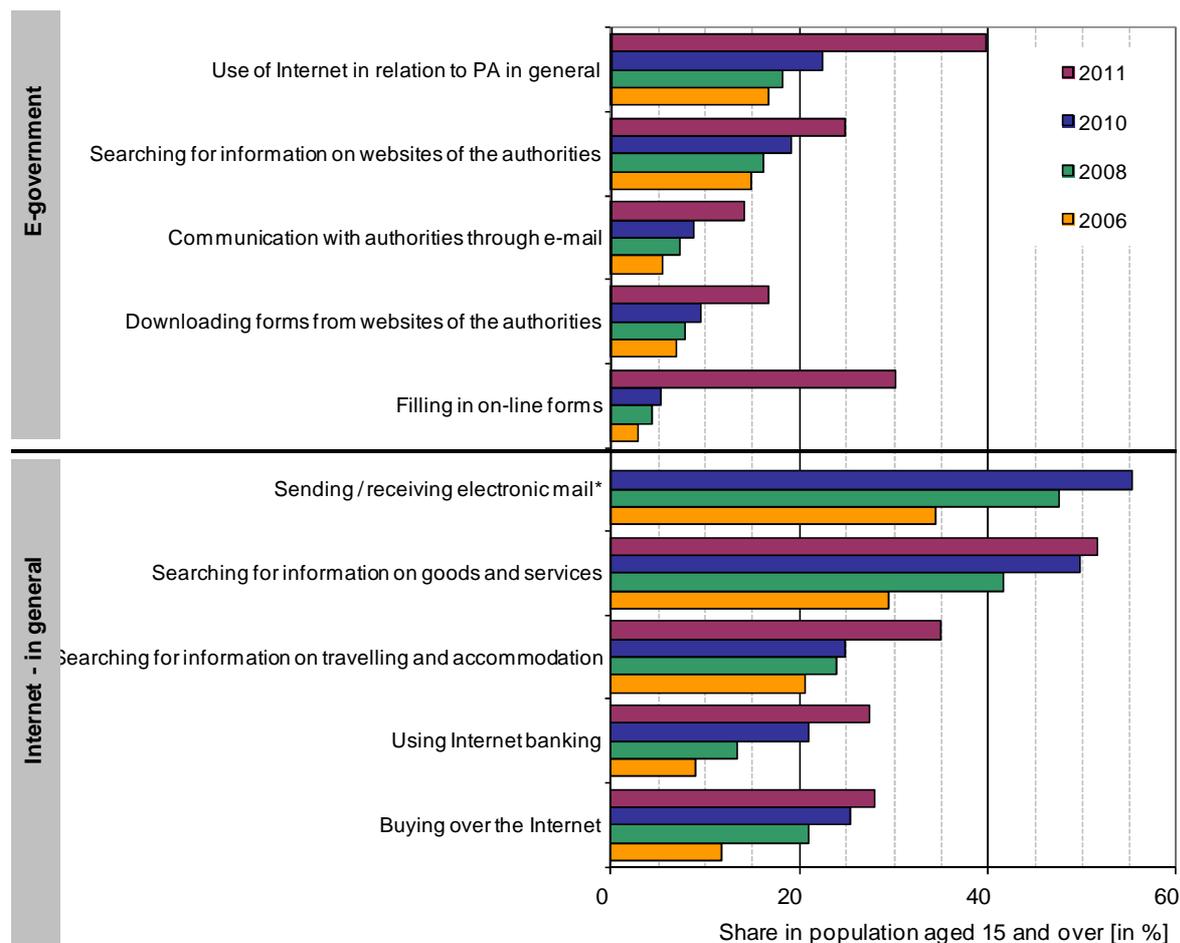
Source: MoLSA CR.

Internet and eGovernment

An important task for the development of eGovernment is to make the information and on-line services accessible via websites of public administration organisations. In recent years, rapid progress has been achieved in all the areas of communication between authorities and citizens (provision of information, provision of forms, or the possibility of e-filing). As shown by results of the sample survey carried out by the Czech Statistical Office in 2011, almost 40 % of the Czech population older than 15 years of age uses the Internet for communication with public administration, which is almost twice as many as in 2010. One quarter of the Czech population older than 15 years of age uses the Internet when searching for information on the respective authority's website and almost 15 % of population of the Czech Republic communicates with state institutions directly via the Internet.

The extent to which the Internet is used in the other spheres of everyday life (e.g. more than 50 % of Czech population uses the Internet when searching for information on goods and services) suggests that the development of eGovernment is still lagging behind a bit. The last year, however, reported a major increase in the use of Internet in relation to public and state administration. The latest statistical data indicates a progressive development of new ways of communication between the state and the citizens.

Chart No 5 – Use of the Internet in 2006 - 2011



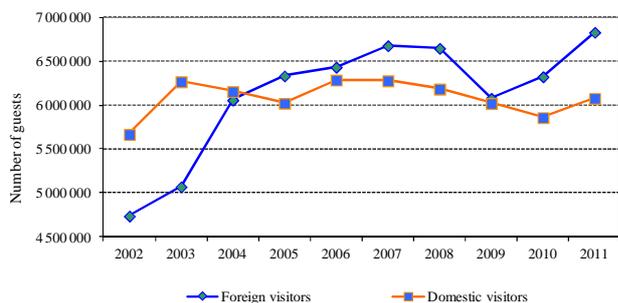
Source: CSO.

Note: *Not monitored in 2011.

Tourism

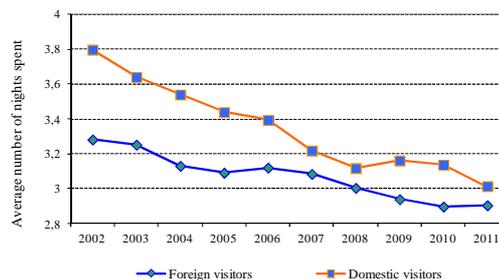
As against the year 2009 when there was a considerable drop in the number of visitors (foreign in particular) in consequence of the global financial and economic crisis, in the last two years the situation markedly improved. In 2011, the number of guests in collective accommodation establishments significantly grew and exceeded the number of guests in 2007 and 2008. This development was strongly supported by the number of foreign visitors, which in 2011 exceeded 6.8 million per year, which means a year-on-year increase by almost 8%. The number of domestic visitors staying in collective accommodation establishments in 2011 also grew and exceeded 6 million persons. Year-on-year it means an increase by nearly 4%, which however could not compensate for the drop reported in previous years, and the domestic visit rate thus still fails to reach the levels of 2006 to 2008 period. The length of stay calculated based on the average number of nights spent by foreign tourists remains at the level of 2010 (2.9 nights). In case of domestic visitors, the average length of stay shrank to 3 nights.

Chart No 6 – Number of guests in collective accommodation establishments



Source: CSO.

Chart No 7 – Average number of nights spent



Source: CSO.

2 OVERVIEW OF PROGRAMME IMPLEMENTATION

Programme milestones in 2011

Date	Name of activity
January – March 2011	Commencement of individual audits on operations No 23/11/AAE in beneficiaries
17 Jan 2011	Announcement of the 8 th call of MoH for Intervention area 3.2, activity a)
17 Jan 2011	Meeting with NCA on reinforced risk management of IOP
24 Jan 2011	Submission of the 1 st aggregate application for payment (payment claims) to the MoF in 2011
25 Jan 2011	Meeting with 9 municipalities implementing IU DP on reasons of little progress achieved in implementation
10 Feb 2011	Completion of the “Audit of the system of implementation for IOP“ No 17/10/AAE
18 Feb 2011	Completion of the “Audit of the monitoring system of SF and CF for 2007 – 2013 programming period“ conducted by the AA at IOP MA
25 Feb 2011	Announcement of the 11 th call of MRD for Intervention area 4.1, activity a) and e)
28 Feb 2011	Closing of the 1 st to 3 rd call of MoLSA for Intervention area 3.1, activity c), a) and b)
28 Feb 2011	Conduct of analysis of progress achieved by IOP as of 3 Jan 2011, absorption capacity of the programme and forecast fulfilment of n+3 rule
28 Feb 2011	Meeting with NCA on reinforced risk management of IOP
1 Mar – 8 Mar 2011	Bilateral meeting with Intermediate Bodies on progress achieved in the implementation of their intervention areas and on problems identified by the Managing Authority
2 Mar 2011	Submission of the Information on risks in IOP to the Government
3 Mar 2011	Submission of the 2 nd aggregate application for payment to the MoF in 2011
9 Mar 2011	Meeting between Ing. Gregor, the Deputy Minister of Finance, and Ing. Braun, the First Deputy Minister for Regional Development, concerning the conditions for approval of legal acts of projects with individually assessed expenditure as defined in Section 13 of Act No 218/2000 Coll., on budgetary rules
16 Mar 2011	Closing of the 8 th call of MoH for Intervention area 3.2, activity a)
24 Mar 2011	Meeting with the European Commission on progress achieved in the implementation of Smart Administration strategy
31 Mar 2011	Submission of the Final report of the evaluation concerning the use of additional funds in Intervention area 5.1

7 Apr 2011	5 th interim application for payment was sent to the EC
8 Apr 2011	Submission of the 3 rd aggregate application for payment to the MoF
8 Apr 2011	Submission of the 4 th aggregate application for payment to the MoF
28 Apr 2011	3 rd meeting of Interministerial group of deputy ministers involved in IOP implementation
3 May 2011	Technical meeting of IOP MC in the Riding Hall of the Ministry of Culture of the CR
9 May 2011	Submission of the 5 th aggregate application for payment to the MoF
9 May 2011	Submission of the 6 th aggregate application for payment to the MoF
10 May 2011	Submission of the 7 th aggregate application for payment to the MoF
20 May 2011	Announcement of the 12 th call of MoI for Intervention area 3.4, activity d)
31 May 2011	Closing of the 11 th call of MRD for Intervention area 4.1, activity a), e)
31 May 2011	Announcement of the 6 th call of MoLSA for Intervention area 3.1, activity b)
31 May 2011	7 th meeting of IOP Monitoring Committee
2 Jun 2011	Submission of the 8 th aggregate application for payment to the MoF
8 Jun 2011	Handbook of Work Procedures of MoLSA, version 1.3 was published
13 Jun 2011	4 th meeting of Interministerial group of deputy ministers involved in IOP implementation
30 Jun 2011	Closing of the 11 th call of MoI for Intervention area 3.4, activity a)
1 Jul 2011	Operational Manual for global grant of MoH IB, version 1.3 was published
7 Jul 2011	Announcement of the 7 th call of MoLSA for Intervention area 3.1, activity a)
13 Jul 2011	Submission of the 9 th aggregate application for payment to the MoF
13 Jul 2011	Submission of the 10 th aggregate application for payment to the MoF
19 Jul 2011	Action plans for reducing the risk of automatic decommitment in risky operational programmes were submitted to the Government of the CR
28 Jul 2011	Submission of the revision of the IOP Programming Document to the European Commission
29 Jul 2011	Announcement of the 8 th call of MoLSA for Intervention area 3.1, activity c)
3 Aug 011	Manual of Internal Procedures of MoI IB, version 1.4 was published
5 Aug 2011	Submission of the 11 th aggregate application for payment to the MoF
5 Aug 2011	Submission of the 12 th aggregate application for payment to the MoF
8 Aug 2011	Update of the Operational Manual of MoC IB, version 1.2 was published
12 Aug 2011	6 th interim application for payment was sent to the EC
31 Aug 2011	Closing of the 12 th call of MoI for Intervention area 3.4, activity d)
6 Sep 2011	Commencement of the audit of the system of AAE No 28/11 at the Ministry of Interior and in the course of September at the Ministry of Health and Ministry of Culture
7 Sep 2011	Submission of the 13 th aggregate application for payment to the MoF
7 Sep 2011	Submission of the 14 th aggregate application for payment to the MoF
7 Sep 2011	Announcement of the 12 th call of MRD for Intervention area 4.1, activities a), b, c) and e)
7 Sep 2011-20 Sep 2011	6 th written procedure of IOP MC concerning the approval of selection criteria for Intervention area 5.1
8 Sep 2011	Catalogue of IOP risks as of 1 Jul 2011 was approved
9 Sep 2011	Submission of the 15 th aggregate application for payment to the MoF
12 Sep 2011-16 Sep 2011	EC audit No 2011/CZ/REGIO/J4/870/8 (the auditee was AA, or AAE)
16 Sep 2011	Annual Report of IOP for 2010 was approved
22 Sep 2011	Comments of the EC to the proposal for revision of the Programming Document
7 Oct 2011	Submission of the 16 th aggregate application for payment to the MoF
9 Oct 2011	Commencement of the audit of the system of AAE No 28/11 at IOP IB and IOP MA
13 Oct 2011 – 14 Oct 2011	Annual Conference of IOP in Písek – Integrated Urban Development Plans

21 Oct 2011	Submission of the 17 th aggregate application for payment to the MoF
21 Oct 2011	Submission of the 18 th aggregate application for payment to the MoF
21 Oct 2011	Submission of the 19 th aggregate application for payment to the MoF
24 Oct 2011	Announcement of the 3 rd call of MoC for Intervention area 5.1, activity b)
31 Oct 2011	Bilateral meeting between IOP MA and Intermediate Bodies of MoC and MoLSA on the current situation in their intervention areas
4 Nov 2011	Submission of the 20 th aggregate application for payment to the MoF
7 Nov 2011	7 th interim application for payment was sent to the EC
1 Dec 2011	Submission of the 21 st aggregate application for payment to the MoF
14 Dec 2011	Announcement of the 13 th call of MRD for Intervention area 4.1, activity b)
15 Dec 2011	Submission of the 22 nd aggregate application for payment to the MoF
16 Dec 2011	Submission of the 23 rd aggregate application for payment to the MoF
19 Dec 2011	The annual opinion of AA was sent to the EC, including the Annual Control Report of IOP for the period from 1 Jul 2010 to 30 Jun 2011
20 Dec 2011	8 th interim application for payment was sent to the EC
21 Dec 2011	Approval of revision of the IOP Programming Document - by Commission Decision C(2011)9790
30 Dec 2011	Closing of the call No 03 of the MoC for Intervention area 5.1, activity b)
30 Dec 2011	Closing of the call No 05 of MoLSA for Intervention area 3.3, activity c)

2.1 Progress achieved and its analysis

2.1.A Information on physical progress of the Programme

The physical framework for the system of measuring and quantifying the programme objectives is determined by the nature of foreseen outputs from implemented activities and in compliance with the European Commission methodology comprises three levels of indicators:

- **Output indicators** which express the scope of conducted activities and are included in the ongoing monitoring process, in IOP they are brought down to the level of intervention area;
- **Result indicators** which describe the direct effects of the programme on aid beneficiaries, in IOP they are brought down at the level of intervention area;
- **Impact indicators** at the level of the programme inform on the context beyond the immediate effects of the programme.

At the programme level, **context indicators** are set that provide measurable information on social and economic situation of the environment in which the IOP is implemented. They express main macroeconomic trends in a quantified manner.

Throughout this Report, the following is monitored at all levels of indicators:

Achieved value total²: value of the current fulfilment of the indicator, i.e. in the year covered by the submitted report. The achieved value is a cumulative value since the beginning of project implementation, or an incremental value depending on the nature of the indicator and its definition (the incremental value is given e.g. in statistical or ratio indicators).

Baseline value total: value of the indicator ascertained before the launch of programme implementation. This value does not change throughout the programme implementation.

Target value total: value of the indicator at the end of the programming period.

The values of IOP context and impact indicators as of 31 Dec 2011 are presented in the following tables.

Table No 7 – Context indicators as of 31 Dec 2011

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Total
010200	Created GDP at current prices	CZK mil.	CSO	Achieved	3 662 573	3 848 411	3 739 225	3 775 237	3 775 237	3 775 237
				Baseline	2 994 400	3 662 573	3 848 411	3 739 225	3 775 237	2 994 400
				Target	N/A					
072200	Employment rate in population aged 15-64 – total	%	CSO, Eurostat	Achieved	66,1	66,6	65,4	65,0	65,0	65,0
				Baseline	64,8	66,1	66,6	65,4	65,0	64,8
				Target	N/A					
072201	Employment rate in	%	CSO, Eurostat	Achieved	74,8	75,4	73,8	73,5	73,5	73,5
				Baseline	73,3	74,8	75,4	73,8	73,5	73,3

² In indicators expressing the number of supported projects, the achieved value is monitored after the completion of project implementation. In 2007 and 2008, due to the necessity to report the physical progress, these projects were monitored starting from the stage of project implementation. This fact was changed in 2009 and the historical data has been recalculated.

	population aged 15-64 – men			Target	N/A					
072202	Employment rate in population aged 15-64 – women	%	CSO, Eurostat	Achieved	57,3	57,6	56,7	56,3	56,3	56,3
				Baseline	56,3	57,3	57,6	56,7	56,3	56,3
				Target	N/A					
020101	State budget balance (SB)	CZK mil.	CNB, CSO	Achieved	66 400	20 000	192 394	156 417	142 771	142 771
				Baseline	56 300	66 400	20 000	192 394	156 417	56 300
				Target	N/A					
412500	Overnight stays of guests in collective accommodation establishments total	Number (ths)	CSO	Achieved	40 831	39 283	36 662	36 909	36 909	36 909
				Baseline	40 320	40 831	39 283	36 662	36 909	40 320
				Target	N/A					
412600	Overnight stays of guests in collective accommodation establishments, of which foreigners	Number (ths)	CSO	Achieved	20 610	19 987	17 747	18 366	18 366	18 366
				Baseline	19 595	20 610	19 987	17 747	18 366	19 595
				Target	N/A					
021103	ICT expenditure - percentage of GDP	%	CSO Eurostat	Achieved	2,2	2	2,2	2,2	2,2	2,2
				Baseline	3	2,2	2	2,2	2,2	3
				Target	N/A					
021101	Total health care expenditure – percentage of GDP in current prices	%	CSO (Institute of Health Information and Statistics)	Achieved	6,1	6,6	7,5	7,3	N/A	7,3
				Baseline	7	6,1	6,6	7,5	7,3	7
				Target	N/A					
021102	Total culture and sports expenditure - percentage of GDP	%	CSO (NI-POS)	Achieved	0,99	1,02	1,18	1,21	1,21	1,21
				Baseline	1,7	0,99	1,02	1,18	1,21	1,7
				Target	N/A					
011406	Average annual energy consumption ³	GJ/byt	CSO	Achieved	N/A	N/A	N/A	N/A	N/A	N/A
				Baseline	78,2	N/A	N/A	N/A	N/A	78,2 ⁴
				Target	N/A					

Source: MSC2007 as of 2 Mar 2012

³ Baseline value was ascertained based on the ENERGO 2004 questionnaire survey, in the following years no survey was conducted, which is why for 2007-2011 the value of this indicator is not given. The MA seeks to find an alternative way of monitoring of this indicator.

⁴ Value as ascertained in 2004 (ENERGO 2004).

Table No 8 – Impact indicators as of 31 Dec 2011

NCI code	Name of indicator	Unit of measure	Source	Value ⁵	2007	2008	2009	2010	2011	Target value 2015	Total
153501	Government effectiveness indicator ⁶	Index	World Bank	Achieved	78,6	79,6	78,9	80,9	N/A	N/A	80,9
				Baseline	76,6	78,6	79,6	78,9	80,9	N/A	76,6
				Target	N/A					88	88
412700	Increase in the share of tourists in the number of visitors to the CR	%	MRD	Achieved	41,4	43,2	42,8	39,2	39,5	N/A	39,5
				Baseline	31	41,4	43,2	42,8	39,2	N/A	31
				Target	N/A					41	41
520513	Employment rate in tertiary sector	%	CSO	Achieved	56,2	56,1	58,1	58,6	58,6	N/A	58,6
				Baseline	56	56,2	56,1	58,1	58,6	N/A	56
				Target	N/A					70	70

Source: MSC2007 as of 2 Mar 2012

Summary of announced and ongoing calls

In 2011, more calls were announced and the calls announced in previous years were still open.

By the end of 2011, a total of 45 calls for submission of applications for financial assistance in the total allocation of almost EUR 1.9 billion were announced. In dependence on the nature of supported activities and types of beneficiaries, time limited or continuous calls are announced.

By the end of 2011, a total of 8 098 projects in the amount of EUR 2.189 billion were submitted, of which 7 252 projects in the amount of EUR 1.344 million were approved.

In the course of 2011, altogether 18 calls were open in the volume of EUR 605.8 million, of which 9 calls in the volume of EUR 192.4 million were newly announced. In these calls, a total of 1 249 project applications in the amount of EUR 536.9 million were submitted, 920 projects in the amount of EUR 275.0 million were approved, of which 109 project applications in the amount of EUR 182.6 million were submitted in the newly announced calls and 14 project applications in the amount of EUR 11.5 million were approved.

The IOP MA intends to announce calls gradually in order to evenly release the funds during the whole programming period which will safeguard better response to the needs of applicants and beneficiaries and to the fluctuations in CZK/EUR exchange rate. It is also purposeful to modify the calls based on the experience gained in the previous calls.

More information on the announced and ongoing calls is given in Chapter 3 under individual priority axes.

⁵ Values are given cumulatively for individual years.

⁶ The values for individual years are monitored in % from the following sources: http://info.worldbank.org/governance/wgi/sc_chart.asp, downloaded on 13 Mar 2012.

Table No 9 – Summary of ongoing calls

Order of the call	Number of the call	Submission of project applications		Type of call	Number of priority axis / intervention area	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	number	in EUR	number	in EUR
2.	01	5.6.2008	30.9.2015	Continuous	6.1a	30 924 711	31	38 548 245	28	33 616 516
					6.1b	568 608		708 780		618 101
					Call total	31 493 319	31	39 257 026	28	34 234 618
13.	01	10.4.2009	28.2.2011	Continuous	3.1	14 831 990	139	18 505 487	18	1 955 990
15.	07	22.5.2009		Continuous	5.2	158 696 471	848	136 117 871	780	119 672 503
17.	02	13.7.2009	28.2.2011	Continuous	3.1	51 659 668	7	15 372 300	5	8 427 899
21.	03	30.9.2009	28.2.2011	Continuous	3.1	21 524 855	29	14 418 366	5	1 318 452
24.	04	11.11.2009	30.6.2013	Continuous	3.3	37 099 680	9	37 054 751	5	15 536 611
25.	05	11.11.2009	30.6.2013	Continuous	3.3	6 483 977	8	8 342 845	1	1 006 637
35.	11	1.7.2010	30.6.2011	Continuous	3.4	79 274 411	43	80 504 908	41	76 986 918
36.	10	27.9.2010		Continuous	6.2a	12 127 458	26	4 732 688	23	4 260 432
					6.2b	222 986		87 019		78 336
					Call total	12 350 444	26	4 819 707	23	4 338 767
37.	08	17.1.2011	16.3.2011	Time-limited	3.2	44 781 513	31	41 854 156	0	0
38.	11	25.2.2011	31.5.2011	Time-limited	4.1a	17 802 840	3	17 802 839	1	703 901
					4.1b	1 369 449	3	1 369 449	1	54 146
					Call total	19 172 289	6	19 172 289	2	758 047
39.	12	20.5.2011	31.8.2011	Continuous	3.4	11 351 511	13	11 336 936	12	10 740 255
40.	06	31.5.2011	30.6.2013	Continuous	3.1	10 051 458	3	1 128 986	0	0
41.	07	7.7.2011	30.6.2013	Continuous	3.1	30 993 014	9	11 704 940	0	0
42.	08	29.7.2011	29.6.2012	Continuous	3.1	8 501 878	28	2 846 285	0	0
43.	12	7.9.2011		Continuous	4.1a	35 361 842	5	23 633 749	0	0
					4.1b	2 720 142	5	1 817 981	0	0
					Call total	38 081 983	10	25 451 730	0	0
44.	03	24.10.2011	30.11.2011	Time-limited	5.1	25 738 325	9	69 056 707	0	0
45.	13	14.12.2011	21.1.2012	Time-limited	4.1a	3 435 392	0	0	0	0
					4.1b	264 261	0	0	0	0
					Call total	3 699 653	0	0	0	0

CONV total	600 640 993	1 241	532 962 059	919	274 226 112
RCE total	5 145 445	8	3 983 229	1	750 584
IOP total	605 786 438	1 249	536 945 288	920	274 976 696

Source: MSC2007 as of 4 Jan 2012
 CZK/EUR exchange rate: 25.910
 Source of funding: public funds total

2.1.B Information on IOP financial data

By the end of 2011, the expenditure totalling EUR 332.2 million, including the private funds, was certified. The contribution from public funds amounts to EUR 295.7 million, which represents 15.51 % of IOP financial resources.

The largest percentage of certified expenditure is represented by expenditure under Priority axes 6a and 6b, with 26.27 %, or 26.28 % of expenditure certified – EUR 13.9 million in Priority axis 6a and EUR 0.3 million in Priority axis 6b. The smallest percentage is reported by Priority axis 2, namely 6.57 %, representing EUR 13.2 million.

Table No 10 – Financial data (in EUR)

	Funds of the operational programme - total (EU and national)	Basis for the calculation EU contribution (from public funds or total)	Total certified eligible expenditure incurred by beneficiaries	Contribution from public sources	Share of certified eligible expenditure in total programme financing (%) ⁷
Priority axis 1a	365 414 274	Public	56 926 624	56 926 624	15,58%
Priority axis 1b	28 108 791	Public	4 378 971	4 378 971	15,58%
Priority axis 2	200 977 851	Public	13 211 538	13 211 538	6,57%
Priority axis 3	641 302 051	Public	110 684 995	110 327 315	17,20%
Priority axis 4a	71 255 784	Public	7 575 012	7 574 653	10,63%
Priority axis 4b	5 481 214	Public	583 109	583 081	10,64%
Priority axis 5	540 249 309	Public	124 702 871	88 561 483	16,39%
Priority axis 6a	52 985 069	Public	13 917 778	13 917 778	26,27%
Priority axis 6b	974 111	Public	256 016	256 016	26,28%
Sum total	1 906 748 452		332 236 914	295 737 459	15,51%

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

⁷Difference in the percentage of certified expenditure in individual objectives under Priority axes 4a and 4b, 6a and 6b is caused by rounding off of the amounts.

Table No 11 – IOP Financing plan

Priority axis	Name of Priority axis/Intervention area	Objective of the intervention	Contribution in EUR (ERDF)	Share in allocation in % (IOP=100%)
1a	Modernisation of public administration – Convergence objective	CONVERGENCE	310 602 133	19,16
1.1	Developing information society in public administration	CONVERGENCE	310 602 133	19,16
1b	Modernisation of public administration – Regional competitiveness and employment objective	RCE	23 892 472	1,47
1.1	Developing information society in public administration	RCE	23 892 472	1,47
2	Introducing ICT in territorial public administration – Convergence objective	CONVERGENCE	170 831 173	10,54
2.1	Introducing ICT in territorial public administration	CONVERGENCE	170 831 173	10,54
3	Improving Public Services Quality and Accessibility – Convergence objective	CONVERGENCE	545 106 743	33,63
3.1	Social integration services	CONVERGENCE	79 203 544	4,89
3.2	Public health services	CONVERGENCE	248 481 706	15,33
3.3	Employment services	CONVERGENCE	46 590 320	2,87
3.4	Services in security, risk prevention and management	CONVERGENCE	170 831 173	10,54
4a	National support of tourism – Convergence objective	CONVERGENCE	60 567 416	3,74
	National support of tourism	CONVERGENCE	60 567 416	3,74
4b	National support of tourism - Regional competitiveness and employment objective	RCE	4 659 032	0,29
	National support of tourism	RCE	4 659 032	0,29
5	National support of territorial development - Convergence objective	CONVERGENCE	459 211 913	28,33
5.1	National support for utilising the cultural heritage potential	CONVERGENCE	230 303 850	14,21
5.2	Improving the environment in problematic housing estates	CONVERGENCE	213 377 956	13,17
5.3	Modernization and development of systems for creating territorial policies	CONVERGENCE	15 530 107	0,96
6a	Technical Assistance – Convergence objective	CONVERGENCE	45 037 309	2,78
6.1	Activities connected with the IOP management	CONVERGENCE	27 177 687	1,68
6.2	Other costs of the IOP technical assistance	CONVERGENCE	17 859 622	1,10
6b	Technical Assistance – Regional competitiveness and employment objective	RCE	827 994	0,05
6.1	Activities connected with the IOP management	RCE	499 612	0,03
6.2	Other costs of the IOP technical assistance	RCE	328 382	0,02
IOP TOTAL			1 620 736 185	100,00
Of which: CONVERGENCE	1a + 2 + 3 + 4a + 5 + 6a	CONVERGENCE	1 591 356 687	98,19
RCE	1b + 4b + 6b	RCE	29 379 498	1,81

Source: Programming Document, December 2011

Convergence obj. ; RCE obj.

List of advanced and interim payments

Following the approval of the programme, the PCA received a total of 4 advance payments in the amount of EUR 142 415 115, which equals 9 % of the total allocation.

By the end of 2011, the EC reimbursed 7 interim payments in the amount of EUR 221 813 248 and in December 2011 the IOP MA through the PCA submitted to the EC the application for the eighth interim payment in the amount of EUR 29 563 594. The first interim payment was received in 2009 in the amount of EUR 5 012 240, three interim payments were received in 2010 in the total amount of EUR 81 476 334 and three interim payments in 2011 in the amount of EUR 135 324 673.

The distribution of advance and interim payments is presented in the following table.

Table No 12 – Overview of received advance and interim payments

Year	Order/type/date of payment	Advance payments received from EC – separately		Interim payments received from EC – separately	
		CONV	RCE	CONV	RCE
2008	1 st advance payment 23 Jan 2008	31 060 213	587 590		
	2 nd advance payment 1 Apr 2008	46 590 320	881 385		
2009	3 rd advance payment 5 Feb 2009	31 060 213	587 590		
	4 th advance payment 20 Apr 2009	31 060 213	587 590		
	1 st interim payment 16 Dec 2009			5 008 671	3 569
2010	2 nd interim payment 27 May 2010			18 395 859	40 343
	3 rd interim payment 30 Aug 2010			21 911 277	62 328
	4 th interim payment 28 Dec 2010			40 318 211	748 314
2011	5 th interim payment 4 May 2011			33 623 868	288 784
	6 th interim payment 29 Aug 2011			40 952 914	276 952
	7 th interim payment 24 Nov 2011			58 609 916	1 572 239
Total		139 770 960	2 644 155	218 820 718	2 992 530

Source: MSC2007 as of 31 Dec 2011

Fulfilment of n+3/n+2 rule

IOP MA monitors the progress in absorption of funds from the SF at individual stages of administration of project applications and compares the rate of absorption against the allocation for the given year. The n+3/n+2 rule is fulfilled once the amount of certified expenditure for each objective separately equals or is higher than the allocation for the given year, or the allocation for the given year minus the advance payments received from the EC.

The limit for 2011⁸ that had to be absorbed in order to fulfil the n+3 rule under the Convergence objective by the end of 2011 amounts to EUR 234.3 million. For the sake of fulfilment of n+3 rule advance payments can be used, by which the limit for the given year is reduced. Before the end of 2011, a total of EUR 247.0 million was certified under the Convergence objective.

⁸ The targets for the fulfilment of n+3/n+2 rule in individual years are set pursuant to Regulation (EU) No 539/2010 of the EP and of the Council of 16 June 2010 - 1/6 of the 2007 allocation is added to the individual targets for each year of 2008 – 2013 period

Table No 13 – Summary of fulfilment of n+3/n+2 rule for CONV objective

Financing plan – year	Total allocation of EU funds 2007-2013 - annual	n+3/n+2 targets – aggregate	EC advance payments - annual	Interim/final applications for payment submitted to the EC - annual ⁹	Advance payments from the EC + payment claims of the CR - annual	Advance payments from the EC + payment claims - aggregate	Difference between targets and payments - aggregate
		A					
2007	192 686 939				0	0	
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		161 325 666	161 325 666	386 730 645	152 451 209
2012	247 398 119	478 078 315					
2013	278 308 099	1 001 421 489					
2014		1 280 934 098					
2015		1 591 356 687					
Total	1 591 356 687	1 591 356 687	139 770 960	246 959 685	386 730 645	386 730 645	

Source: MSC2007 as of 31 Dec 2011, IOP Programming Document, December 2011

For Regional competitiveness and employment objective, the target for the fulfilment of n+3 rule in 2011 is EUR 4.7 million. To facilitate the achievement of n+3 rule, the advance payments can be used in order to reduce the target for this year, under the RCE objective the target is reduced to EUR 2.5 million when all the advance payments are included, or to EUR 4.1 million when the first advance payment is included. By the end of 2011, a total of EUR 4.4 million was certified under the RCE objective.

Table No 14 – Summary of fulfilment of n+3/n+2 rule for RCE objective

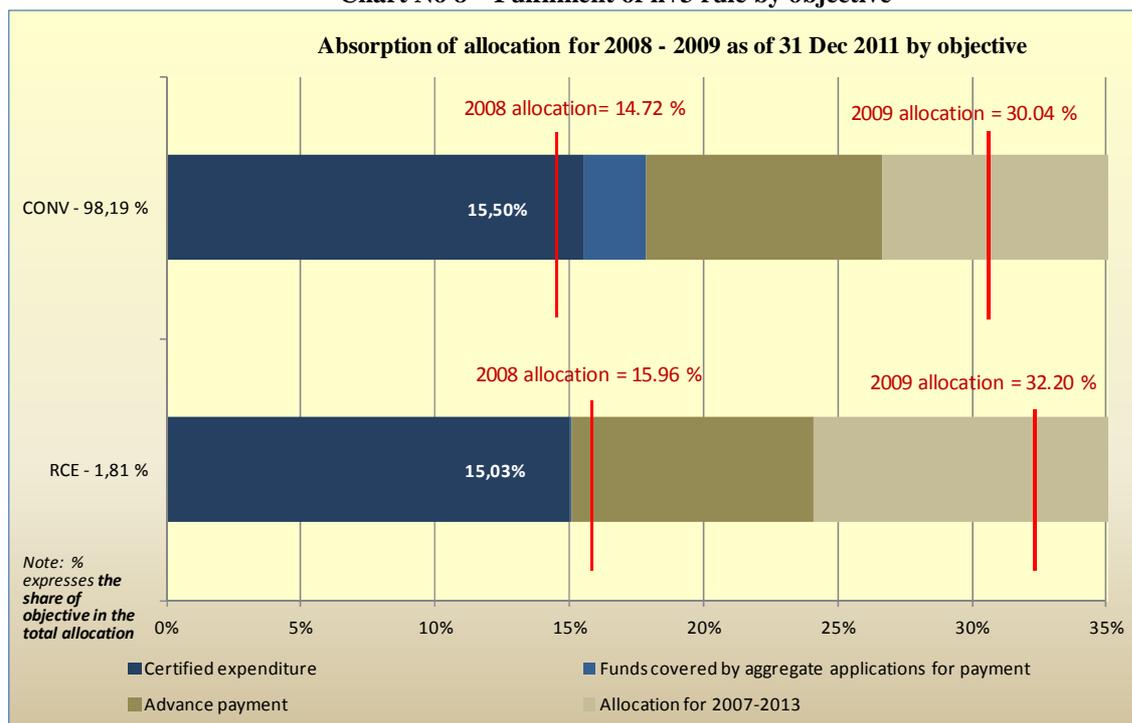
Financing plan – year	Total allocation of EU funds 2007-2013 - annual	n+3/n+2 targets - aggregate *	EC advance payments - annual	Interim/final applications for payment submitted to the EC - annual ¹⁰	Advance payments from the EC + payment claims of the CR - annual	Advance payments from the EC + payment claims - aggregate	Difference between targets and payments - aggregate
		a					
2007	3 951 894				0	0	
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	4 193 781			850 986	850 986	3 498 710	
2011	4 277 657	4 689 580		3 580 801	3 580 801	7 079 511	2 389 931
2012	4 363 210	9 459 780					
2013	4 450 474	19 248 516					
2014		24 270 375					
2015		29 379 498					
Total	29 379 498	29 379 498	2 644 155	4 435 356	7 079 511	7 079 511	

Source: MSC2007 as of 31 Dec 2011, IOP Programming Document, December 2011

Evaluation of the fulfilment of n+3 rule by individual objective in 2011 is illustrated in the chart below. Under the Convergence objective, the target was achieved. Altogether 15.50 % of the allocation for this objective was certified, in 2011 a total of 14.72 % had to be absorbed. The target for the fulfilment of n+3 rule under the RCE objective for 2011 was 15.96 %, with 15.03 % certified. The IOP MA in 2011 used a part of the first advance payment in order to achieve the target for the fulfilment of n+3 rule under the RCE objective.

⁹ Figure for 2011 includes the 8th interim payment which was sent to the EC on 20 Dec 2011 and was not reimbursed by the end of 2011.

Chart No 8 – Fulfilment of n+3 rule by objective

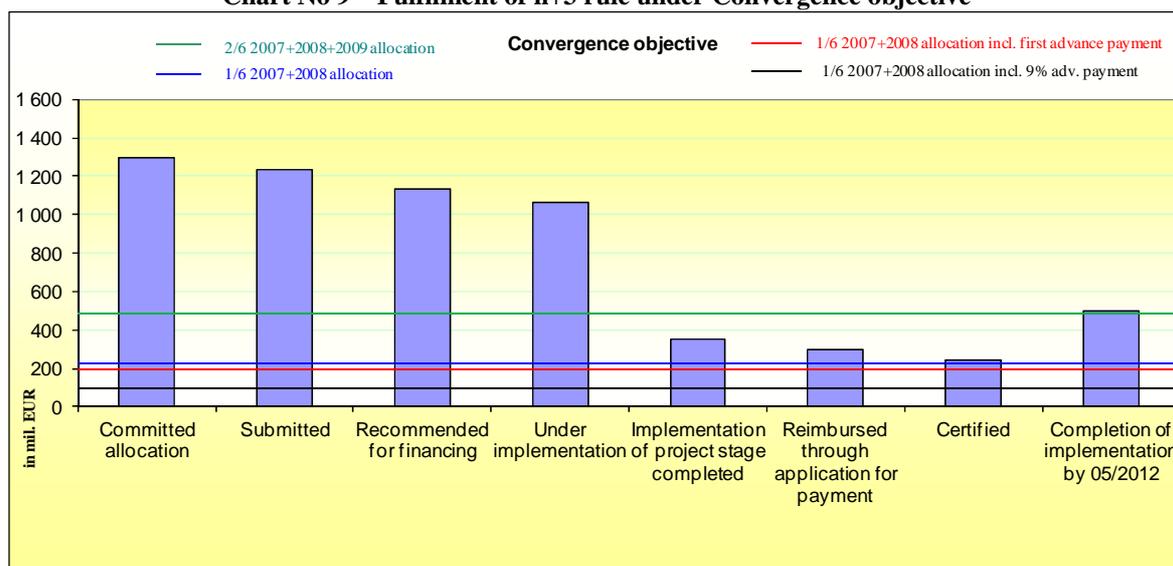


Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

The IOP Managing Authority monthly evaluates the progress in the financial status of both the objectives with regard to the achievement of the n+3 target. The following charts illustrate the volume of funds committed in the announced calls, the volume of funds in individual stages of project implementation, including the certified expenditure as of 31 Dec 2011, and **the forecast certified expenditure until the end of 2012 ("completion of implementation before 05/12"** column) - all as against the allocation for 2009 (green line), allocation for 2008 (blue line), allocation for 2008 minus the received first advance payment (red line) and allocation minus all the received advance payments (black line).

Chart No 9 – Fulfilment of n+3 rule under Convergence objective



Source: MSC2007 as of 2 Jan 2012

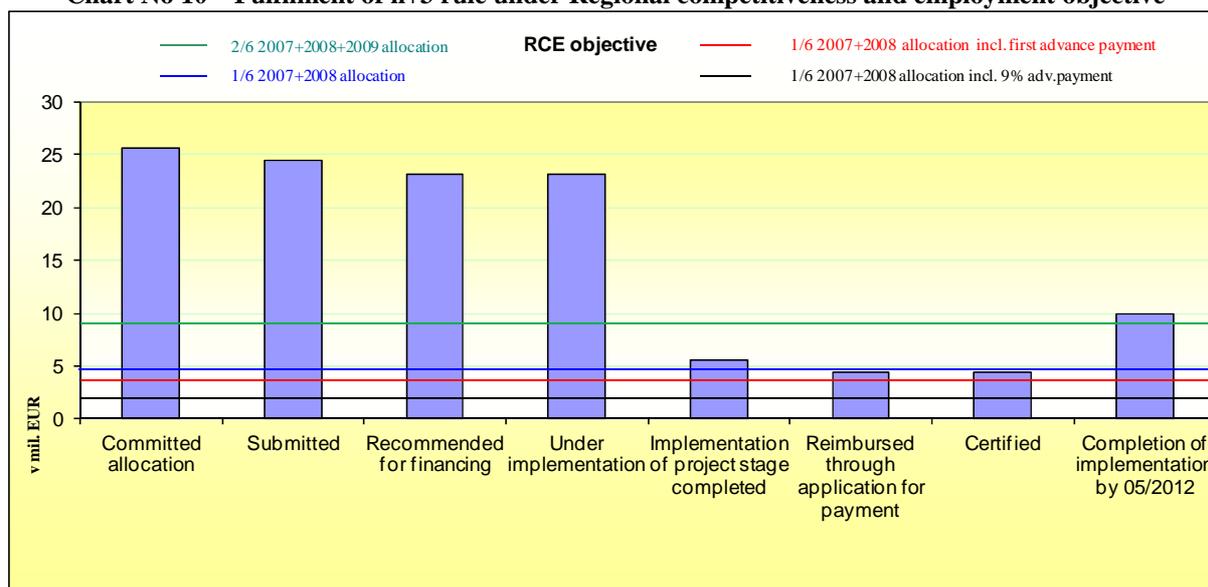
CZK/EUR exchange rate: 25.910

Source of funding: Community contribution

According to the data from IS Monit7+ IOP as of 31 Dec 2011, the allocation committed to the Convergence objective, i.e. the funds committed to the ongoing calls and financial requirements of projects submitted under the closed calls, totals EUR 1 297.1 million. Projects amounting to EUR 1 131.4 million are recommended for financing and the amount of completed stages equals EUR 354.4 million. Altogether EUR 294.0 million was paid out to beneficiaries.

According to the data stated in timetables of projects submitted as of 31 Dec 2011, **by the end of 2012 the total expenditure amounting to EUR 501.4 million should have been certified**, the target for the fulfilment of n+3 rule in 2012 **amounts to EUR 478.5 million**. In case the implementation of submitted projects follows the timetable, we may assume that the n+3 rule for the Convergence objective will be fulfilled in 2012, without using the received advance payments.

Chart No 10 – Fulfilment of n+3 rule under Regional competitiveness and employment objective



Source: MSC2007 as of 2 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: Community contribution

Allocation committed to the ongoing and closed calls for the RCE objective equals EUR 25.6 million. Projects in the volume of EUR 23.2 million were recommended for financing. A total of EUR 4.4 million was paid out to beneficiaries. **Before the end of 2011, expenditure in the amount of EUR 4.4 million was certified under the RCE objective.** Since the allocation for 2008 amounts to EUR 4.7 million, it was necessary to use the first advance payment amounting to EUR 0.3 million in order to fulfil the n+3 rule in 2011.

According to the data stated in timetables of projects submitted as of 31 Dec 2011, by the end of 2012 the total expenditure amounting to EUR 10.0 million should have been certified, the target for the fulfilment of n+3 rule in 2012 amounts to EUR 9.1 million. In case the implementation of submitted projects follows the timetable, we may assume that the n+3 rule for the RCE objective will be fulfilled in 2012, without using the received advance payments.

Cross financing

IOP allows for the exploitation of cross-financing in Intervention areas 3.2 – Public health services and in Priority axes 4a National support of tourism – Convergence objective and 4.1b – National support of tourism – Regional competitiveness and employment objective. The non-investment

expenditure, eligible for financing from ESF, shall not exceed 9 % of the total eligible expenditure of the project.

Under Intervention area 3.2, cross financing was allowed as eligible expenditure in the first call of the Ministry of Health of the CR. Of the total of 34 submitted applications, which could use this instrument, 9 project applications were not recommended for financing by the Selection Committee. Therefore, no project under this intervention area uses cross financing.

In Priority axes 4a and 4b National support of tourism, cross-financing was applicable in the 4th continuous call of the MRD. Cross-financing was planned to be utilised by 5 projects under Intervention area 4.1a and by 5 projects under Intervention area 4.1b of 14¹⁰ submitted projects. Only one project is under implementation in each intervention area, the expenditure on cross-financing did not exceed 1 % of total eligible expenditure and was incurred in relation to education and training activities.

Table No 15 – Overview of the use of cross-financing

Intervention area	Number of the call	Number of projects	Number of projects submitted in the call	Projects using cross-financing			
				Number	Total of eligible expenditure in EUR	Cross financing – total eligible expenditure in EUR	Share of cross-financing
3.2	01	N2.3 Project not recommended/not approved	34	9	26 951 061	110 807	0,41%
4.1a	04	N5 Project application withdrawn by applicant	14	1	1 776 148	158 780	8,94%
		N7 Project not completed/withdrawn		3	5 081 204	453 319	8,92%
		P45 Project under implementation		1	2 669 956	3 046	0,11%
	12	N1.1 Project application failed to meet at least one eligibility criterion	N/A	1	1 254 342	143 353	11,43%
4.1b	04	N5 Project application withdrawn by applicant	14	1	136 627	12 235	8,95%
		N7 Project not completed/withdrawn		3	390 853	34 871	8,92%
		P45 Project under implementation		1	205 381	234	0,11%
	12	N1.1 Project application failed to meet at least one eligibility criterion	N/A	1	96 488	11 027	11,43%

Source: MSC2007 as of 2 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

¹⁰ Of this number of submitted project applications, one project application was resubmitted after being withdrawn.

2.1.C Information on the use of funds

Priority theme	Form of finance	Type of territory	Economic activity	Location	Amount in EUR	Allocation to priority theme 2007-2013 (EUR)
13 – Services and applications for citizens (<i>e-health, e-government, e-learning, e-inclusion</i>)	01	01, 05	17	CZ0	454 998 556,18	505 325 778,00
53 – Risk prevention (<i>incl. the drafting and implementation of plans and measures to prevent and manage natural and technological risks</i>)	01	01, 05	17, 19	CZ0	115 694 881,22	190 397 663,00
55 – Promotion of natural assets	01	01, 05	00, 14, 17, 22	CZ0	19 846 620,82	45 006 249,00
57 – Other assistance to improve tourist services	01	01	22	CZ0	653 469,94	20 220 199,00
58 – Protection and preservation of the cultural heritage	01	01, 05	00, 17, 18, 22,	CZ0	174 481 907,51	198 389 481,00
59 – Development of cultural infrastructure	01	01	00, 18	CZ0	12 786 006,02	31 914 369,00
61 – Integrated projects for urban and rural regeneration	01	01	00, 16, 17, 22	CZ0	44 227 896,97	213 377 956,00
75 – Education infrastructure	01	01	17, 22	CZ0	5 165 032,16	14 976 240,00
76 – Health infrastructure	01	01, 05	19	CZ0	134 979 038,91	228 915 216,00
78 – Housing infrastructure ¹¹	01	01	00, 16, 17, 21, 22	CZ0	39 285 532,84	0,00
79 - Other social infrastructure	01	01, 05	03, 04, 14, 16, 17, 20, 22	CZ0	21 228 986,25	110 817 624,00
81- Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes	01	01, 05	17	CZ0	12 369 393,01	15 530 107,00
85 - Preparation, implementation, monitoring and inspection	01	01	17	CZ0	20 459 862,18	27 677 299,00
86 - Evaluation and studies; information and communication	01	01	17	CZ0	5 437 101,24	18 188 004,00
Total					1 061 614 285,25	1 620 736 185,00

Source: MSC2007 as of 4 Jan 2012, CZK/EUR exchange rate: 25.910, source of funding: Community contribution

Note: **Form of funding:** 01 – Non-repayable aid **Type of territory:** 01 – Urban, 05 – Rural areas (other than mountains, islands and sparsely or very sparsely populated areas)

Economic activity: 00 – Not applicable 03 – Manufacture of food products and beverages, 14 – Hotels and restaurants, 16 – Real estate, renting and business activities, 17 – Public administration, 18 – Education, 19 – Human health activities, 20 – Social work, community, social and personal services, 21 – Activities linked to the environment, 22 – Other unspecified services **Location:** CZ0 – Czech Republic

¹¹ Selection of this priority theme by beneficiaries is verified by the MA and it will be corrected.

2.1.D Assistance by target group

The target group with respect to beneficiaries are the public administration bodies and organisations established by them, non-governmental non-profit organisations, business entities and interest associations of legal persons. Detailed classification of aid beneficiaries under individual priority axes is as follows:

- Priority axis 1 - government agencies and budgetary organisations established by them;
- Priority axis 2 - regions and municipalities and organisations, unions of municipalities established and founded by them;
- Priority axis 3 - government agencies and budgetary organisations established by them, regions and municipalities and organisations established by them, NGOs, entrepreneurs (persons registered in the Company Register and persons conducting business based on the trade license or in line with special regulations), natural and legal persons providing public services in the field of health care, government agencies in the field of employment services (MoLSA, Labour Office);
- Priority axis 4 - government agencies and budgetary organisations established by them, NGOs, interest associations of legal persons with national operation in tourism;
- Priority axis 5 - government agencies and budgetary organisations established by them, NGOs, interest associations of legal persons, municipalities and organisations established by them, unions of municipalities, regions, owners of residential or non-residential (commercial) premises;

Monthly updated list of assisted projects and aid beneficiaries is available on the Structural Funds website: <http://www.strukturalni-fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovaný-operacní-program/Projekty/Podporené-projekty>.

Investments in regions with concentrated state aid

Investments in regions with concentrated state aid are made in line with the approved Strategy for Regional Development of the CR for 2007 – 2013 period pursuant to the Government Resolution No 141 of 22 Feb 2010. Affected regions are divided into 3 categories:

1. Structurally affected regions – cover the territory of the districts: Most, Chomutov, Teplice, Ústí nad Labem, Karviná, Nový Jičín and Sokolov.
2. Economically weak regions – cover the territory of the districts: Tachov, Hodonín, Třebíč, Bruntál, Děčín, Jeseník, Přešov, Šumperk, Znojmo, Blansko and the territory of former military districts Ralsko and Mladá.
3. Regions with strongly above average unemployment – cover the territory of:
 - a) districts: Česká Lípa, Jablonec nad Nisou, Louny, Svitavy, Ostrava-město, Kroměříž, Vsetín.
 - b) municipalities with extended powers: Ostrov, Frýdlant, Světlá nad Sázavou, Králíky, Šternberk, Uničov, Valašské Klobouky, Vítkov.

The above referred to categories are not monitored in the IOP. The assistance to housing is granted in some of the referred to towns based on the IUDPs approved pursuant to Article 7 para 2 letter a) of Council Regulation (EC) No 1080/2006.

More details on IUDP are given in Chapters 2.6.3 – Integrated Urban Development Plans - and 3.5 – Priority axis 5.

2.1.E Assistance repaid or re-used

In 2011, the IOP MA did not detect any systemic irregularity in operations or in the operational programme. In 2011, the IOP MA registered a total of 372 cases of suspected irregularity, the total amount affected/amount at risk was CZK 523 502 297.

Irregularities were identified in all intervention areas, except for 3.3 and 6.2 of IOP. The largest number of irregularities is registered in Intervention area 2.1.

All cases of irregularities were addressed in compliance with the set out procedures for investigating irregularities.

Of the total number of suspected irregularities, in 2011 the following irregularities were registered:

- 5 cases at the stage of addressing the justification of suspicion,
- 167 cases of justified irregularities,
- 1 case of unjustified irregularity,
- 175 cases of confirmed irregularities,
- 24 cases of unconfirmed irregularities.

In the framework of confirmed irregularities, the sums wrongly paid were calculated at CZK 1 536 744, of which 174 suspected irregularities were confirmed under Intervention area 2.1. In all the cases it concerned wrongly used national public funds earmarked for co-financing and pre-financing of projects. There were no EU funds wrongly used.

According to the records in MSC2007, in 2011 the beneficiaries repaid a total of CZK 1 455 882 of wrongly paid funds based on 174 cases of confirmed irregularities. All the funds were returned to the state budget.

In 2011, the IOP MA closed the investigation of altogether 211 irregularities of the total number of 597 irregularities, all under Intervention area 2.1.

In 2011, no financial corrections were made by the MA as defined in Article 98 para 2 of Council Regulation (EC) No 1083/2006.

Table No 16 – Irregularities registered in 2011 by intervention area

Intervention area	Number of irregularities	Amount of funds affected by irregularities in CZK	Stage of irregularity investigation				
			Addressing the justification	Justified	Unjustified	Confirmed	Unconfirmed
1.1	4	101 513 943	2	2	0	0	0
2.1	333	3 063 577	0	140	0	174	19
3.1	2	33 314	1	1	0	0	0
3.2	21	354 831 116	0	15	1	1	4
4.1	2	23 304 214	0	2	0	0	0
5.1	5	35 657 850	1	4	0	0	0
5.2	2	0	1	0	0	0	1
5.3	1	465 000	0	1	0	0	0
6.1	2	4 633 283	0	2	0	0	0
Total	372	523 502 297	5	167	1	175	24

Source: IS Monit7+ IOP as of 12 Jan 2012

2.1.F Qualitative analysis

By the end of 2011, funds in the total amount of EUR 1 344.2 million, i.e. 70.50 % of the total allocation for the programme, **were approved**. In Intervention areas 6.1a and 6.1b, the share of approved funds in the total allocation reached 105.15 %, which is caused by the inclusion of projects withdrawn from the implementation¹². When taking into account only the projects that are still under implementation, this share equals 76 %. A high percentage of approved projects is reported in Intervention areas 5.3 (92.75 %), 1.1a and 1.b (89.98 %), 2.1 (89.20 %) and 5.1 (83.23 %). The smallest share of approved funds is in Intervention areas 3.1 (12.45 %) and 3.3 (30.18 %).

Beneficiaries were reimbursed funds totalling EUR 355.9 million, which represents almost 18.66 % of the total allocation. The highest share of reimbursed funds is exhibited by Intervention areas 5.3 (76.76 %), 3.2 (39.94 %) and 6.1a and 6.1b (35.30 %). The lowest share of funds reimbursed to beneficiaries is in Intervention areas 3.1 (1.61 %) and 3.3 (0.67%).

Before the end of 2011, **the expenditure** amounting to EUR 295.7 million (15.51 %) **was certified**. Expenditure was certified in all the intervention areas. The highest share of certified expenditure is shown in Intervention areas 5.3 (73.80 %), 6.1a and 6.1b (34.98 %) and 3.2 (34.85 %).

Table No 17 – Financial status of IOP as of 31 Dec 2011

Intervention area	2007-2013 allocation	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
1.1a	365 414 274	328 812 110	89,98%	63 952 019	17,50%	56 926 624	15,58%
1a	365 414 274	328 812 110	89,98%	63 952 019	17,50%	56 926 624	15,58%
1.1b	28 108 791	25 293 239	89,98%	4 919 272	17,50%	4 378 971	15,58%
1b	28 108 791	25 293 239	89,98%	4 919 272	17,50%	4 378 971	15,58%
2.1	200 977 851	179 270 799	89,20%	19 070 774	9,49%	13 211 538	6,57%
2	200 977 851	179 270 799	89,20%	19 070 774	9,49%	13 211 538	6,57%
3.1	93 180 640	11 604 394	12,45%	1 500 574	1,61%	1 265 575	1,36%
3.2	292 331 419	213 862 962	73,16%	116 759 838	39,94%	101 891 451	34,85%
3.3	54 812 141	16 543 247	30,18%	367 691	0,67%	395 338	0,72%
3.4	200 977 851	128 256 579	63,82%	21 181 979	10,54%	6 774 950	3,37%
3	641 302 051	370 267 183	57,74%	139 810 080	21,80%	110 327 315	17,20%
4.1a	71 255 784	28 968 720	40,65%	7 239 649	10,16%	7 574 653	10,63%
4a	71 255 784	28 968 720	40,65%	7 239 649	10,16%	7 574 653	10,63%
4.1b	5 481 214	2 228 378	40,65%	556 887	10,16%	583 081	10,64%
4b	5 481 214	2 228 378	40,65%	556 887	10,16%	583 081	10,64%
5.1	270 945 706	225 504 060	83,23%	27 916 926	10,30%	20 864 440	7,70%
5.2	251 032 889	119 672 503	47,67%	64 194 493	25,57%	54 213 579	21,60%
5.3	18 270 714	16 946 177	92,75%	14 024 729	76,76%	13 483 463	73,80%
5	540 249 309	362 122 739	67,03%	106 136 147	19,65%	88 561 483	16,39%
6.1a	31 973 749	33 616 589	105,14%	11 282 009	35,29%	11 181 060	34,97%
6.2a	21 011 320	12 788 897	60,87%	2 645 682	12,59%	2 736 718	13,02%
6a	52 985 069	46 405 487	87,58%	13 927 691	26,29%	13 917 778	26,27%
6.1b	587 779	618 028	105,15%	207 535	35,31%	205 675	34,99%
6.2b	386 332	235 119	60,86%	48 676	12,60%	50 341	13,03%
6b	974 111	853 147	87,58%	256 211	26,30%	256 016	26,28%
IOP total	1 906 748 453	1 344 221 803	70,50%	355 868 729	18,66%	295 737 459	15,51%

Source: MSC2007 as of 4 Jan 2012; CZK/EUR exchange rate: 25.910; Source of funding: public funds total
Convergence objective; RCE objective

¹²Inclusion of projects withdrawn from implementation is in line with the Recommended procedures for the drafting of the Annual report on implementation of the operational programme in 2007-2013 period.

In 2011, funds in the amount of EUR 354.1 million **were approved**. The greatest progress was seen in Intervention areas 2.1 (80.29 % of the allocation approved in 2011), 3.4 (42.57 %).

Funds reimbursed to beneficiaries in 2011 accounted for EUR 184.8 million, the greatest progress was achieved in Intervention areas 5.3 (19.50 %), and 5.2 (17.62 %).

In 2011, **expenditure** amounting to EUR 194.0 million **was certified**, which represents 10.17 % of the programme allocation. The most notable increase was reported in Intervention area 5.3 (29.18 %), 6.1a and 6.1b (23.11 %) and 5.2 (21.31 %).

Table No 18 – Financial progress of IOP in 2011

Intervention area	2007-2013 allocation	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
1.1a	365 414 274	18 074 951	4,95%	51 945 661	14,22%	45 742 418	12,52%
1a	365 414 274	18 074 951	4,95%	51 945 661	14,22%	45 742 418	12,52%
1.1b	28 108 791	1 390 381	4,95%	3 995 823	14,22%	3 518 648	12,52%
1b	28 108 791	1 390 381	4,95%	3 995 823	14,22%	3 518 648	12,52%
2.1	200 977 851	161 358 004	80,29%	5 700 388	2,84%	8 214 762	4,09%
2	200 977 851	161 358 004	80,29%	5 700 388	2,84%	8 214 762	4,09%
3.1	93 180 640	10 597 422	11,37%	1 408 404	1,51%	1 265 575	1,36%
3.2	292 331 419	-7 778 211	-2,66%	40 519 003	13,86%	40 462 154	13,84%
3.3	54 812 141	14 284 902	26,06%	367 691	0,67%	395 338	0,72%
3.4	200 977 851	85 553 268	42,57%	2 363 927	1,18%	2 059 986	1,02%
3	641 302 051	102 657 381	16,01%	44 659 024	6,96%	44 183 054	6,89%
4.1a	71 255 784	871 290	1,22%	3 329 589	4,67%	6 950 527	9,75%
4a	71 255 784	871 290	1,22%	3 329 589	4,67%	6 950 527	9,75%
4.1b	5 481 214	68 323	1,25%	256 112	4,67%	535 072	9,76%
4b	5 481 214	68 323	1,25%	256 112	4,67%	535 072	9,76%
5.1	270 945 706	9 108 794	3,36%	21 919 868	8,09%	17 204 356	6,35%
5.2	251 032 889	45 499 374	18,12%	44 242 758	17,62%	53 499 376	21,31%
5.3	18 270 714	3 977 390	21,77%	3 563 142	19,50%	5 330 992	29,18%
5	540 249 309	58 585 558	10,84%	69 725 768	12,91%	76 034 725	14,07%
6.1a	31 973 749	6 823 827	21,34%	4 536 618	14,19%	7 387 674	23,11%
6.2a	21 011 320	4 034 052	19,20%	535 772	2,55%	1 260 327	6,00%
6a	52 985 069	10 857 879	20,49%	5 072 390	9,57%	8 648 000	16,32%
6.1b	587 779	125 454	21,34%	83 401	14,19%	135 820	23,11%
6.2b	386 332	74 165	19,20%	9 849	2,55%	23 171	6,00%
6b	974 111	199 618	20,49%	93 250	9,57%	158 990	16,32%
IOP total	1 906 748 453	354 063 386	18,57%	184 778 006	9,69%	193 986 195	10,17%

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Convergence objective ;RCE objective

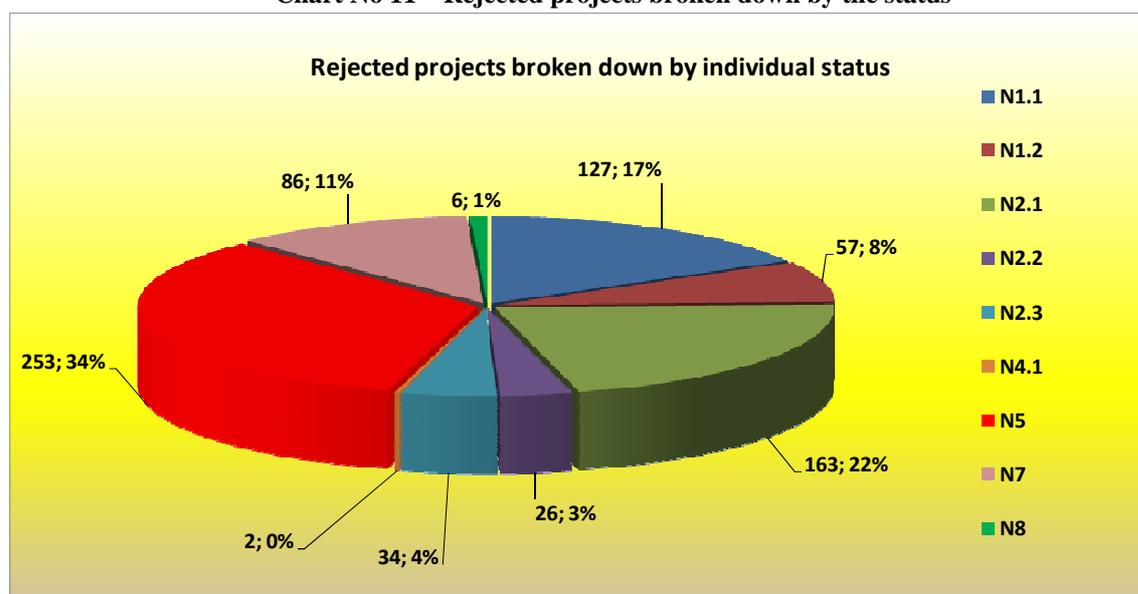
Information on rejected projects¹³

The IOP MA monitors the statistics of rejected projects based on their positive and negative status. The rejection of a project in the period prior to the issuance of the legal act (status N1.1, N1.2, N2.1, N2.2, N2.3 and N5) is distinguished from the rejection in the period following the issuance of the legal act (status N7, N8). Projects can be rejected based on a decision of the applicant (who will no more aspire at being granted the assistance, which corresponds to status N5 Project application withdrawn by the applicant and N7 Project not completed/withdrawn in IS Monit7+ IOP), or based on a decision of the MA/IB (hereinafter referred to as denied projects).

As of 31 Dec 2011, of the total number of 8 098 submitted project applications 754 were rejected (of which 324 project applications for CzechPoint under 2.1), which represents 9.31 %. In 253 cases the applications were withdrawn by the applicant, which constitutes 34 % of all rejected applications. The most frequent reason for project denial was the non-compliance with evaluation requirements, namely in 163 cases, representing 22 % of all the rejected projects, and the failure to meet at least one eligibility criterion, namely in 127 project applications representing 17 %.

The chart below illustrates the number and percentage of rejected projects at individual stages of administration.

Chart No 11 – Rejected projects broken down by the status

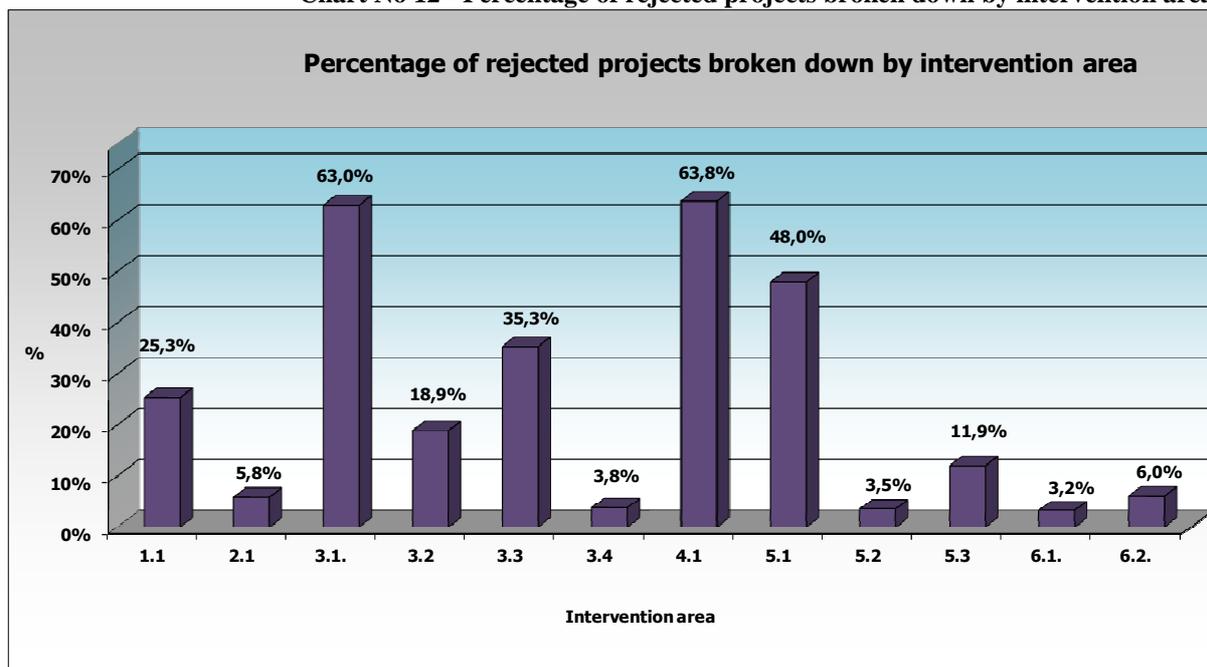


Source: IS Monit7+ IOP as of 2 Jan 2012

<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>
<i>N1.2 Project application failed to meet formal requisites</i>
<i>N2.1 Project failed to meet evaluation requirements</i>
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>
<i>N5 Project application was withdrawn by the applicant</i>
<i>N7 Project was not completed/project was withdrawn</i>
<i>N8 Contract was terminated by the MA/IB</i>

¹³ For the purpose of monitoring the statistics of rejected projects, it is essential to distinguish between the rejected and denied projects. **Rejected projects** = all projects in negative status. **Denied projects** = all projects in negative status with the exception of status N5 Project application withdrawn by the applicant and status N7 Project not completed/withdrawn. The difference consists in whether the project is rejected by the administrator, or whether it is withdrawn by the applicant/beneficiary himself.

Chart No 12 - Percentage of rejected projects broken down by intervention area



Source: IS Monit7+ as of 2 Jan 2012

A high percentage of rejected projects **in Intervention area 3.1** is caused primarily by the failure to meet the requirements for project quality evaluation. Since this problem concerning mainly the activity c) in the first call also prevails in call No 08, the MoLSA holds regular seminars for applicants and evaluators.

In activity 3.1b) in call No 03, the most frequent reason of project withdrawal by the applicant is the failure on the part of the applicant to supply the required information following ex-ante check, i.e. prior to the issuance of the Decision on providing a grant. In call No 03, the applicants were mostly faced with unclearly defined requirements for annexes to project application, especially as concerns the purpose of investment and the provision of the structural engineer opinion. The applicants also found difficult to properly design social services in case they had no previous experience with their implementation. In call No 06 for activity b), the revision of the Handbook for Applicants and Beneficiaries should help prevent such problems.

In **Intervention area 4.1** a high percentage of rejected projects is caused especially by low score received in quality evaluation. The applicants lose points due to insufficient justification of the necessity of project implementation, level of expenditure and consistency of activities with the planned budget. Yet another reason for project rejection was the contradiction with state aid rules when evaluating the project eligibility.

For the 12th and 13th call, the IOP MA further specified the requirements for development of supporting documents for project quality evaluation. At the meeting with the CzechTourism agency as applicant, it presented the reasons for project rejection and pointed at those parts of project applications where the quality of elaboration should be improved. At the training course for applicants and beneficiaries concerning the 12th call, the applicants were informed about the changed structure of the supporting documents for project quality evaluation and requirements for their elaboration.

In **Intervention area 5.1**, the high percentage of rejected projects is caused by their non-compliance with conditions of the call, predominantly by the failure to meet the eligibility criteria in case of more than a half of the projects.

More information on project rejection is given in Chapter 3 under individual intervention areas.

Horizontal themes

In accordance with the General Regulation and the Community Strategic Guidelines on Cohesion 2007 - 2013 two main horizontal themes have been defined for the period 2007-2013 which are reflected in the IOP strategy and subsequently in the programme implementation:

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

Equal opportunities

IOP in compliance with Article 16 of General Regulation and in dependence on the character of the supported area provides for the support of **equality between men and women** and the integration of the gender perspective during the various stages of implementation of the Funds. Concurrently, the equality of opportunities is taken into account with respect to racial and ethnic origin, disability, age, religion or belief or sexual orientation.

Attention is paid to gender issues; in programming, monitoring and evaluation the contribution to equality between men and women and support of women is born in mind so that the benefit brought by the SF funds is equal for men and women.

Table No 19 – Equal opportunities

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Number of projects with a neutral impact on equal opportunities	Number of projects	33
Number of projects with a positive impact on equal opportunities	Number of projects	5 794
Number of projects focused on equal opportunities	Number of projects	1 333

Source: IS Monit7+ as of 4 Jan 2012

Before the end of 2011, the Decision on providing a grant/Statement of expenditure was issued for a total of 7 160 projects¹⁴, of which 33 projects have a neutral impact on equal opportunities, 5 794 projects have a positive impact on equal opportunities and the remaining 1 333 projects are focused on equal opportunities. The high number is given by the large number of project applications received in call No 2 for CzechPoint type projects, where all 5 272 approved projects have a positive impact on equal opportunities.

Sustainable development

In accordance with Article 17 of general Regulation the IOP shall ensure the support for sustainable development and the promotion of the goal of protecting and improving the environment in the course of individual stages assistance. This is based on the assumption that the SF are designed mainly for the support and development of economic and social sector provided that their implementation contributes also to the improvement of the environment. The MA IOP will therefore monitor the impacts of IOP implementation on the environment with the intention to improve the environmental conditions in the supported areas.

¹⁴ Throughout this report, the impact of projects on equal opportunities or sustainable development is monitored solely in the approved projects in a positive status (i.e. not in rejected projects).

Table No 20 – Sustainable development

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Project focuses mainly on the environment	Number of projects	5
Project has a positive environmental impact	Number of projects	584
Project is environmentally neutral	Number of projects	6 474
Project will help improve the air	Number of projects	96
Project will help improve the quality of water	Number of projects	12
Project will use alternative sources	Number of projects	14
Project will enlarge the area of urban vegetation	Number of projects	18
Project will improve population awareness of environmental protection	Number of projects	50
Project requires an environmental impact assessment	Number of projects	161

Source: IS Monit7+ as of 4 Jan 2012

Projects, in which by the end of 2011 the Decision on providing a grant/Statement of expenditure¹¹ was issued, are mostly environmentally neutral – 6 474 projects, of which 5 272 in Intervention area 2.1, under which the CzechPoint type projects are implemented. Fairly many have a positive environmental impact (581 projects), or require an environmental impact assessment (161 projects). Moreover, 96 projects under IOP will help improve the air, 50 projects will improve population awareness of environmental protection, 18 projects will enlarge the area of urban vegetation, 14 projects will use alternative sources, 12 projects will help improve the quality of water and 5 projects focus on the environment (all under Intervention area 5.2).

The IOP MA and IB make sure that the requirements for sustainable development are addressed at the level of projects in all IOP intervention areas:

- a) In construction projects the applicants shall present the zoning and planning decision and building permission, whose inseparable part is also the assessment and elimination of the environmental impact of the project,
- b) If a project is subject to the environmental impact assessment pursuant to Act No 100/2001 Coll., or the assessment of the project impact on the NATURA 2000 sites pursuant to Act No 114/1992 Coll., on nature and landscape protection as amended, the beneficiary shall also present this document,
- c) In project application the applicants shall describe the impact of the project on the environment,
- d) When assessing the projects at the level of IB, the environmental effects or impacts of the project are considered: during the eligibility check the projects showing negative impact on the environment are automatically rejected, while when evaluating the projects based on the pre-determined selection criteria, the projects having a positive impact on the environment are awarded preferential scoring.

Lisbon Strategy

The National Reform Programme (NRP) of the CR builds on the EU initiative, whose aim was to create a new system of management of Lisbon agenda. The NRP shall contribute to the simplification and higher effectiveness of coordination of economic policies at the level of EU and Member States and ensure better identification of these Member States with the set Lisbon process priorities.

The NRP of the CR (Government Resolution No 1200/2005) provides integrated and coherent interlinkage between the macroeconomic and microeconomic policies and the employment policy. The NRP is scheduled for a three-year period and when defining priorities the emphasis was put on their

feasibility in the given period, on the set expenditure frameworks of the CR budget, on the mutual synergy effect of individual measures and the ability of evaluating them.

Table No 21 - Lisbon strategy priorities as reflected in IOP priorities

Priority theme	2007-2013 allocation (EUR)	Absorbed in 2011 of 2007-2013 allocation
13 – Services and applications for citizens (<i>e-health, e-government, e-learning, e-inclusion</i>)	505 325 778	90 %
TOTAL	505 325 778	90 %

Source: MSC2007 as of 31 Dec 2011

2.2 Compliance with Community legislation

This chapter provides information on the compliance of Czech legislation with the EU legislation and on reflecting these key areas in the IOP design.

The IOP MA issues controlled documentation covering the entire IOP system of implementation which is in line with the CR and EU legislation. The system of controlled documentation as to its content and formal aspects stresses the compliance with the rules of:

- competition,
- public procurement,
- state aid,
- generating revenue by projects,
- environmental protection,
- promoting equal opportunities.

Rules of competition

Funds intended for the Programme implementation are considered to be public funds, the provision of which is subject to the relevant EU rules and national legislation governing the state aid.

The central state administration authority ensuring the support and protection of competition is pursuant to Act No 273/1996 Coll. the Office for the Protection of Competition, which as defined in Act No 215/2004 Coll., on regulating certain relationships in the field of state aid and amending Act on support to research and development, and in Act No 137/2006 Coll., on public contracts as amended. The OPC also ensures the coordination and monitoring in the field of public contracts and state aid. By the amendment to Act No 215/2004 Coll. implemented through Act No 109/2009 Coll., and by the follow-up implementing Decree No 465/2009 Coll. of 15 Dec 2009, the central register of de minimis aid was set up in the Czech Republic, in which starting from 1 January 2010 all the providers are obliged to enter the data on de minimis aid. In the framework of IOP, this obligation is applicable to Intervention area 3.1 Social integration services, activity 3.1c) Social economy, where the assistance is provided by MoLSA.

The observance of the rules of competition is incorporated in eligibility checks of applications for support, in risk analysis of projects and checklists for the conduct of administrative checks and on-the-spot checks. An obligatory component of the call for project proposals and the Handbook for Applicants and Beneficiaries is, in line with the IOP Operational Manual, the information on public procurement rules. In the Conditions, included in guidance documents, the provider of assistance imposes an obligation upon the beneficiary to implement public procurement in accordance with Act No 137/2006 Coll., on public contracts, as amended. In case of contracts to which this act does not

apply, the beneficiary is obliged to follow the Binding procedures approved by the Government Resolution No 48/2009 of 12 January.

Public procurement

In case of the award of public contracts all the beneficiaries are obliged to proceed in line with Act No 137/2006 Coll., on public contracts, as amended, which reflects the European Directives 2004/17/EC and 2004/18/EC governing the award of public contracts.

The Binding procedures for the award of public contracts co-financed from EU funds, to which Act No 137/2006 Coll., on public contracts does not apply, in 2007-2013 programming period, approved by Government Resolution No 48 of 12 January 2009, were updated by the Ministry for Regional Development of the CR (NCA) in connection with the amendment to Act on public contracts and based on experience with their application. Starting with March 2011, the update of the Binding procedures for the sake of enhancing the transparency of tenders is reflected in all the Handbooks for Applicants and Beneficiaries for newly announced calls. In September 2011, this obligation was also incorporated by the MA in the last continuous call.

In the first half of 2011, the MA set up a Working Group for public contracts. It is made up of the representatives of all IBs, a representative of the Methodology Unit of MA and representatives of the Control Unit of MA. The Working Group shall harmonise the procedures for the award and control of public contracts and improve the communication for the sake of addressing problems related to public contracts.

Based on the recommendation of the Minister for Regional Development concerning contractual penalties and based on the notification of the Ministry of Finance of the CR (PCA) of the risks associated with the application of terms and conditions of the contract, the purpose of which is to enforce the supplier's obligations as a partial evaluation criterion, and with the use of random selection by casting lots in order to reduce the number of tenderers in restricted procedure, on 14 December 2011 the IOP MA issued a binding opinion, by which it prohibited the use of referred to institutes in the framework of newly announced contract notices.

In IOP, all the tenders (public contracts beyond the scope of the Act on public contracts) and public procurement procedures are subject to control, also in case the tenders or public procurement procedures were conducted or are conducted prior to the submission of the application for support. The beneficiary is obliged to present all the documents for a tender or a public procurement procedure. In the event the applicant/beneficiary has not commenced the tender/public procurement procedure as yet, it is the duty of IB to check the supporting documents to this public procurement procedure/tender and the correctness of procedures prior to its publishing (announcement). The IB completes the checklist and elaborates an opinion on the tender or public procurement procedure, and discusses the detected deficiencies and proposals for corrective measures with the beneficiary.

The checks of tender/contract documents are carried out on a sample also by the IOP MA in order to prevent mistakes in the course of public procurement procedure.

State aid

In IOP the state aid is provided at the following levels:

- aid compatible with de minimis rule pursuant to Commission Regulation (EC) No 1998/2006 on the application of Articles 107 and 108 of the Treaty to de minimis aid; it applies to activity 3.1c), (when the aid is granted by MoLSA; since 1 January 2010 the providers of de minimis aid shall register in the central register of de minimis aid every provision of de minimis aid no later than 5 working days following the issuance of the Decision on providing a grant;

- aid granted in Intervention area 5.2, activities related to regeneration of residential buildings, approved by the European Commission on 10 December 2008 by Decision No K(2008) 7845, the European Commission confirmed that the proposed aid scheme constitutes state aid as defined in Article 107 para 1 of the Treaty of the Functioning of the EU, the aid is granted by MRD;

One of the specific project eligibility criteria is to assess the compliance of the project with the state aid rules for the relevant intervention area.

Matters associated with the state aid, if relevant to the project, are embedded in the Conditions for the Decision, which stipulate in particular the following:

- the beneficiary takes note of the fact that based on the evaluation of aid provider the aid does not accomplish elements of the state aid pursuant to Article 107 para 1 of the Treaty of the Functioning of the EU; the aid is granted in line with Commission Decision No K(2008) 7845, by which the relevant aid scheme was approved;
- the beneficiary takes note of the fact that the aid is based on the evaluation of aid provider granted in compliance with Regulation No 1998/2006 (de minimis aid),
- the beneficiary takes note of the fact that the compatibility of aid with the internal market is assessed by the European Commission which adopts a binding decision in this matter. The aid beneficiary concurrently takes note of the fact that the European Commission can impose upon the beneficiary the obligation to recover the state aid together with the interest rate accrued in the event it establishes that the granted aid constitutes incompatible state aid pursuant to Article 107 para 1 of the Treaty on the Functioning of the EU.

State aid related matters are controlled:

- based on the monitoring reports on the progress of project implementation,
- during the control of applications for payment,
- during the project risk analyses
- during ex-ante, interim and ex-post checks of projects,
- during the audit on a sample of operations conducted by the Authorised Audit Entity,
- when investigating the suspected irregularity.

Revenue-generating projects

Pursuant to Article 55 of the General Regulation a revenue-generating project means any operation involving:

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

Article 55 does not apply to the following cases:

- projects that do not generate revenues,
- projects, the revenues of which do not fully cover the operating costs – this fact, however, shall always be evidenced by the relevant calculation (funding gap etc. based on the predictability of revenues and the total costs of the projects),
- projects to which the state aid rules apply as defined in Article 87 of the Treaty, Article 55 (6),
- projects, the total costs of which are not higher than EUR 1 million.

The IOP Operational Manual lays down the procedures for revenue-generating projects, the total costs of which are higher than EUR 1 million and that simultaneously meet other conditions as laid down in Article 55 of the General Regulation.

In IOP the procedures for revenue-generating projects required by the General Regulation are applied to all the projects if the total forecast expenditure, as stated in project application, is higher than or equal to CZK 20 million.

With respect to sound financial management, the simplified procedures are applied to projects in which the total forecast expenditure, as stated in the project application, is lower than CZK 20 million and which also generate revenues.

Table No 22 – Overview of calls in IOP facilitating the submission of revenue-generating projects

	Number of the call and provider of assistance	Supported activity	Opening date of the call
1.	1 st call of MoH	3.2a	7. 5. 2008
2.	2 nd call of MoI	2.1c	1. 12. 2008
3.	1 st call of MoC	5.1a, 5.1b	5. 12. 2008
4.	2 nd call of MoLSA	3.1a	13. 7. 2009
5.	2 nd call of MoC	5.1c	25. 6. 2010
6.	9 th call of MRD	4.1d	29. 6. 2010
7.	6 th call of MoLSA	3.1b	31. 5. 2011
8.	7 th call of MoLSA	3.1a	7. 7. 2011
9.	3 rd call of MoC	5.1b	24. 10. 2011
10.	13 th call of MRD	4.1b	14. 12. 2011

Source: IOP MA

Environmental protection

Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment is transposed into the Czech body of law by Act No 100/2001 Coll., on the environmental impact assessment and on amendments to some related laws (Environmental Impact Assessment Act), as amended.

Within the IOP, matters related to the environment are considered for the first time during the *project eligibility check*, when the potential negative impact of the project on horizontal criteria, namely also the environment, is checked. In case of a negative impact, the project is rejected from further administration.

When *evaluating the quality of projects*, account is taken of the positive impact of project implementation on the environment. The IOP OM gives a list of various types of activities which can have a positive impact on the environment and which always have a neutral impact on the environment. The positive impact on the environment is given preferential scoring and subsequently, during the following administration and controls fulfilment and sustainability of these impacts are monitored.

The monitoring reports and progress reports, submitted by the beneficiary, comprise information on the progress of fulfilment of environmental criteria.

A positive environmental impact is made by implementation of projects under:

- Intervention area 3.2 – use of environmental friendly materials and technologies with lower energy requirements;
- Intervention area 3.4 – prevention of fires and ecological disasters;
- Priority axes 4A and 4B – projects promoting sustainable environmental-friendly tourism;
- Intervention area 5.1 – projects using environmental friendly materials and technologies and alternative energy sources for the renovation of cultural monuments and their operation.
- Activity 5.2a) – projects focused on improving the energy performance of buildings;
- Activity 5.2b) - projects, in which more than 50 % of eligible expenditure is channelled to enlargement of greenery.

Promoting equal opportunities

The principle of promoting equal opportunities is applied in line with Council Regulation (EC) No 1083/2006 (amended in December 2011 by Regulation No 1310/2011 (EU) of the European Parliament and of the Council), Article 16 – Equality between men and women and non-discrimination.

Within the IOP, matters related to equal opportunities are considered for the first time during the *project eligibility check*, when the potential negative impact of the project on equal opportunities is checked. In case a negative impact on equal opportunities is ascertained, the project fails to meet the eligibility criterion and is rejected from further administration.

When *evaluating the quality of projects*, the IOP OM gives a list of various types of activities which can have a positive impact on equal opportunities and which always have a neutral impact on equal opportunities. The positive impact on equal opportunities is given preferential scoring and subsequently, during the following administration and controls fulfilment and sustainability of these impacts are monitored.

The monitoring reports and progress reports, submitted by the beneficiary, comprise information on the progress of fulfilment of equal opportunities.

A positive impact on equal opportunities is made by the implementation of projects in:

- Intervention area 3.1 – social integration projects focused especially on ethnic minorities;
- Intervention area 3.2 – projects on prevention of social exclusion of persons disadvantaged due to their health status or age;
- Intervention area 3.3 – projects on employment services,
- Activity 5.2a) – building of pavements and paths with wheelchair access;
- Activity 5.2b) – construction of wheelchair access to residential buildings;
- Activity 5.2 c) – projects focused on Roma communities aimed at the elimination of causes of their social exclusion.

2.3 Problems Encountered in Programme Implementation and Measures Taken to Overcome Them

2.3.1 Problems identified by the Audit Authority, or the Authorised Audit Entity

Audits conducted by the Audit Authority

Audit conducted by the Audit Authority of the compliance with the Methodological Guideline of NCA for selection of new NSRF employees.

In the period from June to August 2011, an on-the-spot audit was conducted at the IOP Managing Authority and Intermediate Bodies verifying the compliance of the procedures for selection of new employees in 2010 with the “Methodological Guideline of NCA governing the procedures for selection of new employees implementing the NSRF”.

The Audit Authority concluded that tenders conducted in the audited period from 1 Jan to 31 Dec 2010 were in compliance with the Methodological Guideline of the NCA in case of the IOP Managing Authority, Centre for Regional Development of the CR, Ministry of Health of the CR and Ministry of Labour and Social Affairs of the CR. At the Ministry of Culture of the CR, the NCA Methodological Guideline was not observed in the period from 1 Jan to 31 Oct 2010. The Ministry of Culture of the CR proceeds in accordance with the updated version of the Methodological Guideline effective as of 1 Nov 2010. The Methodological Guideline valid for the period from 1 Jan to 31 Oct 2010 did not set the effective date of the document, which is why some entities implementing the NSRF did not follow this guideline.

The deficiency consisting in the missing effective date was remedied in the following versions of the Methodological Guideline. The auditors arrived at the conclusion that at the Ministry of Interior of the CR the signing of new employment contracts had not been fully in line with the NCA Methodological Guideline. For this reason the Audit Authority of MoF CR recommended to the MoI CR to abstain from having the selection procedures for hiring new staff conducted by an external firm and to have the management and archiving of documents done by the employees of the ministry. Based on the recommendation of the Audit Authority of 27 Sep 2011, the Director of the Structural Funds Department of the Ministry of Interior of the CR (hereinafter referred to as the SFD) decided that the selection procedure for hiring new employees and proper archiving of documents for these selection procedures will be carried out by the relevant SFD staff.

System audits conducted by the Authorised Audit Entity

Audit of the system of implementation for the Integrated Operational Programme No 28/2011/AAE

The audit of IOP implementation entities was launched in September 2011. The subject matter of the audit was to verify the effective functioning of the management and control system of IOP, with focus on changes in the descriptions of management and control systems (MCS) binding documentation, verification of quality and adequacy of corrective measures taken to address the risks and findings defined in the framework of system audits No 4/08/AAE, 7/09/AAE, 10/09/AAE and 17/10/AAE and to verify the functioning of key requirements on the IOP implementation system. The audit also aimed to verify the design and effectiveness of control systems in the field of public procurement controls

and the control of keeping separate accounts of project transactions. Moreover, the audit examined the design of the system for addressing irregularities and analysed the absorption of financial allocation.

The audit was commenced at the IOP Managing Authority, Ministry of Health of the CR, Ministry of Culture of the CR, Ministry of Interior of the CR, Ministry of Labour and Social Affairs and the Centre for Regional Development of the CR. It was not completed by the end of 2011.

Audit of the system of implementation for the Integrated Operational Programme No 17/2010/AAE

The subject matter of the audit was the verification of quality and adequacy of corrective measures adopted to address the risks and findings detected in the course of the previous system audits No 4/08/AAE, 7/09/AAE and 10/09/AAE, the verification of efficient functioning of the IOP management and control systems with focus on changes in the description of management and control systems and in binding documentation, the revision of verification of functioning of key elements of the IOP system of implementation, and the verification of conclusions from previous system audits. The audit also aimed to verify the design and effectiveness of control systems in the field of public procurement controls and the control of keeping separate accounts of project transactions. Moreover, the audit examined the design of the system for addressing irregularities and analysed the absorption of financial allocation in Intervention area 5.2. The audit was concluded by discussing the final Report on the audit of the system with the Managing Authority on 8 Feb 2011.

Main audit findings:

1. Inadequate transposition of conditions from the Binding procedures for the award of contracts co-financed from EU funds, beyond the scope of Act on public contracts in 2007 – 2013 programming period (“Binding Procedures of NCA”), to the conditions of continuous calls.
2. Failure to provide the applicant with sufficient information on the scope of obligatory keeping of separate accounts in IOP Intervention areas 4.1 and 5.2 in line with Act No 563/1991 Coll.
3. Inadequately set out system for documenting the eligibility of personal costs.
4. Inadequately set out control mechanism of assuring the aid provider on the regularity of acts carried out within the activities delegated to the CRD CR IB.

The IOP MA together with the Intermediate Bodies continuously implement corrective measures adopted as a follow-up to the result of audit No 17/10/AAE and its opinions on individual findings are presented below.

Ad 1 The Binding procedures of NCA were immediately upon their issuance incorporated in all the newly announced calls by IOP MA and IB.

Ad 2. Based on the AAE findings, meetings were held with the participation of AA, PCA and NCA. The beneficiaries, who keep accounts in accordance with Act No 563/1991 Coll., on accounting, as amended, are obliged to keep their income and expenditure with a clear link to a specific project, i.e. they shall identify individual records concerning the income and expenditure associated with the implementation of the project. The IOP MA believes that this obligation imposed upon beneficiaries is adequate. The MA interpretation of keeping separate accounts was in two cases confirmed by the results of controls conducted by the Tax Office, when they state that the beneficiary keeps separate accounts in an adequate scope and in line with the Act on accounting.

Ad 3. A component part of methodological procedures of Intermediate Bodies are the checklists intended for the check of monitoring reports, which help verify whether the aid beneficiary produced an evidence of keeping separate accounts. In case it is not produced and the Intermediate Body cannot clearly identify whether the separate accounts are kept, the beneficiary can be required to submit another document proving the fulfilment of this obligation.

According to the IOP MA, the design of the system of proving the eligibility of personal costs through affidavits by government agencies is adequate.

Ad 4. In 2011, the IOP MA commenced a total of 6 checks of delegated activities at CRD. Additional controls are included in the plan of controls of IOP MA for 2012, with the IOP MA expecting an increase in the number and scope of controls of delegated activities at all IOP IBs in dependence on the extension of capacities of IOP MA Control Unit. The design and higher effectiveness of processes taking place between MoLSA and CRD were subject to intensive discussions with IOP MA. At the same time, discussions on this topic were held at the level of deputy ministers and these matters are repeatedly addressed at the level of directors. These discussions resulted in the update of CRD and MoLSA procedures for the administration of projects in Intervention areas 3.1 and 3.3 of IOP.

Audits on operations conducted by the Authorised Audit Entity

In 2011, the audits on operations No 20/2010/AAE and 23/2011/AAE were under way, during which a total of 39 projects were audited. Expenditure in the total amount of CZK 2 057 343 009 was controlled. Based on the results of conducted audits on operations, the IOP MA registered a total of 27 suspected irregularities, which cover the amount of CZK 274 669 099.80 at risk.

The subject matter of the audit on operations was to verify the compliance of an operation (project) implementation with the legal act governing the provision of aid and to verify whether the co-financed products were actually delivered and the services rendered. Also verified was the eligibility of expenditure, the risk of double financing of expenditure and adequacy of audit trail. The audit on operations also verified the compliance of the implementation of an operation with the Community and national legislation particularly in the field of awards of public contracts, compliance of the implementation with project publicity rules and the fulfilment of monitoring indicators.

Audits on IOP operations No 20/2010/AAE and 23/2011/AAE

The audit on operations 20/2010/AAE was conducted on a selected sample of projects in which expenditure was already certified. A total of 10 projects were audited under Intervention areas 1.1, 3.2 and 3.4. The audits on operations were commenced from November to December 2010 and concluded in the period from April to September 2011. As at 14 Oct 2011, the IOP Managing Authority received the copies of all reports from the audit on operations No 20/2010/AAE.

The audit on operation 23/2011/AAE was conducted in 29 projects in Intervention areas 1.1, 2.1, 3.2, 5.1, 5.3 and 6.1 with already certified expenditure. The audits on operations were commenced from January to June 2011 and concluded in the period May to November 2011. As at 29 Nov 2011, the IOP Managing Authority received copies of all the reports from audit on operations No 23/2011/AAE.

Areas with the highest frequency of mistakes and the largest volume of ineligible expenditure, regardless the intervention area, are mainly the following:

- public procurement procedures
- spending of public funds in keeping with the 3 E principles (effectiveness, economy, efficiency)

The audits on operations conducted by AAE revealed that the highest error rate¹⁵ (approximately 36.56 %) was identified in Intervention area 1.1, mainly due to errors in the implementation of public procurement procedures. According to the AAE finding, the contracting entity included in the contract documentation an unjustified requirement for the submission of ISO standard certification in the framework of technical qualification requirements, it failed to produce the output from the public contract delivery and wrongfully used negotiated procedure with publication. In other audited projects,

¹⁵ Error rate as stated in the Annual Control Report of IOP for 2011.

the tenders/public procurement procedures lacked certain elements of transparency. There were cases in which the IOP MA disagrees with the quantification of ineligible expenditure amounting to 100% of the contract value.

In Intervention area 2.1 – CzechPOINT type projects – the conducted audits on operations identified the error rate of 15.67 %. The most frequent problems consisted in the non-compliance with the principle of non-discrimination, transparency and equal treatment in the implementation of small-scale public contracts and in the non-compliance with the economy principle. The IOP MA disagrees with the AAE findings related to the award of small-scale public contracts since the value of contracts is below CZK 100 thousand, and the IOP MA believes that with respect to the proportionality principle the set out procedures for the award of small-scale public contracts were adequate.

The largest number of projects and the volume of expenditure was audited in Intervention area 3.2 with the final error rate of 10.21 %. The conducted audits on operations of AAE most frequently identified two findings having an impact on eligibility of expenditure.

1) Non-compliance with the adequacy principle in prices of selected devices and equipment

The AAE auditors made these findings in all the relevant beneficiaries under Activity 3.2a) based on a single estimate of an external expert. He concluded that the purchase price of devices and equipment was inadequate compared to the average prices of similar types of devices and equipment available in the territory of the CR or abroad in the given period of time. In many of these cases the AAE auditors quantified ineligible expenditure in consequence of non-compliance with the principle of economy, effectiveness and efficiency in spending public funds as defined in Act No 320/2001 Coll., on financial control. The IOP MA believes that this finding is not sufficiently grounded since the AAE auditors examined only the adequacy of prices, i.e. the principle of economy. Although the auditors claim that the principle of efficiency was violated, no audit on operations concluded that the devices and equipment were used inefficiently or ineffectively.

When assessing the applications, the Ministry of Health of the CR puts stress on the economy of spent public funds and to some extent also on efficiency, which was set with the use of technical specification of devices and equipment in the Standards of fit-out of national networks (Standards). The Standards specified the devices that can be purchased under Activity 3.2a). At the MoH, the assessment of the terms of reference and prices of devices is outsourced to independent and specialised experts. Concurrently, the IOP MA, based on its own control of delegated activities, arrived at the conclusion that the control system effective at the time of administration of projects from the 5th call for Intervention area 3.2 of IOP comprised a number of improvements, especially in the field of public procurement control, where checklists for the control of public contracts had been extended and standardised, and also procedures for ex-ante risk analysis had been modified. In the course of the following calls, the MoH introduced additional measures, particularly with respect to the engagement of more external experts in the process of evaluation and control. Therefore, the final determination of common prices is not an outcome of a single opinion of an external expert, as was the case of AAE, but is a result of a number of consecutive processes. The IOP MA cannot accept the amount of ineligible expenditure quantified by the AAE in individual projects based solely on a single qualified estimate, with no account taken of other aspects.

2) Non-compliance with the principle of economy, effectiveness and efficiency in spending funds on management and monitoring of projects

The IOP MA agrees with AAE that necessary for proving the eligibility of expenditure is the documenting its physical and temporal context. Nonetheless, in a number of cases the IOP MA cannot agree with the level of detail required by the AAE from beneficiaries in evidencing the declared activities, which is beyond the requirements for documenting the eligibility of expenditure. Pursuant to Council Regulation (EC) No 1083/2006, the expenditure shall be inter alia identifiable, demonstrable

and verifiable by the received accounting documents. The expenditure on the provision of services in the field of project management and monitoring is supported by the declaration of activities of individual employees, based on which the efficiency of expenditure or the connection of a given activity to the project, is proven. The service supplier was selected by the beneficiary in a duly conducted tender. If the beneficiary, based on a tender, entered with the supplier into a contract for the provision of services at prices not considered common at the given time and place by the AAE, he must have made a mistake in the process of selecting the supplier, e.g. by a wrongly set foreseen value, inappropriately set qualification parameters, etc. Such errors in selection of suppliers were not identified by the AAE.

The IOP MA also questions the AAE procedures applied to quantification of error rate of ineligible expenditure and the number of hours, which the AAE considers adequate with respect to the scope and complexity of activities. In some cases, the AAE quantifies the error rate based on the hourly rate of CZK 850, which is considered a common price across the CR, without any justification of the way of its determination and quantification. In other cases, the amount of ineligible expenditure is quantified based on the hourly rate given in the contract concluded with the service supplier.

In Intervention area 3.4, one project was audited, with no impact on eligibility of expenditure.

Of three audited projects under Intervention area 5.1, a suspected irregularity was identified in two projects with the total error rate of 14.57 %. According to AAE, the tenderers in public procurement procedures failed to prove the meeting of qualification requirements in accordance with Act No 137/2006 Coll., on public contracts. The IOP MA disagrees with this finding since the contracting entity proceeded in line with the Act on public contracts and procedures valid for the selected type of public procurement procedure. With respect to one AAE finding, the IOP MA disagrees with the amount of quantified ineligible expenditure.

In Intervention area 5.3, two projects were audited, in which no finding with an impact on eligibility of expenditure was discovered.

In both the audited projects under Intervention area 6.1, the auditors identified a suspected irregularity (the total error rate for the given Intervention area is 0.64 %). In one project, the AAE identified the failure to keep separate accounts for all transactions related to the operations. The IOP MA disagrees with this finding (see its opinion on the Finding No 2 of the system audit of AAE No 17/10).

All suspected irregularities were notified through MSC2007 to the local contact point of AFCOS. The suspected irregularities are always notified to the Tax Office with geographic and subject matter jurisdiction in case of suspected breach of budgetary discipline and to the Office for the Protection of Competition in case of suspected violation of Act on public contracts. In 3 projects the investigation of the Tax Office was completed, it did not confirm the AAE findings and the irregularities will be settled as unconfirmed. Controls of Tax Offices or OPC were also completed in other 4 projects, during which the additional 6 findings detected by AAE were not confirmed. In these projects, more controls are under way or other findings are still investigated, which is why these suspected irregularities are still pending.

Audit on IOP operations No 14/2010/AAE

In the course of 2011, the Tax Offices completed controls in 7 projects, in which a suspected irregularity was registered based on the audit on operations 14/2010/AAE. Five findings concerning primarily the keeping of separate accounts of all transactions, i.e. not only of expenditure and income, were not confirmed by controls of the Tax Office. In additional two projects the finding ensuing from the AAE audit was confirmed. In a project under Intervention area 5.3, a condition for the selection of a public contract supplier as defined in Section 6 of Act No 137/2006 Coll., on public contracts was not met in the award of small-scale public contracts, the penalty assessed by the Tax Office reached the total value of the public contract. In a project under Intervention area 6.1, the AAE finding related

to ineligible expenditure was confirmed. In the remaining 3 projects, in which a suspected irregularity was discovered, the investigation of relevant authorities is still pending.

Findings detected by controls performed by MA and IB

In 2011, the IB and MA carried out a total of 1 780 controls of projects, of which 268 on-the-spot checks. In altogether 493 checks a finding was detected. The controls of projects did not reveal any errors of systemic nature. The most significant findings detected are wrong procedures used by applicants and beneficiaries in the award of public contracts. Even though all the contracts are subject to controls mostly already in the course of the award of contracts, the problems with the conduct of tenders and public procurement procedures have a significant impact on successful completion of project implementation and on the absorption of funds. The Intermediate Bodies in cooperation with the Managing Authority apart from timely control, which allows for the correction of errors in tenders, provide the applicants and beneficiaries with consultancy services. The IOP MA also checks a sample of contract documents prior to the publication of a contract notice, namely in the case of the risky Intermediate Body of the Ministry of Interior of the CR.

Ranking among other most frequent errors are the failure to meet the deadlines for the submission of monitoring reports, ineligible expenditure and activities of projects, late provision of information on substantial changes in the project, inadequate keeping of the project file.

In 2011, the IOP Managing Authority commenced 42 controls and as at 31 Dec 2011 altogether 31 controls focused on the conduct of activities delegated to Intermediate Bodies were completed. The most significant and the most frequent findings were the non-compliance with the set out binding procedures and deadlines as well as the failure to enter the topical data in IS Monit7+. During these controls, no serious systemic irregularities were detected, however minor problems were identified in the set out procedures of the Managing Authority and Intermediate Bodies. The most serious deficiencies were discovered at the Ministry of Interior of the CR and the Ministry of Health of the CR.

- At the Ministry of Health of the CR, inadequate audit trail was identified in the process of evaluation and selection of projects under the 1st call for submission of projects under Intervention area 3.2., at the same time partial deficiencies were discovered in checklists for the control of public contracts. These deficiencies were removed in the following calls. On the basis of results of this control, the IOP MA shall check a sample of public procurement procedures conducted under the 1st call for Intervention area 3.2 of IOP.
- At the Ministry of Interior of the CR, deficiencies consisted particularly in inadequate performance of on-the-spot checks pursuant to Article 13 of the Implementing Regulation in all risky projects, wrongly produced documents on the payment of invoice, failure to prove the link of expenditure to project, insufficient modification of the approval process of changes, failure to meet the deadlines set out in IOP OM in issuance of legal acts and reporting and investigating irregularities, failure to enter the topical and complete data in IS Monit 7+, failure to monitor the amount of ineligible expenditure during on-the-spot checks, failure to refer the suspected irregularity to the relevant administrative authority for investigation, incomplete and not topical register of irregularities, incomplete content of project file. In relation to the checks performed, corrective measures were imposed that are continuously monitored and evaluated by the MA.

2.3.2 Design of management and control systems

The Description of management and control systems of the IOP as defined in Article 71 of the General Regulation was approved by the Commission on 26 November 2009.

The last major changes in IOP management and control systems were made in the course of 2009, when for reasons of inadequate administrative capacity a part of the tasks of the Intermediate Body of MoLSA (Intervention areas 3.1 and 3.3) and MoI (Intervention areas 2.1 and 3.4) was delegated to the Centre for Regional Development.

At the end of 2010, the IOP Managing Authority with effect from 3 December 2010 revised the fundamental implementing document of the programme – IOP Operational Manual, version 1.3 (the preceding version 1.2 became effective on 20 July 2009). In 2011, it was followed by revisions of manuals of Intermediate Bodies.

Handbook of Work Procedures of the Ministry of Labour and Social Affairs of the CR, version 1.3, 8 Jun 2011,

Methodological Guideline of the Centre for Regional Development of the CR No 18, version 5, 12 Jul 2011,

Operational Manual for GG of the Ministry of Health of the CR as the IB, version 1.3, 1 Jul 2011,

Manual of Internal Procedures of the Ministry of Interior of the CR, version 1.4, 3 Aug 2011,

Operational Manual of the IB of the Ministry of Culture of the CR, version 1.2, 8 Aug 2011.

2.3.3 Staffing of the Programme

The main problem of IOP staffing in 2011 was a high turnover of staff of IOP MA, MoI CR and MoLSA IBs, as illustrated in the table:

Table No 23 – Provision of administrative capacity broken down by IB

Entity	Number of FTE according to administrative capacity in 2011	Number of commenced employment contracts	Number of terminated employment contracts
IOP Managing Authority	47,70	20	14
Centre for Regional Development of the CR	37,70	13	8
Ministry of Interior of the CR	34,34	21	27
Ministry of Culture of the CR	17,50	6	1
Ministry of Labour and Social Affairs of the CR	21,55	13	7
Ministry of Health of the CR	20,50	0	2,5
TOTAL	179,29	73	59,50

Source: Report on the provision of administrative capacities of IOP implementation structure for 2011

The IOP MA responded to the situation by conducting the “Analysis of administrative capacities and outsourcing of IOP Intermediate Bodies“. Results for the 1st half of 2011 were presented at the 8th meeting of IOP Monitoring Committee and are described in Chapter 2.7.1 Evaluation of the Programme.

2.3.4 Crisis management in selected intervention areas

In the monitored period, the IOP MA continued to implement systemic and operational measures, called the crisis management of selected IOP intervention areas, in order to improve the programme management. Regular meetings with the NCA on delivering the measures of reinforced risk management in IOP continue to be held.

The IOP Managing Authority identified risks related to absorption capacity and administration of payment claims. The other risks are described in the Catalogue of IOP Risks.

The IOP MA has adopted and implemented systemic measures with impact on all intervention areas:

- *analyses and monitoring of absorption capacity* of the programme and the individual intervention areas, reasons of low demand, high percentage of ineligible expenditure and breach of the Conditions, barriers to the drawdown of funds; the monitoring is done on a continuous basis, particularly in intervention areas under the MoLSA and MoI responsibility;
- *simplification of conditions of the calls and of the system of evaluation* exhibiting low demand (particularly at MoLSA);
- *intensified checks on delegated activities at IBs*;
- *analysis of administrative capacity and scope of outsourcing at individual IBs*;
- *consistent education and training of staff* of Intermediate Bodies (for details see Chapter 7.2).

Management tools employed by the MA

1. Setting and evaluating the **timetable of preparation of individual projects**, approval of projects and issuance of legal acts

a) By introducing close monitoring of the preparation of project outlines, the IBs and MAs get a better picture of the planned date of submission of the project under the call and detailed timetable of project preparation, or milestones of prepared projects in Intervention areas 3.1a), 3.3, 4.1.

b) Monitoring of the state of play and evaluating of the timetable of **issuance of legal acts** for projects continued in Intervention area 2.1, where the IOP MA identified major delay of this phase of administration at MoI CR. At MoLSA, introduced was a system of monitoring of approval of projects and particularly delays in the conduct of ex-ante controls in Intervention areas 3.1 and 3.3.

c) Monitoring of the state of play of **administration of payment claims**, their timely submission to IB and progress in administration are necessary for financial management of the programme for the sake of the fulfilment of n+3 rule. This is why the MA increased the frequency of monitoring of this parameter in selected intervention areas, discussed the individual payment claims with IBs and explained the delays.

d) Close monitoring of the state of play and progress in the implementation of all projects in Intervention area 1.1 by introducing status reports, which are periodically sent to the MoI CR by beneficiaries. The aim is to enhance the ability to reliably monitor and continuously evaluate the implementation of individual stages and absorption of funds, and to timely propose corrective measures.

2. Setting and evaluating the **timetable of opening and closing of calls**

This is done quarterly, the type of the calls and their parameters (focus, opening and closing dates, allocation, mapping absorption capacity) are agreed upon with the IBs for the upcoming three months. The timetable of calls is placed on the programme website and published in IOP Newsletter.

3. Seminars and training courses for applicants (submission of projects) and beneficiaries (tenders, payment claims, controls, etc.)

Topics currently addressed by applicants and beneficiaries in dependence of the stage of project cycle and addressing the most frequently asked questions and detected errors in projects, tenders and payment claims. Information on organised seminars is provided in detail in Annex No 2.

4. Bilateral meetings between MA and IBs (or directly with beneficiaries) on problems in implementation, consultations on administration of projects and applications for payment held at IBs over specific projects. In the monitored period, the MA introduced the holding of monthly meetings with Directors of Basic register projects and with the Director of the National Registers Authority, the aim of which is to discuss the risks threatening the timely launch of projects of basic registers and to try to find solutions eliminating these risks.

5. Training of CRD staff prior to the announcement of each call;

It aims at direct and timely exchange of information between the entity announcing the call (MRD, MoI CR and MoLSA) and the CRD that shall administer the projects.

Assignment of individual tools to intervention areas

The individual tools have been assigned based on the experience of the MA with the administration of individual intervention areas by IBs. The tools are classified by the type of their use into systemic and ad hoc tools.

Table No 24 – Assigned tools by intervention area

Intervention area/ tool	1	2	3	4	5
<i>Type of tool</i>	<i>S</i>	<i>S</i>	<i>A</i>	<i>S</i>	<i>S</i>
1.1.	XX (c,d)	X	XX	XX	
2.1.	XX (b,c)	X	X		X
3.1.	XX (a,b,c)	X	XX	XX	X
3.2.	X (c)	X			
3.3.	XX (a,b,c)	X	XX	XX	X
3.4.	XX (c)	X	X		X
4.1.	X (a, b,c)	X	X	X	X
5.1.	X (c)	X	XX	X	
5.2.	X (b,c)	X	X	X	X
5.3.		X			X
6	X (c)	X			X

*Note: X – regular regime; XX – more intensive regime
S – systemic tool; A – ad hoc tool*

2.3.4.1 Insufficient number and scope of controls of delegated activities conducted by IOP MA

The higher error rate in some intervention areas, identified by audits carried out by AAE and by controls of IOP MA, calls for the increase in frequency and scope of checks of delegated activities, especially at some Intermediate Bodies.

Measures taken by the Managing Authority

The IOP MA published a contract notice for enhancing the administrative capacity for the performance of controls of delegated activities. The aim of the public contract is to increase the number and scope of controls conducted at individual Intermediate Bodies through the engagement of an external supplier. The bids can be submitted from 22 December 2011 to 17 February 2012. For the sake of controls of project implementation and assessment of their problems, the IOP MA also intends to use the NCA project called “Controls“, which is designed for all the MAs and the purpose of which is to support the conduct of controls pursuant to Article 13 of the Implementing Regulation. The IOP MA will exploit these opportunities primarily in order to expand the control team led by the IOP MA employee by an invited person.

More risks and problems identified mainly during the conducted controls and audits are presented in Chapter 2.3.1 Problems identified by the Audit Authority, or the Authorised Audit Entity. The risks and problems identified in the monitored period are also described in detail in Chapter 5 Technical assistance – administrative capacity of IOP implementation structure entities and under individual intervention areas in Chapter 3.

2.3.5 Reinforced risk management of NCA

In the monitored period, four meetings were held with the NCA on the reinforced risk management in IOP, namely on 17 Jan 2011, 28 Feb 2011, 6 May 2011 and 26 Sep 2011.

The individual areas of risks were addressed by the already implemented measures or by newly adopted measures. The IOP MA and NCA monitor their delivery.

2.3.6 Problems addressed at the national level

Despite a certain improvement in addressing the problems at national level, the IOP MA is aware of several areas, in which the solution of problems is beyond its capacity and competence.

The IOP MA sought to help identify or perhaps assist in proposing solution of cross-cutting problems which hinder successful and speedy implementation of projects and place an ineffective burden on administrative capacities both at the programme and national level. In order to address these issues, the IOP MA is currently forced to apply alternative solutions that are not always optimal, effective and sustainable in the long run.

2.3.6.1 Financing of government agencies (GA)

The system of financing the GA and semi-budgetary organisations in other budgetary chapters than that of the Managing Authority or the grant provider is not logical in terms of project financing and management and causes complications. The statement of expenditure, or Decision on providing a grant, should be issued by the MA regardless the chapter under which the respective GA or SBO falls, and the funds would be transferred between the chapters by a budgetary measure. Pursuant to the legislation in force, it is impossible for one GA to be financed by another GA. The amendment to Act No 218/2000 Coll., on budgetary rules, that came into effect on 30 December 2011, addresses these matters only marginally.

Measures adopted by the IOP Managing Authority

a) MA set up a procedure for checking the compliance with obligations related to the provision of support to government agencies and to checking the applications for payment which includes cuts in the support on the ground of non-compliance with basic obligations, e.g. failure to follow the

prescribed procedures in public procurement, failure to fulfil project objectives and indicators, ineligible expenditure.

b) MA laid down an obligation in the IOP OM for the IBs to develop a similar document in case they are in charge of administration of projects of GA.

2.3.6.2 Delegating the conduct of controls in accordance with Act No 320/2000 Coll. to CRD CR

The cases, when the IOP MA delegates the conduct of certain controls to the CRD, are contradictory with Act No 320/2000 Coll., which does not allow for the conduct of public administration checks by another entity than the provider of assistance. An amendment to this act is desirable and the works on its drafting have been going on for at least three years. The Supreme Audit Office pointed at the delegating of activities in its control findings on two occasions already.

Measures taken by the IOP Managing Authority

a) IOP MA conducts public administration checks with the use of its own resources.

2.3.6.3 Simplification of the system of record keeping and monitoring of recoveries

The MoF failed to discuss the method of record keeping of recoveries with the UniCredit Bank. The administration thereof is challenging also due to never ending comparisons of data available on the one hand to the PCA and on the other hand to the IOP MA.

Measures taken by the IOP Managing Authority

a) The IOP MA has to use an auxiliary ad hoc record keeping system, the administration of which is challenging, inflexible and a potential source of errors.

2.3.6.4 Procedures for the award of small-scale contracts

The binding procedures for small-scale contracts fail to cover all the situations, which have to be provided for by each MA. There is no consultation body for small-scale contracts at the national level, there is no interpretation of basic rules for small-scale contracts (transparency, non-discrimination and equal treatment). As of 1 Feb 2011, the NCA revised the Binding procedures for the award of contracts co-financed from EU funds, to which Act No 137/2006 Coll., on public contracts, does not apply. Most of the principal comments made by the IOP MA and IOP IB have not been accepted.

Measures taken by the IOP Managing Authority

a) The IOP MA has set up the Working Group for public contracts. The outputs of this WG are the “best practices“ which serve as recommendations for the contracting entity and offer a guidance for the award of small-scale contracts.

b) The MA handed over to the NCA proposals for the modification of the Binding procedures within the revision which is conducted in the context of amendment to Act No 137/2006 Coll., on public contracts.

2.3.6.5 AAE audits

With reference to the Act on financial control, the AAE does not allow the IOP MA and IB to participate in audits on operations conducted at individual aid beneficiaries. Thus the IOP MA and IB often gets to know the AAE findings only after the completion of the audit, when neither the MA nor the IB can comment on the findings and in case of a justified finding they cannot respond flexibly and adopt corrective measures. The AAE findings are worded without the benefit of obtaining an opinion of other important actors of the IOP implementation structure.

Measures taken by the IOP Managing Authority

- a) The IOP MA initiates a change in the methodology for the conduct of audits on operations at the Audit Authority.
- b) The IOP MA and IB continuously monitor the commencement of AAE audits at beneficiaries and the findings ensuing from AAE audits.

2.3.6.6 Waiver of sanctions and penalties by the General Financial Directorate

The General Financial Directorate has the power to waive sanctions and penalties imposed by the tax offices for the breach of budgetary discipline. There are no rules established for waivers, the MoF neither justifies the waiver nor identifies to which breach the waiver relates. It complicates the reporting of irregularities and poses a risk that the EC control authorities will challenge this procedure as non-systemic and not ensuring transparent and equal treatment to all beneficiaries.

The MoF argues that the waivers help close the gaps between the different degree of severity of sanctions under individual programmes and guarantee equal treatment of beneficiaries. Therefore, the IOP MA recommends that uniform sanctions are set for the same conditions across all the operational programmes. Violation of such conditions should then give rise to the same amount of penalty across all the operational programmes.

2.3.6.7 Effectiveness and economy control (3E)

The MoF CR (PCA) called upon the managing authorities to apply the so called 3E controls in projects financed from EU SF. This control, or control procedures, and its legislative base are not clearly and adequately designed. It is desirable to have the general principle stipulated at the national level, including the examples of good and best practice and references to the applicable law.

Measures taken by the IOP Managing Authority

- a) MA in cooperation with an external expert conducts an analysis of approaches to 3E control within the IOP. It also takes part in drafting a document on 3E at the NCA.

2.3.6.8 Requirements for keeping accounts by beneficiaries

The AAE and AA auditors criticize the beneficiaries for inappropriate keeping of separate accounts, though the NCA and PCA consider the requirements for keeping separate accounts as set out in IOP to be adequate and in compliance with the national law and methodologies. The AA, PCA and NCA should reach a consensus as soon as possible since the issue of keeping separate accounts was apart from other things the subject of the EC audit mission to the IOP.

Measures adopted by the IOP Managing Authority

- a) MA had an expert opinion elaborated by an expert in the field of accounting. It verified the eligibility of expenditure contested by the AAE, initiated an examination of the keeping of separate accounts to be performed by the Tax Office, which did not confirm the violation of the Act on accounting.
- b) MA offered detailed statements and opinions and all the documents required by AAE, AA, PCA and NCA.

2.3.6.9 Addressing irregularities

The IOP MA had for a long time been dealing with the problems in addressing irregularities and asked the NCA, or WG Control, Audit and Irregularities for assistance. There are no basic methodologies and procedures in place to address the cases of irrecoverability of funds – the NCA helped acquire an opinion of EC on the application of irrecoverability. In spite of that the IOP MA believes that a coherent interpretation/methodological guideline for managing authorities should be provided which would stipulate when and under what conditions this institute can be applied and how to proceed. The updated NCA Methodological Guideline – Irregularities mostly sums up information from multiple sources, but lacks a more detailed methodological interpretation of procedures and terms – e.g. a more detailed interpretation of the term irregularity.

There are neither methodologies nor procedures in place for the recovery of funds and there are no requirements set at the national level for the application of Article 5.2 of Commission Regulation (EC) No 2035/2005 of 12 December 2005 amending Regulation (EC) No 1681/94 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the structural policies and the organisation of an information system in this field (Commission Regulation (EC) No 2035/2005). The best practice from other operational programmes implemented in the CR cannot be exploited since to our knowledge there has not been a case of the application of this procedure as yet.

Investigation of irregularities is lengthy, the administration procedure commenced by OPC upon an initiative of the provider of assistance lasts extremely long. In some cases, until the investigation of irregularity is closed, the reimbursement of funds under the project is suspended, which also applies to other projects if they are affected by the irregularity, which has a negative impact on the absorption of allocation and fulfilment of n+3/n+2 rule.

Measures taken by the IOP Managing Authority

- a) MA developed its own methodological procedure for the application of irrecoverability.
- b) MA initiated the simplification of the procedure for reporting irregularities at the national level. This procedure was applied by the IOP MA to at least 400 cases of reporting irregularities.
- c) MA developed its own procedures for completing the form of individual reporting of irregularities.

More risks and problems and their addressing in the monitored period are included in Chapter 2.3.1 Problems identified by the Audit Authority, or the Authorised Audit Entity and in Chapter 5 Technical Assistance –administrative capacity of the programme implementation structure entities. Individual problems and risks are detailed under individual intervention areas in Chapter 3.

2.4 Changes in the Context of Programme Implementation

Socio-economic changes

Compared to 2007, in the period from 2008-2011 the Czech Republic witnessed considerable socio-economic changes in consequence of the global economic crisis. The development is illustrated in the table below:

Table No 25 – Development of basic socio-economic indicators in 2007-2011

Indicator	2007	2008	2009	2010	2011
Increase/decrease in GDP (%)	5,7	3,1	- 4,7	2,7	1,8
Average annual inflation rate (%)	2,8	6,3	1,0	1,5	1,9
Job applicants (ths of persons, data as of 31 December of the given year)	354,9	352,3	539,1	561,6	508,5
Registered unemployment rate (% , data as of 31 December of the given year)	6,0	6,0	9,2	9,6	8,6
Registered unemployment rate (% , annual average)	6,6	5,4	8,0	9,0	8,6
State budget balance (in billion CZK, difference between revenues and expenditure)	- 66,4	- 19,4	- 192,4	- 156,4	- 142,8
State budget balance in % of GDP (current prices)	- 1,9	- 0,5	- 5,3	- 4,3	- 3,7
Government deficit (surplus) in % GDP ^{x)}	- 0,7	- 2,2	- 5,8	- 4,8	- 3,7

Source: CSO, MoLSA and MoF; status as of 31 Jan 2012

^{x)} it serves for the verification of fulfilment of Maastricht convergence criteria (the deficit should be below 3.0%)

Following a steep growth of GDP in 2005-2007 period (annually by more than 6 % on average), the year 2008 marked a turning point. From the 4th quarter of 2008 to the 2nd quarter of 2009 the Czech economy was in recession, while in the 3rd quarter of 2009 the situation changed and since that period until the mid 2011 the Czech economy exhibited growth recovery. In terms of the economic growth, the year 2009 was the worst ever since the beginning of existence of the Czech Republic, the drop in GDP in this year was, however, comparable to that of EU-27 (drop by 4.3 %). The year 2010 showed an overall recovery of the economy, the GDP grew in each quarter of the year and the annual GDP growth (2.7 %) was higher than that of EU-27 (1.9 %). In 2011, according to the MoF data, the GDP rose by 1.8 % (an estimate for EU 27 is 1.7 %), the growth, however, was gradually slowing down in the course of the first three quarters of the year. Despite the growth in 2010–2011, **the level of GDP in 2011 still failed to reach the pre-recession level at the turn of 2008 a 2009.**

The situation will most likely not change in 2012 either, in which the MoF reckons with economic stagnation, or a slight increase of GDP by 0.2 %. The future development of Czech economy will almost exclusively depend on the developments in Eurozone. The CR is not at risk of a debt crisis. The trajectory of fiscal consolidation is perceived as credible by financial markets. The financial sector is stable, liquid and well capitalised. Due to the great openness of economy, however, a dramatic impact of potential negative external shocks is most likely. This is why a recurrence of recession of the turn of 2008 and 2009 cannot be ruled out.

As concerns the **regional GDP** (NUTS 2 regions), a strongly dominant position is still held by Prague, with GDP more than twice as high as the average GDP per capita in the CR (216.5 % to be specific). The other regions reach the values of 80-90 % of average GDP per capita in the CR, the highest GDP is reported by Central Bohemia and Southeast regions (89.9 % of the national average), the lowest GDP is reported by Central Moravia (79.6 %), Northwest and Northeast (80.4 % in each region).

In 2007–2010 period, **the average level of GDP per capita in purchasing power standard** (PPS, EU 27 = 100%) in the CR now reaches around 80 %. None of the NUTS 2 regions falling under the Convergence objective in 2007–2013 period (7 regions) exceeded in 2010 the value of 75 % of average GDP per capita in purchasing power standard (PPS, EU 27 = 100 %), the level exceeding 70 % was reached only by Central Bohemia and Southeast regions.

In terms of structure, the GDP in 2011 was driven primarily by **foreign trade** results, whereas the consumption expenditure of households and government institutions in 2011 dropped. In 2011, as compared to 2010, the exports rose by 13.2 % and the imports by 10.9 %, the balance of trade at the end of the year reported a surplus of CZK 191.4 billion. The share of export in GDP, which in 2000 accounted for 63 %, reached almost 80 % in 2010 and 2011 (e.g. only 50 % in Germany).

A positive effect on GDP growth was exhibited by **the sector of industry**, which after a drop of output and employment in 2009 (drop of output by 13.6 %) increased by 10.3 % in 2010 and by 6. %

in 2011 and exceeded the output prior to the recession in 2008. In 2011, on the other hand, the **building industry output** declined year-on-year by 3.1 % (compared to the boom in 2008, the drop was 10.8 %), and also the value of newly concluded construction contracts and the volume of housing construction showed a downward trend.

The decreased consumption of households and the government sector in 2011 led to year-on-year drop in the **sales in services** by 1.5 %, with the most dramatic decrease reported in professional, scientific and technical activities. **The sales in accommodation and food services activities** in 2011 after three years of decreasing exhibited a moderate growth by 0.6 %, brought about by higher sales in the sector of accommodation by 5.9 %. Even though in 2011 the number of guests in collective accommodation establishments rose by 5.7 % and reached the level before recession, the number of overnight stays grew only by 3.5 % on account of ever shorter average number of overnight stays.

Despite economic recovery in 2010-2011, **the labour market continues to feel the consequences of recession**. The number of the employed dropped not only in 2009 (by 1.4 %), but also in 2010 (drop by additional 1.0 %), a slight increase of employment by 0.4 % was achieved only in 2011. In consequence of the drop in employment, the unemployment rate on the contrary increased from 6.0 % in December 2008 to 9.2 % in December 2009 and 9.6 % in 2010. Some improvements were seen only in 2011, when in December the unemployment rate fell to 8.6 %; For the sake of comparison, **the unemployment rate reported by Eurostat** in this month in the CR reached the level of 6.8 %, which is the sixth lowest in EU-27 (EU 27 = 9.9 %). Due to the stagnant growth of GDP in 2012, however, further decrease in the rate of unemployment in this year is unlikely, **according to the MoF outlook the low levels of unemployment recorded in 2007-2008 will not be achieved by 2015 either**.

From the **regional point of view, the unemployment rate in the CR continues to vary a lot**, with the highest level (December 2011) in Ústí nad Labem (12.9 %), Olomouc (11.4 %) and Moravian Silesian region; and the lowest unemployment rate, on the contrary, reported over a long period of time in Prague (3.9 %), Central Bohemia (7.1 %) and Plzeň region.

The adverse development of economy had no significant impact whatsoever on the implementation of IOP in 2009–2011 period. It is mainly due to the fact that the predominant part of aid beneficiaries is constituted by public sector entities (central administration authorities, regions, municipalities and organisations established or founded by them), which were much less affected by the crisis than the businesses or NGOs. E.g. in the state budget there were no cuts in expenditure on financing the operational programmes co-financed from the EU funds. The government austerity measures directed from 2011 at reducing the state budget deficit and government sector deficit are conducive to savings in operating costs and investments also at individual ministries. A visible implication of this situation was e.g. the decision of the Ministry of Interior of the CR to terminate the preparation of the major project called the National Centre for Emergency Preparedness and Training of Units of the Integrated Rescue System under Intervention area 3.4 of IOP.

A positive phenomenon was the still **low level of average annual rate of inflation** in 2009 (1.0 %), in 2010 (1.5 %) and in 2011 (1.9 %). According to the MoF outlook of 31 Jan 2012, the average annual rate of inflation in 2012 should increase to 3.2 % (due to higher VAT rate), while in 2013 it should stand at 1.5 %. The referred to development has a positive effect on construction works prices, purchase of technologies, equipment and machinery for investment projects in IOP.

Negative effects were caused by **the fluctuation of the CZK/EUR exchange rate** which is manifested in the variability of the total volume of allocated funds expressed in Czech crowns. The development of the exchange rate is shown in the table below.

Table No 26 – Development of CZK/EUR exchange rate in 2007-2011

Indicator	2007	2008	2009	2010	2011
Average daily nominal CZK/EUR exchange rate for the year	27,76	24,96	26,45	25,29	24,59

Source: CSO, status as of 31 Jan 2012

Except for the year 2009, an accompanying phenomenon is the trend of long-term appreciation of the Czech crown against Euro. From the 4th quarter of 2009 to the end of 2010, the Czech currency kept appreciating towards Euro, in the 1st to 3rd quarter of 2011 the exchange rate stagnated at the level of approximately 24.35 CZK/EUR. In the course of the 4th quarter of 2011, however, the Czech crown fairly strongly depreciated from 24.56 CZK/EUR in September to the average of 25.51 CZK/EUR in December. According to the macroeconomic outlook of the MoF of 31 Jan 2012, this depreciation of the Czech currency is expected to last in the next period (the MoF forecast of the exchange rate for 2012 is 25.6 CZK/EUR, 25.3 CZK/EUR for 2013). Nonetheless, this development has also a positive impact since it helps exporters to better cope with the foreseen slowdown in foreign demand. It also positively impacts the implementation of IOP, because the depreciation of Czech currency is beneficial for beneficiaries who shall now receive more Czech crowns for the same amount in Euro; it also helps decrease the risk of “overcommitment” that existed in the last programming period (JROP).

Amendments to legislation

Amendments to legislation adopted from 2009 to 2011 brought about simplification or specification of the interpretation with respect to the implementation of the programme (amendments to EU legislation) or represented the necessary legislative basis for the implementation of selected parts of IOP (basic registers, data boxes, central register for de minimis aid).

Considered positive in a number of cases were **amendments to the General Regulation No 1083/2006** (amendments by Regulation No 284/2009, No 539/2010 and No 1310/2011) and the No 1828/2006 (amendments by Regulation No 832/2010 and by Regulation No 846/2009). Positive for the IOP implementation were especially the amendments to the General Regulation, namely to Article 48 (possibility to justify the revision of the programme only by an analysis), No 55 (simplification in revenue-generating projects), No 57 (monitoring of sustainability of projects only in infrastructure and productive activities), No 67 (specification and simplification of information required in annual reports, progress in financing and implementation of financial engineering instruments), No 78 and 78a (specific requirements for the statement of expenditure regarding financial engineering instruments), No 82 (modification in the amount of pre-financing) and No 93 (modification of n+3/n+2 rule), which are followed by amendments to the Implementing Regulation.

In the Czech Republic too, attention was paid to matters associated with **the simplification of administration of EU funds**. By Government Resolution No 212 of 15 Mar 2010 proposals for amendments to legislation and other changes were approved in order to simplify the administration of EU funds. With respect to IOP it concerned primarily the amendment to Act No 218/2000 Coll., on budgetary rules. The progress on implementation of these measures was communicated to the Government on 20 Oct 2010 (Resolution No 745 was adopted) and later on 11 May 2011 the Resolution No 339/2011 was adopted.

Before the end of 2011 **Decree No 449/2009 Coll. was amended** (Decree No 403/2010 Coll.), according to which it was impossible to make payments to beneficiaries in the last fifteen days of each quarter of the year. Based on Government Resolution No 150 of 2 March 2011 Act No 465/2011 Coll. **amended Act No 218/2000 Coll.**, on budgetary rules, **and Act No 250/2000 Coll.**, on budgetary rules of territorial budgets. In 2011, also the **amendment to Act No 248/2000 Coll.**, on support to regional development was adopted (Act No 253/2011 Coll.), which has introduced simplification of activities performed by the committee and office of regional councils.

In February 2011, also modified were the **Binding procedures** for the award of contracts co-financed from EU funds, to which Act No 137/2006 Coll. does not apply. A uniform system of financial corrections related to the award of contracts has been newly added.

Very positive for the implementation of IOP Priority axes 1a/1b (Modernisation of public administration) was **the adoption of Act No 111/2009 Coll., on basic registers**, and Act No 227/2009 Coll., amending certain acts in relation to the adopted of Act on basic registers (the acts became effective on 1 Jul 2010). The Act on basic registers defined the content of basic registers and laid down the rights and obligations associated with their creation, use and operation, and also set up the National Registers Authority. In 2010, there were two amendments to this Act made – by Act No100/2010 Coll., which extended the transition testing period of the basic register system from 30 Jun 2011 to 30 Jun 2012 (the original deadline was not realistic considering the IOP approval processes), and by Act No 424/2010 Coll. (partial amendments).

On 1 January 2010, pursuant to Act No 109/2009 Coll. and the implementing Decree No 465/2009 Coll. **the central register of de minimis aid was set up**. Ever since the date of creation of the central register, the de minimis aid providers (in IOP it concerns Intervention area 3.1c – social economy, with MoLSA as the provider of assistance) are obliged to enter the data on granted aid as defined in Section 3 of the referred to Implementing Decree. **Once the data is entered in the register, starting from 1 Jan 2012 the provider of assistance will no more require an affidavit from beneficiaries** on de minimis aid in the monitored three-year period. The information will be verified by the provider of assistance in the central register.

Changes in the Programming Document

The IOP Monitoring Committee at its 6th meeting tasked the MA with the conduct of evaluation concerning the proposed changes in the Programming Document and the individual intervention areas and with the presentation of results of evaluations and proposals for changes to the IOP MC. It also tasked the MoI CR to conduct an evaluation of impacts of the major project cancellation on the implementation and accomplishment of objectives of Intervention area 3.4 and of the possibility to use these funds in other intervention areas. Moreover, the MoC CR was tasked to conduct an evaluation concerning the use of additional funds in Intervention area 5.1.

The preparation of evaluations started at the end of 2010, all the evaluations were conducted by the deadlines set out by the IOP MC. At the technical meeting of IOP MC on 3 May 2011, results of evaluations were presented by the evaluators and the MA articulated its opinion on changes in the IOP Programming Document, drafted with respect to of the feasibility of changes and consistency of programme interventions.

At the 7th meeting of IOP MC the changes were approved and the Monitoring Committee tasked the MA to send the proposal for revision of the Programming Document to the EC no later than on 29 Jul 2011.

The changes concerned the following areas:

- Reallocation between activities in Intervention area 3.3,
- Cancellation of the major project in 3.4c) and reallocation of funds to 3.4d),
- Modification of the activity in Priority axis 4,
- Increase in the allocation for activity 5.1b) by additional funds granted pursuant to Article 17 of Interinstitutional Agreement,
- Increase in the allocation for Intervention area 5.2 through the reallocation from Operational Programme Technical Assistance to the implementation of Jessica financial instrument,
- Modification of names, codes and definitions of monitoring indicators in order to ensure their consistency with the National Code list of Indicators.

The MA and IB drafted the proposals for changes in line with the Methodological Guideline of NCA for the revision of operational programmes 2007-2013, the MA made comments to these proposals and consulted the matters with the PCA and NCA.

The MA entered the modified version of the Programming Document, the proposal for changes, the opinion of MoE and the accompanying letter into MSC on 22 July 2011.

On 22 September 2011, the MA received the following EC comments concerning the application for IOP revision:

- In Intervention area 3.4, the EC requested an explanation of reasons why the funds from the cancelled major project were allocated to this intervention area, when one of the two conducted evaluations of proposed changes in the IOP PD suggested also other reallocations.
- With respect to the change in Priority axis 4, the EC requested an explanation of the proposed change in the originally planned projects “Introduction of the national information and reservation system“, particularly the explanation of the added value of the new project called “Introduction of the national information portal and call centre“ and justification of the unchanged amount of costs of the new project.
- The EC raised a comment on the additional allocation to Jessica by 2011 (EC requested the alignment with OPTA, from which the additional allocation is transferred) and the EC also recommends adequate rounding off of the planned target values of indicators to which the changes in IOP PD apply.

The EC made no comments on the proposed changes of IOP PD concerning the Intervention areas 5.1, 5.2 and 3.3.

The IOP MA forwarded the required additional information and the modified Programming Document to the EC on 25 Oct 2011. **The Commission Decision C(2011)9790 concerning the adoption of changes in the IOP was adopted on 21 Dec 2011.**

2.5 Substantial Modification under Article 57 of Regulation (EC) No 1083/2006

The chapter describes the cases of substantial modifications pursuant to Article 57 of Council Regulation (EC) No 1083/2006 on durability of operations.

In 2011, no problems with durability (sustainability) of projects were reported. Any modifications, which are to be conducted during the implementation and the period of durability of the project, shall be immediately notified in writing by the beneficiary to the IB on the form entitled Notification of modifications in the project.

2.6 Complementarity with Other Instruments

2.6.1 Achieving synergies

The synergy is a material interaction between two projects submitted under two different OPs by the same applicant or by two different applicants, the joined implementation of which would produce greater effect than when implemented separately.

Synergy in IOP can be assessed from 2 perspectives:

- according to the individual operational programmes (mentioned in the Programming Document)
- according to synergy areas (themes).

2.6.1.2 Synergies by thematic area

Based on the projects implemented by the NCA “Ensuring synergy between the operational programmes in 2007-2013 programming period“ and based on consultations with the MA, operational programmes and intervention areas were identified which by the type of supported activities create synergy. They were divided into thematic areas.

In the framework of IOP there are 4 thematic areas:

- Smart Administration (IOP - OP HRE)
- Roma related matters (IOP - OP HRE, OP Education for Competitiveness)
- Improving quality and accessibility of public services (IOP - OP HRE)
- Use of the potential of cultural heritage (IOP - ROP)

For the purpose of the Annual Report the synergies according to the thematic areas are monitored through the NCA forms included in Annex 1 to this Annual report.

2.6.2 Exploitation of other EU financial instruments

In Spring 2011, the IOP MA in accordance with Article 44 of the General Regulation (Council Regulation (EC) No 1083/2006), Articles 43 – 46 of the Implementing Regulation (Commission Regulation (EC) No 1828/2006) and the Guidance Note on Financial Engineering Instruments (COCOF 10-0014-04) launched the implementation of the pilot testing of JESSICA financial instrument (hereinafter referred to as JESSICA FI).

The increase in allocation to Intervention area 5.2 by additional funds transferred from OPTA in the amount of EUR 20 804 634.00 was approved by the IOP Monitoring Committee at its 7th meeting on 31 May 2011.

In the context of the launch of implementation of JESSICA FI, on 29 July 2011 the IOP Managing Authority submitted to the Commission the revision of the Programming Document. It was approved by Commission Decision of 23 December 2011.

In order to accelerate the prompt addressing of issues and exchange of information, the IOP Managing Authority set up the Working Group JESSICA, members of which are apart from the IOP MA representatives also the representatives of the Housing Policy Department of MRD, the Centre for Regional Development of the CR, the National Coordination Authority, the State Housing

Development Fund, the Budget Department of MRD and the National Fund Department of the Ministry of Finance of the CR.

For pilot testing, the Managing Authority selected the Intervention area 5.2 “Improving the environment in problematic housing estates“ ,which is implemented in zones with approved IUDP in 41 towns of the Czech Republic. JESSICA FI will provide support to activities related to the regeneration of residential buildings and reconstruction of residential and non-residential premises into social housing.

If the existing zones with approved IUDP do not show adequate absorption capacity, the revision of the “Methodological Guideline of MRD concerning the underlying principles for the preparation, evaluation and approval of IUDP“ will allow for extension of these zones. If the towns, which do not have the approved IUDP, express their interest and if there is enough funds available under JESSICA FI, it will be possible to approve IUDP of other towns with population over 20 000 inhabitants.

The Managing Authority in cooperation with the Housing Policy Department of MRD drafted the basic requirements and conditions for the implementation of JESSICA FI in IOP in the form of Investment Strategy, which sums up the basic prerequisites for the implementation of the FI and parameters of soft (preference) loans.

In 201,1 no funds were paid from IOP to JESSICA financial engineering instrument and no funds were paid out from the financial engineering instrument.

2.6.3 Integrated Urban Development Plans

Setting out the evaluation criteria for the selection of IUDP projects

The system of selection of projects is taken care of by the IUDP Management Committee, it is stipulated by the “Method of project selection“ chapter of the IUDP Document and is included in the respective call of the municipality for submission of applications for support. The duty to select the IUDP projects in a transparent, equal and non-discriminatory manner is laid down in line with IUDP rules by the Agreement on ensuring the IUDP implementation. Ranking among other obligations of the municipality vis-à-vis the IOP MA is the obligation to respect the conditions of the call announced by the IOP MA for Intervention area 5.2, to publish the system of project selection, to send the supporting materials for the selection of projects prior to the announcement of the call as well as the results of project evaluation with all relevant supporting materials.

The projects recommended by the municipality are submitted by the applicants to the CRD for the standard check of eligibility, formal requisites, risk analysis and potential ex-ante on-the-spot check.

Current status of IUDP implementation

A call for IUDP proposals was open on 6 Aug 2008 and closed on 31 Dec 2008. Of the total number of 62 municipalities that met the condition of the number of population, 41 municipalities submitted an application for approval of the IUDP. From among the submitted IUDPs, a total of 6 municipalities applied for a pilot project and 13 municipalities in their projects included matters addressing the socially excluded Roma communities¹⁶. In 2011, this situation did not change.

Since 2009 the IUDPs have been implemented in the following 41 towns: 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,

¹⁶ Of these 13 towns (municipalities) only 8 towns were assigned points for criterion 2.e – “IUDP includes a solution in a socially excluded Roma location“.

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 pilot projects are to be implemented in the town of Ostrava, Orlová, Přerov, Brno, Kladno and Most.

Table No 27 - Aggregate data based on concluded Agreements on ensuring the implementation

Data from concluded Agreements on ensuring the implementation of IUDP	Total
IUDP sources total (CZK)	9 607 000 000 CZK
Total eligible expenditure - revitalisation of public spaces (CZK)	4 164 000 000 CZK
Total eligible expenditure - regeneration of residential buildings (CZK)	5 442 000 000 CZK
ERDF - revitalisation of public spaces (CZK)	3 530 000 000 CZK
ERDF – regeneration of residential buildings (CZK)	1 932 000 000 CZK
Area of revitalised territory (m ²)	4 152 989 m ²
Number of regenerated apartments (number)	23 266 pcs
Energy savings (%)	21 %
Activity – revitalisation of public spaces (%)	43 %
Activity – regeneration of residential buildings (%)	53 %

Source. Internal analyses of IOPMA

The IUDPs have been implemented since July 2009. In the course of 2010 a total of 51 calls were announced, of which 43 time-limited and 8 continuous. In total, for the whole period of IUDP implementation until the end of 2010 a total of 128 calls were announced, of which 83 time-limited and 45 continuous.

Table No 28 – Information of the actual status of IUDP in 2011

Name of the applicant	Total expenditure on IUDP	Assistance under IOP (from ERDF)	Submitted project applications (ERDF share)		Project applications recommended for financing (ERDF share)		Approved projects (ERDF share)	
	In CZK	In CZK	Number	In CZK	Number	In CZK	Number	In CZK
Bohumín	114 728 572	63 905 127	8	52 625 008,88	8	52 625 008,88	8	47 641 782
Brno	289 693 358	130 183 011	16	74 133 435,95	16	74 133 435,95	16	74 133 432
Břeclav	141 937 614	51 751 375	11	42 508 561,26	11	42 508 561,26	10	41 266 365
České Budějovice	257 433 684	169 590 369	33	97 409 230,64	33	97 409 230,64	33	95 940 891,24
Český Těšín	158 550 232	100 971 765	16	62 327 821,36	16	62 327 821,36	16	60 665 936,38
Děčín	168 923 834	104 854 760	12	21 716 523,86	12	21 716 523,86	11	14 770 067
Frydek-Místek	283 701 922	129 658 364	30	91 075 225,4	30	91 075 225,4	29	64 252 730
Havířov	278 725 564	169 235 859	4	146 651 923,5	4	146 651 923,5	3	98 084 064
Hodonín	166 571 824	76 730 786	30	65 002 222,51	30	65 002 222,51	30	64 975 464,68
Hradec Králové	258 399 246	164 223 676	14	45 010 549	14	45 010 549	14	44 492 814,64
Cheb	170 656 894	92 339 145	13	55 715 157,19	13	55 715 157,19	13	54 751 403
Chomutov	258 844 890	160 669 814	31	90 307 547,6	31	90 307 547,6	30	55 550 420
Chrudim	184 150 004	79 656 092	10	73 586 660,38	10	73 586 660,38	10	74 429 933,74
Jablonec nad Nisou	168 874 318	108 770 807	14	76 084 502,75	14	76 084 502,75	14	76 066 827,91
Jirkov	182 515 976	99 188 693	30	83 618 883	30	83 618 883	30	82 799 487
Karlovvy Vary	145 651 314	80 297 349	24	38 909 512,11	23	38 378 007,11	22	33 193 500
Karviná	283 479 100	142 378 876	3	108 370 343,36	3	108 370 343,36	3	92 183 719
Kladno	284 048 534	153 833 982	17	153 523 494,3	17	153 523 494,3	17	153 495 699,3
Kopřivnice	173 157 452	94 079 113	6	67 006 848,44	6	67 006 848,44	6	52 957 191
Kroměříž	174 023 982	94 489 229	31	83 899 343,16	31	83 899 343,16	31	81 631 491,28
Liberec	255 254 980	149 056 876	58	84 134 836	58	84 134 836	57	82 823 579,85
Litvínov	190 488 052	82 608 954	15	53 132 130	15	53 132 130	14	38 398 130
Mladá Boleslav	175 806 558	94 987 434	42	123 647 102,32	42	123 647 102,32	41	121 432 497,1
Most	279 567 336	160 990 603	6	27 356 651,26	6	27 356 651,26	6	20 871 533
Náchod	172 389 954	104 804 947	14	72 777 393,1	14	72 777 393,1	13	69 306 564,77
Nový Jičín	170 854 958	90 768 869	14	64 943 001,07	14	64 943 001,07	11	60 149 191,52
Olomouc	275 308 960	177 750 333	34	65 263 905,52	34	65 263 905,52	21	59 154 354,6
Opava	249 733 946	159 446 150	39	107 991 399,75	39	107 991 399,75	39	94 033 167,38
Orlová	133 618 926	79 163 309	14	54 618 300,59	12	47 544 962,35	9	36 402 063,26
Ostrava	266 767 450	171 903 880	7	42 556 172,46	7	42 556 172,46	7	42 446 221
Pardubice	259 513 356	154 415 993	40	84 697 525,12	40	84 697 525,12	40	83 821 725,64
Písek	172 365 196	97 505 323	12	51 913 113,75	12	51 913 113,75	10	47 958 073,19
Přerov	173 182 210	86 135 137	15	43 933 685,36	13	33 781 098,02	13	32 855 498
Příbram	176 920 668	126 259 190	18	87 976 616,87	18	87 976 616,87	16	69 428 723,87
Strakonice	172 662 292	118 255 002	41	70 528 884,28	41	70 528 884,28	41	70 118 531,56
Tábor	165 952 874	103 034 304	18	48 154 720,29	18	48 154 720,29	14	46 907 453,5
Třebíč	179 272 678	96 611 633	24	58 957 714,96	21	56 684 697,32	21	54 707 200,6
Uherské Hradiště	179 148 888	87 988 149	22	51 888 180,98	22	51 888 180,98	22	51 074 094,73
Ústí nad Labem	211 953 238	167 599 727	6	80 560 728,55	6	80 560 728,55	6	80 560 727
Vsetín	179 272 678	96 631 217	32	101 936 786,83	32	101 936 786,83	32	87 123 663,98
Znojmo	163 526 590	95 005 087	6	39 014 291,5	6	39 014 291,5	6	39 014 291
Total	8 347 630 102	4 767 730 306	830	2945465935	822	2925435487	785	2651870505

Source: MSC2007 (MONIT 7+) as of 3 Jan 2012

The Agreement on ensuring the implementation of IUDP concluded between the MRD and the towns (municipalities) lays down the obligation of the municipality to safeguard the absorption of 25 % of the total eligible expenditure of IUDP through reimbursed applications for payment before 31 Dec

2011. In the course of 2011, the IOP MA observed difficulties faced by a few municipalities in the absorption of allocation. The situation of municipalities, which failed to satisfy the requirement of 25 % absorption in 2011, was tackled by extension of the deadline for the submission of application for payment, the value of which shall be included in the amount of IUDP allocation absorbed in 2012 from the original date of 30 Sep 2011 to 31 Dec 2011. By 31 Dec 2011, the municipalities of Děčín, Most and Ostrava failed to submit the applications for payment in the adequate volume. In case of these municipalities, the ERDF allocation will be cut, through the Addendum to the Agreement on ensuring the implementation of IUDP, in order for them to meet the 25% requirement of the total planned eligible expenditure on IUDP. The Managing Authority shall draft and disseminate the addenda to the individual municipalities in the first quarter of 2012.

Status of implementation of pilot projects

In 2011, 18 applications for support were submitted to CRD under Intervention area 5.2c), totalling CZK 65 291 480. Throughout 2011, the IOP MA communicated intensively with individual towns involved in the implementation of pilot projects and evaluated the state of play of their implementation. In 2011, the IOP MA paid monitoring visits to pilot projects in the town of Kladno and Most. In the framework of publicity measures, in September 2011 the pilot projects and their impact on addressing the matters of socially excluded population of the CR were presented at the “IUDP under IOP“ conference held in Písek.

In 2011, the IOP MA carried on the coordination of the “Working Group Pilot“. Its main objective is to coordinate the cooperation between municipalities and other stakeholders and to provide methodological assistance in the implementation of pilot projects. The IOP MA has continued to cooperate with the Agency for Social Inclusion, even though in the course of 2011 the Agency terminated its cooperation with the pilot towns of Orlová, Přerov and Brno, to which, however, it still provides methodological assistance. The Working Group is also made up of representatives of MoLSA (OP Human Resources and Employment and IOP Intervention area 3.1b), representatives of MoEYS (OP EC) and MoI, who are in charge of the national crime prevention programme. Three meetings took place in 2011, namely on 25 Jan 2011, 11 May 2011 and 26 Sep 2011.

Cooperation between IOP, ROP and TOP within the IUDP implementation

The IUDP can also comprise projects financed from other operational programmes by which the synergy effect and comprehensive solution of plans are ensured. The MAs of thematic OPs (TOPs) were informed on the submitted IUDP under IOP after closing of the call and had the opportunity to comment on the individual IUDP projects and activities before the meeting of the Selection Committee in March 2009. The TOP MA representatives could also attend the meeting of the Selection Committee on IUDP. The indicative list of projects implemented under the IUDP and financed from other OPs can be updated by way of the Notification of the modification in IUDP. These modifications are immediately forwarded to the respective TOP MA. Information on the state of play of implementation and on topical issues of IUDP within the IOP, ROP and TOP is shared at the meetings of the Working Group for Coordination of Urban Policy. Its meetings were convened on 3 Feb 2011, 28 Jun 2011 and 14 Dec 2011.

2.7 Monitoring Arrangements

2.7.1 Monitoring of the programme

The Managing Authority on a monthly basis elaborates also the forecast absorption (volume of funds in the issued guidance documents, submission and approval of applications for payment, volume of aggregate applications for payment), evaluates its fulfilment and discusses with the IB the reasons of potential gaps between the actual absorption and the forecast. The MA regularly monitors the forecast

fulfilment of n+3 rule with respect to the current and following year. The MA also regularly evaluates the available allocation for future calls for individual intervention areas in order to set aside the exchange rate reserve. In 2011, the MA started to regularly monitor the volume of funds in closed tenders in relation to the forecast absorption.

In 2011, new functionality was incorporated in the monitoring system, which makes it possible for the MA/IB to monitor and control the revenue-generating projects and to take them into account in the volume of assistance. The Ministry for Regional Development of the CR takes part in the pilot regime of the Integrated Information System of State Treasury, based on which the modification of Monit7+ information system was made in the course of 2011.

In IS Monit7+, the function of sending the notification e-mails to the defined groups of persons, e.g. project administrators or beneficiaries, was added, which facilitates to monitor the approaching deadline for submission, control and administration of applications for payment, monitoring reports, etc.

2.7.2 Evaluation of the Programme

In 2011, the IOP Managing Authority conducted 3 external evaluations listed in the Evaluation Plan for 2011:

1. Evaluation of communication activities 2007–2010;
2. Justification of proposed changes in IOP Programming Document;
3. Evaluation of the progress in implementation of Priority axis 4 with respect to the accomplishment of the set out objectives of the Programme.

The MA itself carried out an evaluation of IOP absorption capacity and based on the task assigned at the 7th meeting of the Monitoring Committee conducted the ad hoc Analysis of administrative capacities and outsourcing.

From the Evaluation Plan of IOP for 2011, completed was the evaluation of MoH called the Audit of implementation of projects from the 1st call for Intervention area 3.2, the evaluation of MoC called the Evaluation of potential inclusion of additional funds under Intervention area 5.1, and the Intermediate Body of MoI completed the external Evaluation of impacts of proposed changes in the IOP Programming Document and preparation of related documentation and the Interim analysis of communication needs of the Ministry of Interior of the CR with respect to EU Structural Funds.

Outputs of all the referred to evaluations are available on www.strukturalni-fondy.cz/iop in Documents/Other documents section. Based on all the evaluations conducted in 2011, the MA and IB elaborated Action Plans that are attached to this Report as Annex No 3. Corrective measures are being fulfilled.

Evaluations and studies of the Managing Authority

Evaluation of IOP communication and publicity activities

The conduct of this evaluation ensues from Commission Regulation No 1828/2006 that lays down the obligation for the MA to ensure the evaluation of communication activities in 2007–2010 period.

Aim of the project: evaluation of individual communication activities with the view to evaluate the impact/reach and implementation of communication and publicity activities ensuing from the Communication Plan of IOP for 2007–2013 and Annual Communication Plans of IOP (2008, 2009, 2010) and to use of the results of evaluation of relevant activities when defining the communication strategy for 2011 – 2013 period

Implementation period: November 2010 – February 2011

Type of evaluation: external
Evaluator: NAVIGA 4, s.r.o.

Brief summary of conclusions.

Spontaneous knowledge of IOP among the population of the CR is negligible (less than 1 %). It is, however, not less than in other OPs. When receiving a prompt, 8 % of general public is aware of IOP. The functional knowledge of IOP is nearly zero, almost nobody is aware of the Programme mission.

The professional public (applicants and beneficiaries) show below-the-average awareness of areas supported under IOP. Except for the modernisation and digitisation of public administration (54 %), they tend not to consider the other activities as areas supported from IOP.

The public in general is aware of some specific investments supported from IOP. The largest share of the population is aware of:

- Revitalisation of prefabricated housing estates (65 %),
- CzechPoint (63 %),
- Revitalisation of important cultural monuments (63 %),
- System of data boxes (57 %),
- Purchase of state-of-the art of hospital equipment (57 %).

Simultaneously, there is a much lower awareness that these investments are supported from EU funds/IOP. It is likely that part of the ascertained knowledge (they are aware of financing from EU funds) has to be ascribed to their experience with interchangeable aid schemes (e.g. Green Savings programme).

Based on the evaluator's recommendation, the MA compiled the Action Plan from evaluation, which sums up the corrective measures, responsible entities and deadlines for the accomplishment of tasks. The corrective measures ensuing from the Action Plan are continuously implemented and the current status of the Action Plan is quarterly evaluated by the MA. Tasks are continuously fulfilled and a creative supervisor was selected, who developed the "Quality of my life" concept that has been applied to IOP publicity ever since November 2011. At present, an Internet campaign is under preparation. More details are given in the Action Plan from evaluation that is attached to this Report as Annex No 3.

Evaluation of the progress of implementation of Priority axis 4 of IOP (National support of tourism) with respect to the accomplishment of Programme objectives

The main aim was to evaluate the status of implementation of Priority axis 4, economy, effectiveness, project consistency and accomplishment of PA 4 objectives, or with respect to absorption capacity to propose a reallocation of funds under PA 4 and to quantify the amount not covered by absorption capacity. It also aimed to evaluate the financial and physical progress of PA 4 implementation by individual activity and selected IOP beneficiary, with regard to their time, administrative and absorption limits. The aims of evaluation were described in more detail in the Report on Implementation of IOP as of 31 March 2011.

Implementation period: January – May 2011

Type of evaluation: external

Evaluator: DHV CR, spol. s r.o.

Key conclusions of the evaluation:

1. Although the total allocation of funds to the approved projects is above the standard as compared to the other priority axes of IOP, the absorption of funds in projects under Priority axis 4 reports the worst results in terms of the approved amount of assistance. This fact puts at risk the fulfilment of n+3/n+2 rule.

2. Major risks of the implementation of Priority axis 4 is the shortage of quality projects, delays in the implementation of approved projects, sustainability of projects implemented by non-governmental non-profit organisations and associations of legal persons.
3. The greatest risk is insufficient economy, efficiency and effectiveness of funds spent in approved projects. The evaluator believes that in the approved projects of Tourism Department and CzechTourism up to CZK 150 million can be saved. Especially the items of purchase of services are overstated. Moreover, labour costs in projects go up because some project management activities are performed by external suppliers and at the same time labour costs are claimed in projects.
4. The target values of monitoring indicators will most likely be achieved, except for the indicator "Share of tourism entities in the CR connected to reservation system".
5. The system of project quality evaluation is set correctly. Bearing in mind the conclusions listed in point 3, the evaluator proposes to increase the number of points assigned to criteria assessing the economy and effectiveness of spent funds. In addition, the evaluator proposes to better define the criteria evaluating the necessity and relevance of projects and criteria assessing the contribution of projects to the development of tourism.
6. Absorption capacity of prepared projects is sufficient for the full absorption of allocation for Priority axis 4, nonetheless there is a risk of uneconomic and ineffective spending of funds.
7. The quality of projects implemented by the MRD Tourism Department and CzechTourism was poor. The first activity of projects was the baseline analysis, the outputs of which influenced the implementation of projects and resulted in multiple changes in projects.
8. The evaluator proposes to extend the number of eligible beneficiaries by voluntary associations of municipalities, organisations established by them and regions.
9. The evaluator believes that the added value of preliminary outputs of projects of the Tourism Department and CzechTourism is low.

The MA drafted the Action Plan from evaluation which sums up the corrective measures, responsible entities and deadlines for the fulfilment of tasks. The full version of the Action Plan, including the unaccepted proposals of evaluators was included in the Report on Implementation as of 30 Sep 2011. The corrective measures ensuing from the Action Plan are continuously fulfilled and the current stay of play is quarterly monitored by the MA. As of 31 Dec 2011, the majority of measures concerning the changes of evaluation criteria and supporting documents for evaluation under ongoing calls were implemented. In a longer perspective, in line with the set out deadlines the MA prepares an analysis of the evaluation of economy, efficiency and effectiveness of project costs and of the potential use of external experts for the 3E assessment. More details are given in the Action Plan from evaluation which is attached to this Report as Annex No 3.

Evaluation of the possibilities and feasibility of the transfer of funds within the Integrated Operational Programme

The main aim of the public contract was to evaluate the possibilities and feasibility of reallocation of funds within the IOP with respect to time, administrative, absorption and perhaps some other relevant limits. It also aimed to evaluate the financial and physical progress of IOP implementation by individual intervention area, or activity, if it is impossible to evaluate the intervention area as a whole. The aims of evaluations were detailed in the Report on Implementation of IOP as of 31 Mar 2011. Implementation period: January – April 2011

Type of evaluation: external
Evaluator: RegioPartner, s.r.o.

A brief summary of conclusions: The achieved physical and financial progress are closely linked and in prevailing majority of cases they are consistent, which indicates that the set out target values of monitoring indicators usually match the respective financial allocation.

During the evaluation of achieved progress, some factors were identified that cause both the delays in submission of project applications and in implementation (thus also absorption) of approved projects.

- Delays in tenders – it concerns the areas under which projects with large volume of funds are implemented based predominantly on large tenders.
- Lengthy preparation of the content – due to the pilot nature of projects and lack of experience of some applicants, the submission of project applications under certain activities is delayed as against the forecast progress of absorption in spite of intensive communication between the IBs and applicants and the assistance provided by the IBs to applicants.
- Poor content and formal quality of projects – this factor concerns primarily the activities, where the potential applicants are entities having no experience with the preparation and implementation of investment projects supported from EU SF (NGOs, Labour Offices, etc.) from the previous period.
- Delays in the evaluation of projects, issuance of legal acts and producing building permits.

The evaluator s proposed 4 scenarios of reallocation. Based on the recommendation the IOP MA drew up the Action Plan from evaluation which sums up the corrective measures, responsible entities and deadlines for the fulfilment of tasks. The full version of the Action Plan, including the unaccepted proposals of evaluators was included in the Report on Implementation as of 30 Sep 2011. The corrective measures related to the accepted recommendations are continuously fulfilled and their current status is monitored by the MA on a quarterly basis. The tasks are being fulfilled and so far all the tasks related to the preparation of changes in the IOP Programming Document have been accomplished. More details are given in the Action Plan from evaluation which is attached to this Report as Annex No 3.

Analysis of administrative capacities and outsourcing of Intermediate Bodies of IOP

To conduct the Analysis of administrative capacities and outsourcing of Intermediate Bodies was one of the tasks assigned to the IOP MA at the 7th meeting of the IOP Monitoring Committee.

The aim was to ascertain the actually spent funds by individual Intermediate Bodies on the administration of delegated activities. Based on the comparison of costs incurred by individual Intermediate Bodies to identify the risks and to propose the recommendations conducive to the increase of effectiveness and economy. The analysis uses the data supplied by the individual IBs for the monitored period January – June 2011.

Implementation period: June – September 2011

Type of evaluation: internal

Evaluator: IOP MA

Since the monitored period has proven to be far too short for the comparison of costs and current achievements, apart from the cost-related data, also the data related to the whole programming period 2007- 2013 were considered, or the data as of 30 Jun 2011, or as of the nearest possible date. The period of six months has proven to be too short also because the individual intervention areas are at different stage of implementation. The conclusions stated the most extreme values or differences between individual IBs.

1. Costs in related to administered allocation

The differences in costs linked to the administered programme allocation are marked in the group of intermediate bodies (MoH, CRD and MoC) with approximately CZK 1 000 per CZK 1 million of administered allocation and the MoI and MoLSA, where the costs are by 50–80 % higher.

2. Costs of administration of 1 project

The costs of 1 approved project of MoC and MoLSA incurred in the period of six months exceed CZK 300 thousand as against the other IBs, where they range from CZK 8 thousand to 100 thousand.

3. Number of FTEs in related to administered allocation

The number of employees expressed in full time equivalent involved in the administration of IOP at MoLSA per CZK 1 billion of allocation is the highest of all the IBs (10.99 FTE), the other IBs report the 3.34-5.83 FTE per CZK 1 billion of allocation.

4. Comparison of cost structure

The high share of costs on outsourcing reported by the MoI in the context of high number of FTE as against the other IBs.

5. Comparison of FTE structure

Increasing share of FTE and costs working under the agreement on work performance and agreement on work activities at the MoI at the expense of skeleton staff.

In response to extreme results, the individual IBs proposed adequate measures to eliminate the risks associated with these results. The MA shall conduct the evaluation of administrative capacities and outsourcing covering the whole year of 2011. The implementation of corrective measures of IOP MA and IBs in the form of the Action Plan from evaluation is attached to this Report as Annex No 3.

Evaluation of Intermediate Bodies

Audit on the implementation of projects from the 1st call for Intervention area 3.2 of the Integrated Operational Programme

In 2010, the Ministry of Health of the CR announced the above-the-threshold public contract called the Audit on the implementation of projects from the 1st call for Intervention area 3.2. It aimed at control and evaluation of the course of public procurement procedures of all the project of this call. Based on that, the supplier conducted also an analysis of effectiveness of the conduct of tenders in terms of the selected procedures of the beneficiary and the verification of the actual price levels of medical devices and equipment. It also aimed at assessing the administrative procedures and processes pursued by the European Funds Department in the administration of projects from the 1st call and their observance by the Department staff. The evaluation was presented in more detail in the Report on Implementation of IOP as of 31 Mar 2011.

Implementation period: October 2010 - March 2011

Type of evaluation: external

Evaluator: KPMG Czech Republic, s.r.o.

The analysis reveals that though certain purchases of devices and equipment were made at a price higher than the price common at the given time and place (especially in manufacturers or exclusive distributors) as claimed by the expert opinion, KPMG does not consider this fact significant or a mistake on the part of MoH with respect to the referred to market influences (according to the expert opinion the market influences range from 10 to 19 %). On the contrary, the determination of item price

ceilings in the process of approval of project applications can be considered a correct step at the given time and under the given circumstances, which substantially reduced the negative impact of a one-off increase in the demand for devices and equipment in the Czech market.

1. Administrative shortcomings of insignificant nature and without any influence on the selection of a supplier were identified. All the important aspects of public procurement procedures were in line with all the relevant regulations.
2. The Operational Manual for the GG of MoH IB as a whole is in compliance with the relevant Community and national legislation in all its important aspects. This conclusion is confirmed by an independent analysis conducted by two hired law firms.
3. The checks on files of projects from the 1st call did not reveal any significant discrepancy between the EF Department procedures and the MoH Operational Manual in the implementation of projects from the 1st call.

Acting upon the recommendations: Based on the recommendations, the MoH drew up the Action Plan which sums up the corrective measures, responsible entities and deadlines for the fulfilment of tasks. The corrective measures ensuing from the Action Plan are continuously fulfilled and its current status is monitored by the MA on a quarterly basis. Fulfilled so far have been the measures concerning the public contracts, which were addressed by the Anti-Corruption Strategy of the MoH and by the adoption of the document called Specification of the Order of the Minister 11/2011 Anti-Corruption Strategy. The model structure of contract documents was published on the website on 19 Oct 2011. The deadline for the follow-up tasks was due to the period of time needed for the approval of the model structure of contract documents set at 31 Mar 2012. Additional tasks will relate to the newly announced call scheduled for the first half of 2012. More detailed information is given in the Action plan from audit, which is attached to this Report as Annex No 3.

Evaluation of impacts of proposed changes in the IOP programming Document and development of related documentation

The aim of evaluation of the Ministry of Interior of the CR was to evaluate the impact of proposed changes in the Programming Document of IOP in Intervention areas 1.1, 2.1 and 3.4 presented by the Ministry of Interior of the CR at the 6th meeting of MoI. A partial goal was to evaluate the project outlines under Intervention areas 1.1, 2.1 and 3.4, which could use the released funds, bearing in mind the absorption capacity and foreseen savings in the submitted project outlines. More details about the focus of evaluation were given in the Report on Implementation of IOP as of 31 Mar 2011.

Implementation period: January – April 2011

Type of evaluation: external

Evaluator: PricewaterhouseCoopers CR s r.o.

In all the assessed intervention areas, the evaluator identified sufficient absorption capacity in the form of a pipeline of potential project outlines. The evaluator proposed three alternative transfers of funds. Having taken into account the absorption capacity of the intervention area, time needed for the transfer of funds and preparedness of project outlines, recommended as the most fitting was the alternative in which all the funds shall remain in Intervention area 3.4 and the project outlines of the GD FRS CR and the Police CR will be implemented.

The MoI drew up the Action Plan from evaluation which sums up the corrective measures, responsible entities and deadlines for the fulfilment of tasks. The corrective measures ensuing from the Action Plan are continuously fulfilled and its current status is monitored by the MA on a quarterly basis. The main measures concerned particularly the cooperation of MoI in the development of supporting document for changes in the IOP Programming Document. More detailed information is given in the Action Plan from evaluation, which is attached to this Report as Annex No 3.

Interim analysis of communication needs of the Ministry of Interior of the CR in the area of EU Structural Funds

The main aim was to evaluate the progress in knowledge of the EU Structural Funds and the absorption of funds from the Integrated Operational Programme and the Operational Programme Human Resources and Employment among the key target groups since the last analysis conducted in the autumn of 2009. Moreover, it aimed to evaluate the up to know effectiveness of communication of the Ministry of Interior of the CR in the area of Smart Administration (SA) as the Intermediate Body of the OP HRE and IOP and to analyse the exploited tools and their efficiency, effectiveness and economy.

Implementation period: January – July 2011

Type of evaluation: external

Evaluator: Bison & Rose, s. r. o.

The final part comprises the definition of communication needs for the future period, the communication plan for 2011 to 2015 period and the fundamental communication tools with the evaluation of their impacts and effectiveness.

The MoI elaborated the Action Plan from evaluation which sums up the corrective measures, responsible entities and deadlines for the fulfilment of tasks. The corrective measures ensuing from the Action Plan are continuously fulfilled and its current status is monitored by the MA on a quarterly basis. The measures follow from the Action Plan of the MA from the Evaluation of communication and publicity activities of IOP and are of a long-term nature. More detailed information is given in the Action Plan which is attached to this Report as Annex No 3.

Evaluation of the use of additional funds in Intervention area 5.1 of IOP

The aim of the evaluation of the Ministry of Culture of the CR was to evaluate the progress in implementation of Intervention area 5.1 IOP National support for utilising the cultural heritage potential. A specific goal was to evaluate the possibilities of using the additional funds in the light of Government Resolution No 817/2010 concerning the distribution of additional funds in keeping with Article No 17 of Interinstitutional Agreement (i.e. the performance reserve). More details about the focus of evaluation were given in the Report on Implementation as of 31 Mar 2011.

Implementation period: January – March 2011

Type of evaluation: internal

Evaluator: MoC IB

With respect to financial progress, the main findings point at the delay as against the forecast absorption, long period of time needed for the administration of the Decision on providing a grant, technically challenging implementation and over-commitment of activity b). Nonetheless, it is likely that the desirable financial progress shall be gradually achieved thanks to the approved projects.

The study recommends to allocate all the additional funds to activity b) Implementation of model projects of renovation and use of the most important components of intangible cultural heritage fund of the Czech Republic. The reason behind is especially the effectiveness and efficiency, simplicity, measurability, absorption capacity and link to strategic documents. The effectiveness and efficiency of projects in activities a) and c) is much lower than in activity b). In activity b), projects with higher financial requirements are implemented, which however exceed the anticipated results of the programme, i.e. the target values of respective indicators. The to date experience from previous calls and the analysis of the current preparedness of projects prove that the referred to additional funds are most effectively used in projects under activity b).

The MoC drew up the Action Plan from evaluation which sums up the corrective measures, responsible entities and deadlines for the fulfilment of tasks. All the measures ensuing from the Action

Plan have been fulfilled and the evaluation of their fulfilment was attached to the Report on Implementation as of 30 Sep 2011 as Annex No 3. Majority of measures concerned the preparation of conditions of the new call announced on 24 Oct 2011.

2.8 National Performance Reserve

This chapter is irrelevant with respect to the monitored period.

3 PROGRAMME IMPLEMENTATION BY PRIORITY AXIS

3.1 Priority axis 1a, 1b – Modernisation of public administration

Priority axes 1a and 1b aim to achieve faster and more reliable provision of state administration services to the public, and, by implementing electronic administration, to enable citizens and business entities to communicate simply and quickly with state administration authorities. As a result of the intervention, the authorities will have more capacity to deal directly with citizens which will increase the convenience of citizens while seeking contact with them.

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

3.1.1 Achieved progress and its analysis

3.1.1.A Information on physical and financial progress

Implementation of priority axis

Calls

Under Priority axes 1a and 1b, no calls were under way and no new calls were announced in 2011.

Indicators

In calls of the MoI CR, the data of the fulfilment of indicators is quantified as at the date of project completion. Some beneficiaries under Intervention area 1.1 considered the definition of indicators unclear and had problems with the wrongly set target values. The SFD in cooperation with the MA is drafting a revision of the Handbooks for Applicants and Beneficiaries, which will detail procedures for the calculation of the achieved values of indicators at project level.

Indicator No 150106 will be fulfilled by the end of 2012, when the projects of basic registers will be completed.

The achievement of target values of indicator 150109 is anticipated mostly in the second half of 2012, just as in indicator 150111, in which two beneficiaries have already achieved their target values.

In indicator 150110, the target value was achieved by eight beneficiaries, while in remaining 11 projects the achievement of target value is expected in 2012. The drop in this indicator in 2011 is caused by the changed methodology of calculation of this indicator.

In indicator 150112 and 150113, no significant progress has so far been achieved, the beneficiaries will fulfil the target values as at the date of completion of projects in the course of 2012 and 2013.

A negligible progress is obvious in the fulfilment of indicator 152105, where 7 of 19 projects have already achieved their target value of the indicator. The prevailing majority of remaining projects will achieve the target value of the indicator at the end of 2012.

Table No 29 – Output indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015 CONV	Target value 2015 RCE	CONV total	RCE total
150108	Increase in the number of new fully electronic agendas of the public administration, EU methodology	Number	Eurostat	Achieved	0	0	N/A	N/A	N/A	N/A	N/A	0	N/A
				Baseline	6	0	0	N/A	N/A	N/A	N/A	6	N/A
				Target						N/A	15	N/A	15
150106	Number of created basic registers of public administration	Number	IOP MA	Achieved	0	0	N/A	N/A	N/A	N/A	N/A	N/A	0
				Baseline	0	0	0	N/A	N/A	N/A	N/A	N/A	0
				Target						N/A	N/A	4	N/A
150109	Share of registers connected to central registers	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	N/A	0	
				Baseline	0	0	0	N/A	0	N/A	N/A	0	
				Target						N/A	75	75	75
150110	Share of authorities using the shared CIPA	%	IOP MA	Achieved	0	0	10	64,21	28	N/A	N/A	28	
				Baseline	0	0	0	10	64,21	N/A	N/A	0	
				Target						N/A	80	80	80
150111	Share of ministerial and agenda portals interconnected to the Public Administration Portal	%	IOP MA	Achieved	0	0	34,5	23,38	34,5	N/A	N/A	34,5	
				Baseline	19	0	0	34,5	23,38	N/A	N/A	19	
				Target						N/A	75	75	75
150112	Share of digitized documents	%	IOP MA	Achieved	0	0	0	2,26	1,57	N/A	N/A	1,57	
				Baseline	N/A	0	0	0	0	N/A	N/A	N/A	
				Target						N/A	20	20	20
150113	Share of authorities with electronic records management system and electronic document circulation	%	IOP MA	Achieved	0	0	N/A	0	6,7	N/A	N/A	6,7	
				Baseline	20	0	0	N/A	0	N/A	N/A	20	
				Target						N/A	100	100	100

Source: MSC2007 as of 2 Mar 2012

Table No 30 – Result indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015 CONV	Target value 2015 RCE	CONV total		RCE total	
152000	Quality of eGovernment services	%	Eurostat	Achieved	57,5	N/A	62,5	73,75	N/A	N/A	N/A	73,75			
				Baseline	30	57,5	N/A	62,5	73,75	N/A	N/A	30			
				Target	N/A							75	75	75	75
152001	Citizens using the Internet for communication with the public administration	%	Eurostat	Achieved	15,5	18,1	25,3	23,5	23,5	N/A	N/A	23,5			
				Baseline	3,3	15,5	18,1	25,3	23,5	N/A	N/A	3,3			
				Target	N/A							35	35	35	35
152105	Reduction of administrative burden of citizens, entrepreneurs and public sector	%	IOP	Achieved	0	0	100	100	95,65	N/A	N/A	95,65			
				Baseline	100	0	0	100	100	N/A	N/A	100			
				Target	N/A							75	75	75	75

Source: MSC2007 as of 2 Mar 2012

3.1.1.B Quality analysis

Financial progress

Before the end of 2011, under Priority axes 1a and 1b, funds in the total amount of EUR 354.1 million were approved, which represents 89.98 % of the total allocation, of which EUR 19.5 million was approved in 2011.

In 2011, 14.22 % of the total allocation for the intervention area was reimbursed, which equals EUR 55.9 million. In total, EUR 68.9 million has been reimbursed (17.50 % of the allocation).

A total of 15.58 % of expenditure (EUR 61.3 million) has been certified, of which 12.52 % (EUR 49.3 million) in 2011.

In 2011 and towards its end in particular, the planned rate of absorption was not achieved. The extension of project timetables by beneficiaries, complex and lengthy public procurement procedures substantially contribute to the failure to achieve the anticipated absorption of funds.

A corrective measure consisted in the introduction of a project monitoring and management system in the form of status reports, in which beneficiaries monitor the progress and meeting of the forecast absorption of funds. The effectiveness of this tool will be evaluated by the SFD in the first half of 2012.

Table No 31 – Financial status of IOP as of 31 Dec 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
1.1a	365 414 274	328 812 110	89,98%	63 952 019	17,50%	56 926 624	15,58%
1a	365 414 274	328 812 110	89,98%	63 952 019	17,50%	56 926 624	15,58%
1.1b	28 108 791	25 293 239	89,98%	4 919 272	17,50%	4 378 971	15,58%
1b	28 108 791	25 293 239	89,98%	4 919 272	17,50%	4 378 971	15,58%
PO 1	393 523 065	354 105 350	89,98%	68 871 291	17,50%	61 305 595	15,58%

Source: MSC2007as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Convergence objective ; RCE objective

Table No 32 – Financial progress of IOP in 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
1.1a	365 414 274	18 074 951	4,95%	51 945 661	14,22%	45 742 418	12,52%
1a	365 414 274	18 074 951	4,95%	51 945 661	14,22%	45 742 418	12,52%
1.1b	28 108 791	1 390 381	4,95%	3 995 823	14,22%	3 518 648	12,52%
1b	28 108 791	1 390 381	4,95%	3 995 823	14,22%	3 518 648	12,52%
PO 1	393 523 065	19 465 332	4,95%	55 941 484	14,22%	49 261 066	12,52%

Source: MSC2007as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Convergence objective ; RCE objective

Statistical data on rejected projects

In Intervention areas of 1.1a and 1.1b, a total of 20 applications have been rejected, 10 project applications have been withdrawn by the applicant, 6 projects have not met the quality evaluation requirements and 4 projects have been withdrawn following the approval of the legal act on providing a grant. In 2011, only one project was withdrawn by the applicant and one project application was withdrawn, one project was included among substitute projects.

Table No 33 – Table of rejected projects

Intervention area 1.1			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	0	0,0%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,0%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	6	7,6%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	0	0,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	10	12,7%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	4	5,1%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	20	25,3%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Fulfilment of horizontal themes

Equal opportunities

By the end of 2011, under Priority axes 1a and 1b, a total of 56 projects were approved in which the impact on equal opportunities is monitored, of which 33 projects have a positive impact on equal opportunities and 23 projects have a neutral impact on equal opportunities. None of the approved projects will focus on equal opportunities.

Table No 34 – Equal opportunities

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Number of projects with a neutral impact on equal opportunities	Number of projects	23
Number of projects with a positive impact on equal opportunities	Number of projects	33
Number of projects focused on equal opportunities	Number of projects	0

Source: IS Monit7+ as of 4 Jan 2012

Sustainable development

In Priority axes 1a and 1b, by the end of 2011 a total of 29 approved projects were environmentally neutral, 20 projects had a positive environmental impact, 7 projects will help improve the air and 2 projects will improve the population awareness of environmental protection. An example of project with an impact on the improvement of population awareness of environmental protection is “SIRIUS – System of integration and management of information in the field of technical protection of the environment“. In seven cases, the applicants declared a positive impact on air quality, but the supported activities most likely cannot have such an impact, which is why the MA checks this information. An example of a project with a positive environmental impact is SIRIUS – System of integration and management of information in the field of technical protection of the environment.

Table No 35 – Sustainable development

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	20
Project is environmentally neutral	Number of projects	29
Project will help improve the air	Number of projects	7
Project will help improve the quality of water	Number of projects	0
Project will use alternative sources	Number of projects	0
Project will enlarge the area of urban vegetation	Number of projects	0
Project will improve population awareness of environmental protection	Number of projects	2
Project requires an environmental impact assessment	Number of projects	0

Source: IS Monit7+ as of 4 Jan 2012

3.1.2 Significant problems encountered and measures taken to overcome them

Changes in staffing of project teams of beneficiaries (mainly in GA) and their inexperience with the administration of projects and conduct of tenders, insufficient sharing of information with the newly recruited staff.

Measures taken: Intensive communication and consultations with beneficiaries in order to highlight the necessity to implement the projects both with respect to SA strategy implementation and absorption of SF funds; holding of seminars for beneficiaries focusing on administration of projects, frequent mistakes, public procurement matters; one-to-one, e-mail and telephone consultations and assistance to beneficiaries.

Unclearly defined monitoring indicators – inappropriately set values of indicators or the indicator itself by beneficiaries.

Measures taken: communication with beneficiaries, revision of Handbooks for Applicants and Beneficiaries.

Failure to observe the timetable and extension of project implementation, insufficient consultations of arisen problems by beneficiaries, merger of project stages.

Measures taken: introduction of monthly monitoring and management of projects in the form of status reports, in which the beneficiaries monitor the progress and observance of the forecast absorption of funds; conduct of analysis of project extension.

Poor preparedness of projects leading to multiple changes in projects and a high error rate in monitoring reports and payment claims.

Measures taken: organisation of seminars for beneficiaries focused on topical issues, error rate and needs of beneficiaries; provision of expert assistance to beneficiaries.

Insufficient control activity – insufficient and inconsistent conduct of control activities, insufficient, inconsistent and wrong controls of public procurement procedures/tenders and underqualification and lack of experience of controllers.

Measures taken

In order to extend control activities, a contract notice was published for support in the performance of controls of implementation of projects at aid beneficiary under Intervention areas 1.1, 2.1 and 3.4 of IOP and 4a) and 4b) of OP HRE (October – December 2011); a stronger emphasis is placed on quality of performed control activities in problem areas of projects relying on the collaboration between the control unit, project and financial managers; a stress is put on the education and training of control personnel.

High turnover of senior staff and staff performing the administration of projects, lack of experience and expertise of new employees, absence of the transfer of information and materials in consequence of high turnover of staff.

Measures taken

A stress is put on education and training of staff, development of education plans for 2012.

Delays in implementation of projects of basic registers, due to which their timely launch on 1 Jul 2012, as stated by law, is at risk.

Measures taken: IOP MA held a series of meetings with the directors of projects of basic registers and the director of the National Registers Authority in order to identify the risks of failure to launch the basic registers; setting up of an interministerial working group for basic registers at the level of Deputy Ministers with adequate decision making powers.

3.2.3 Example of a project

Intervention area: 1.1 Developing information society in public administration

Name of the project, registration number: Creation of the National Digital Library, CZ 1.06/1.1.00/07.06386

Beneficiary: National Library of the Czech Republic

Project funding: total budget CZK 299 937 000, CZK 254 178 693 (SF contribution), CZK 45 758 307 (SB contribution)

By implementing this project, approximately 50 million pages of three hundred thousand of the most interesting and most popular publications published in the territory of the Czech Republic from the 19th to 21st century, written in the Czech language or concerning the CR will have been digitised by 2019. Concurrently, a safe digital repository for these electronic documents, an interface offering access to the content and an on-line catalogue will be established.



3.2 Priority axis 2 – Introducing ICT in territorial public administration

Priority axis 2 is focused on modernisation of the territorial public administration, mainly on creating the conditions for application of e-Government at the local level, on optimisation of processes in the local self-governing bodies, mainstreaming electronic communication between the individual levels of public administration by ensuring mutual compatibility of information systems and data consistency, by providing as much information as possible free of charge via the Internet.

3.2.1 Achieved progress and its analysis

3.2.1.A Information on physical and financial progress

Implementation of priority axis

Calls

Under Intervention area 2.1, no new calls were announced in 2011.

Indicators

In calls of the MoI CR, the data on the fulfilment of indicators is quantified as at the date of project completion. Some beneficiaries under Intervention area 2.1 considered the definition of indicators unclear and had problems with the wrongly set target values. The SFD in cooperation with the MA is drafting a revision of the Handbooks for Applicants and Beneficiaries, which will detail procedures for the calculation of the achieved values of indicators at project level.

No major progress has been achieved in any of the indicators as yet, the beneficiaries will be fulfilling the target values as at the date of completion of projects in 2012 – 2014 period. Particularly in 2013, the target values of indicators 150115 and 150117 will be fulfilled. The fulfilment of indicators 150116 and 150114 is scheduled for 2013 and 2014.

Table No 36 – Output indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015	Total
150105	Number of contact points of public administration (CzechPoint)	Number	IOP MA	Achieved	0	0	4 470	6 557	6 557	N/A	6 557
				Baseline	1 300	0	0	4 470	6 557	N/A	1 300
				Target	N/A					6 244	6 244
150117	Share of local public administration registers connected to central registers	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target	N/A					75	75
150115	Share of local networks connected to CIPA	%	IOP MA	Achieved	0	0	N/A	0	10	N/A	10
				Baseline	10	0	0	N/A	0	N/A	10
				Target	N/A					85	85
150116	Share of regional portals integrated into the Public Administration Portal	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target	N/A					75	75
150114	Number of new fully digitised agendas of local public administration	Number	IOP MA	Achieved	0	0	0	N/A	1	N/A	1
				Baseline	0	0	0	0	N/A	N/A	0
				Target	N/A					10	10
150112	Share of digitised documents	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target	N/A					20	20
150113	Share of authorities with electronic records management system and electronic document circulation	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	20	0	0	N/A	0	N/A	20
				Target	N/A					100	100

Source: MSC2007 as of 2 Mar 2012

Table No 37 – Result indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015	Total
152000	Availability of eGovernment services on-line	%	Eurostat	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	30	0	0	N/A	0	N/A	30
				Target	N/A					75	75
152105	Reduction of administrative burden of citizens, entrepreneurs and public sector	%	IOP MA	Achieved	0	0	100	0	0	N/A	0
				Baseline	100	0	0	100	0	N/A	100
				Target	N/A					75	75

Source: MSC2007 as of 2 Mar 2012

3.2.1.B Qualitative analysis

Financial progress

In Intervention area 2.1, as of 31 Dec 2011 applications in the total amount of EUR 179.3 million were approved, which represents 89.2 % of the allocation for this intervention area. In project approval, the greatest progress was achieved in 2011, when a total of EUR 161.4 million was approved, i.e. 80.29 % of the allocation.

Progress achieved in the following stages of implementation was less significant, of the total amount of EUR 19.1 million reimbursed to beneficiaries altogether 5.7 million was paid out in 2011. Expenditure in the total amount of EUR 13.2 million (6.57 %) has been certified, of which EUR 8.2 million (4.09 %) in 2011.

In Intervention area 2.1, major delays were seen in the issuance of legal acts under individual calls and in the drawdown of assistance. This development is obvious especially towards the end of the year.

With the view to accelerate the processing of applications for payment, communication between beneficiaries and SFD (CRD) was established for addressing problems related to application for payments. Based on coordination meetings with CRD, measures are also taken to accelerate the administration of projects and applications for payment.

Table No 38 – Financial status as of 31 Dec 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
2.1	200 977 851	179 270 799	89,20%	19 070 774	9,49%	13 211 538	6,57%
PA 2	200 977 851	179 270 799	89,20%	19 070 774	9,49%	13 211 538	6,57%

Source: MSC2007 as of 4 Jan 2012
CZK/EUR exchange rate: 25.910
Source of funding: public funds total

Table No 39 – Financial progress in 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
2.1	200 977 851	161 358 004	80,29%	5 700 388	2,84%	8 214 762	4,09%
PA 2	200 977 851	161 358 004	80,29%	5 700 388	2,84%	8 214 762	4,09%

Source: MSC2007 as of 4 Jan 2012
CZK/EUR exchange rate: 25.910
Source of funding: public funds total

Statistical data on rejected projects

In Intervention area 2.1, the share of rejected projects in the total number of submitted project applications is 5.8 %. In 184 cases the project application was withdrawn by the applicant, in 52 cases the project was withdrawn by the applicant, 51 project applications did not meet the formal requisites and 49 project applications did not meet eligibility criteria.

Table No 40 – Table of rejected projects

Intervention area 2.1			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	49	0,8%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	51	0,9%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	3	0,1%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	1	0,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	184	3,2%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	52	0,9%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	1	0,0%	0,1%
Total	341	5,8%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Fulfilment of horizontal criteria

Equal opportunities

From among projects approved under Priority axis 2, before the end of 2011 a total of 5 288 projects have a positive impact on equal opportunities (of which 5 272 are CzechPoint type projects), the remaining 199 projects have a neutral impact on equal opportunities.

Table No 41 – Equal opportunities

Monitoring of horizontal themes	Unit of measures	Status as of 31 Dec 2011
Number of projects with a neutral impact on equal opportunities	Number of projects	199
Number of projects with a positive impact on equal opportunities	Number of projects	5 288
Number of projects focused on equal opportunities	Number of projects	0

Source: IS Monit7+ as of 4 Jan 2011

Sustainable development

Altogether 5 470 projects approved before the end of 2011 under Priority axis 2 should be environmentally neutral (of which 5 272 CzechPoint type projects), 16 projects have a positive environmental impact and two projects undertake to help improve the quality of air and additional 2 projects undertake to help improve the quality of water, namely the projects on Technology Centres Vyškov and Votice. The MA currently checks this information since a positive environmental impact of project implementation is difficult to prove.

Table No 42 – Sustainable development

Monitoring of horizontal themes	Unit of measures	Status as of 31 Dec 2011
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	16
Project is environmentally neutral	Number of projects	5 470
Project will help improve the air	Number of projects	2
Project will help improve the quality of water	Number of projects	2
Project will use alternative sources	Number of projects	0
Project will enlarge the area of urban vegetation	Number of projects	0
Project will improve population awareness of environmental protection	Number of projects	0
Project requires an environmental impact assessment	Number of projects	

Source: IS Monit7+ as of 4 Jan 2011

3.2.2 Significant problems encountered and measures taken to overcome them

Poor quality of submitted project applications, insufficiently planned activities, inexperience of beneficiaries with projects of similar nature.

Measures taken: holding of seminars for beneficiaries in cooperation with CRD; appointment of a contact person who will respond to enquiries of applicants in order to ensure consistent interpretation; update and completion of FAQ on CRD CR and SFD website, consultations with applicants at CRD CR branches, cooperation when designing the methodological procedures and consistent interpretations between CRD HQ and SFD, controls of physical eligibility of expenditure by the SFD expert.

Lack of knowledge of public procurement procedures stipulated by law and the Binding Procedures, unwillingness to consult the contract documents for tenders with CRD and to accept the CRD comments.

Measures taken: holding of seminars on public procurement in cooperation with CRD; internal meetings with CRD; publishing FAQ on SFD and CRD website; consultation activities for beneficiaries focusing on public procurement.

Non-compliance with Conditions of the Decision on providing a grant – failure to observe the deadlines for individual acts ensuing from the Conditions (timely notification of changes and submission of monitoring reports); inexperience with the submission of monitoring reports and applications for payment and their administration.

Measures taken: holding of seminars for beneficiaries; informing beneficiaries about the possibility of continuous communication with CRD concerning the requisites of documents submitted within the application for payment and monitoring report with the view to maximise the effectiveness and speed of the process; more consultation activities for beneficiaries (elaboration of monitoring reports, applications for payment, public contracts, administration of changes, sustainability); appointment of a contact person who will respond to enquiries of beneficiaries, CRD and SFD in terms of technical and content-related aspects with the view to ensure consistent interpretation.

3.2.3 Example of a project

Intervention area: 2.1 Introducing ICT in territorial public administration

Name of the project, registration number: Development of eGovernment in Central Bohemian region, CZ.1.06/2.1.00/08.07144

Beneficiary: Central Bohemian region

Project funding: CZK 176 415 049 (total budget), CZK 134 990 709 (SF contribution), CZK 41 424 340 (SB contribution)

The project concentrates on building a technology centre (TC) of the region. The TC is responsible for the digitisation and storage of data for the entire region and development of a regional digital registry or a digital vector map covering the territory of the region.



3.3 Priority axis 3 – Improving public services quality and accessibility

Activities supported under Priority Axis 3 follow up the interventions into the quality and effectiveness of the public administration functioning. The common goal is to improve the organisation, financing and the evaluation process of public services. Apart from the necessity to improve the basic ICT infrastructure, further requirements for interventions into the public services infrastructure arise from the conceptual plans of transformation of public services into modern effective forms. Emphasis is put on a higher use of residential provision of services, preference of preventive measures, standardisation of quality and availability of specialised services and promotion of personalised approach to clients. A basic prerequisite for fast, effective changes while preserving the standards in all regions is the coordinated approach from the national level.

The priority axis is focused on **four intervention areas**:

- 3.1 – Social integration services
- 3.2 – Public health services
- 3.3 – Employment services
- 3.4 – Services in security, risk prevention and management

3.3.1 Achieved progress and its analysis

3.3.1.A Information on physical and financial progress

Implementation of priority axis

Calls

The MoLSA closed the calls No 01 – 03 for **Intervention area 3.1**. In mid 2011, it announced calls No 06 – 08 for the same activities. Main expectations in terms of absorption are placed on call No 07 for activity a), under which as of 31 Dec 2011 projects in the amount of EUR 11.7 million were received. Before the end of 2011, no project was rejected and their approval can be anticipated provided the evaluation of submitted projects is positive. Under call No 06 for activity b), before the end of 2011 three project applications in the amount of EUR 1.1 million were submitted. The call No 8 for activity c) is a specific pilot support of social enterprises. Under this call 28 project applications in the amount of EUR 2.9 million were submitted. Before the end of 2011, 9 project applications were rejected during the evaluation of quality and one applicant withdrew. The way of addressing this situation is presented in Chapter 3.3.2 Significant problems encountered and measures taken to overcome them.

In **Intervention area 3.2**, call No 08 for submission of project applications was under way, which was opened in January and closed in March 2011. A total of 31 project applications amounting to EUR 41.9 million were received, with the allocation for the call being EUR 44.8 million. No projects were rejected during the process of evaluation and all the 31 projects were recommended for financing by the Selection Committee.

In **Intervention area 3.3**, in 2011 applications continued to be submitted under two continuous calls. A total of 17 project applications amounting to EUR 45.4 million were submitted. In 2011, 10 project applications were submitted, 5 in each of the calls. Of 8 project applications submitted under call No 05, 5 applications were rejected for not meeting the eligibility criteria or on the grounds of low score. The MoLSA decided to close the call No 05 and to reallocate the funds primarily to activity a).

In **Intervention area 3.4**, in 2011 two calls with the allocation of EUR 79.3 million and EUR 11.4 million, respectively, were under way. Under call No 11 with the allocation of EUR 79.3 million, 43 project applications in the amount of EUR 80.5 million were submitted. By the end of the year, 41 projects amounting to EUR 77.0 million were approved. The delays in the selection of the general supplier for the umbrella project of the Information system of the Integrated Rescue System (IRS IS) cause protraction in the implementation of the project and follow-up regional projects of the whole call No 11. Under call No 12 with allocation of EUR 11.4 million, 13 project applications amounting to EUR 11.3 million were received, 12 projects totalling EUR 10.7 million were approved. The call aimed to enhance the operational capability of FRS CR. Before the end of 2011, legal acts were approved and tenders are prepared.

Table No 43 – Overview of announced and ongoing calls in 2011 (EU + national sources) - cumulatively

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of priority axis /intervention area	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	number	in EUR	number	in EUR
13.	01	10.4.2009	28.2.2011	continuous	3.1	14 831 990	139	18 505 487	18	1 955 990
17.	02	13.7.2009	28.2.2011	continuous	3.1	51 659 668	7	15 372 300	5	8 427 899
21.	03	30.9.2009	28.2.2011	continuous	3.1	21 524 855	29	14 418 366	5	1 318 452
24.	04	11.11.2009	30.6.2013	continuous	3.3	37 099 680	9	37 054 751	5	15 536 611
25.	05	11.11.2009	30.12.2011	continuous	3.3	6 483 977	8	8 342 845	1	1 006 637
35.	11	1.7.2010	30.6.2011	continuous	3.4	79 274 411	43	80 504 908	41	76 986 918
37.	08	17.1.2011	16.3.2011	time-limited	3.2	44 781 513	31	41 854 156	0	0
39.	12	20.5.2011	31.8.2011	continuous	3.4	11 351 511	13	11 336 936	12	10 740 255
40.	06	31.5.2011	30.6.2013	continuous	3.1	10 051 458	3	1 128 986	0	0
41.	07	7.7.2011	30.6.2013	continuous	3.1	30 993 014	9	11 704 940	0	0
42.	08	29.7.2011	29.6.2012	continuous	3.1	8 501 878	28	2 846 285	0	0
IA 3.1 total						137 562 863	215	63 976 364	28	11 702 341
IA 3.2 total						44 781 513	31	41 854 156	0	0
IA 3.3 total						43 583 656	17	45 397 595	6	16 543 247
IA 3.4 total						90 625 922	56	91 841 843	53	87 727 173
PA 3 total						316 553 955	319	243 069 959	87	115 972 761

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Indicators

Indicator 075713 in activity a) of **Intervention area 3.1** is fulfilled to the degree of 33 % and a substantial increase of this value is expected in 2012, reflecting the receipt of projects under call No 07. All projects that shall contribute to the values of monitored indicators of activity a) are under preparation or implementation. A major increase of values of this indicator cannot be anticipated before 2013.

In terms of the number of supported organisations under activity 3.1b), at MoLSA the indicator 075714 has been fulfilled to the level of 17 %, this value will increase once all the Decisions on providing a grant under call No 03 are issued in the course of 2012. The final values of this indicator will also be influenced by projects under call No 06.

Low percentage of submitted and supported projects in activity 3.1 b), which focuses on investment support to members of socially excluded Roma locations/communities, is reflected in the value of indicator 075712, which has been fulfilled to the level of 6 % of the target value. Substantial improvement of this value should occur thanks to the increase in the number of received projects under call No 6 at the beginning of 2012.

In case of activity 3.1 c), the efficiency of support measured through indicator 075603 has been achieved as required, but the number of supported projects is low. Indicator 075802 has currently reached the level of 7.2 % of the target value and it is most likely that the original target value of 250 projects will not be achieved in this indicator. Because of that the MoLSA requested a reduction of the target value of this indicator within the revision of the IOP Programming Document.

The value of indicator 80721 **in Intervention area 3.2a)** is calculated as an average of values achieved in the given network.

Indicator 80704 in activity 3.2 c) is far from being fulfilled, which is why the MoH IB is preparing a new call for Intervention area 3.2c) to be opened at the beginning of 2012.

The value of indicators **in Intervention area 3.3** will be reported following the successful completion of implementation of the project. As at 31 Dec 2011, the achieved value is zero.

The Selection Committee approved 5 projects under activity a) and 4 projects under activity b). More projects are being prepared. In activity c), only one project has been approved and there is a risk of non-fulfilment of indicators due to low interest of applicants and rejection of submitted projects from administration on account of failure to meet the eligibility criteria or failure to receive the minimum score in quality evaluation.

In Intervention area 3.4, the indicator 260401 will be fulfilled towards the end of 2013. The fulfilment of indicator 260407 is expected in the course of the implementation of projects from call No 11 in 2013. The remaining indicator 260410 should be fulfilled no later than by the end of 2012. Indicator 260412 will be fulfilled through the implementation of projects from newly announced calls No 12 and 13.

Table No 44 – Output indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015	Total
330300 Core 41	Number of projects focused on social inclusion	Number	IOP MA	Achieved	0	0	0	66	98	N/A	98
				Baseline	0	0	0	0	66	N/A	0
				Target						N/A	294
075713	Residential facilities with transformation in progress	Number	IOP MA	Achieved	0	0	0	5	15	N/A	15
				Baseline	0	0	0	0	5	N/A	0
				Target						N/A	30
075714	Number of supported organisations	Number	IOP MA	Achieved	0	0	0	0	0	N/A	0
				Baseline	0	0	0	0	5	N/A	5
				Target						N/A	30
075802	Number of supported entities	Number	IOP MA	Achieved	0	0	0	0	17	N/A	17
				Baseline	0	0	0	0	0	N/A	0
				Target						N/A	250
080100 Core 38	Projects on the support of health – total	Number	IOP MA	Achieved	0	0	63	66	98	N/A	98
				Baseline	0	0	0	63	66	N/A	0
				Target						N/A	110
080102	Projects focusing on the support of health – modernising medical equipment	Number	IOP MA	Achieved	0	0	24	34	43	N/A	43
				Baseline	0	0	0	24	34	N/A	0
				Target						N/A	50
080101	Projects for the support of health - health risk prevention	Number	IOP MA	Achieved	0	0	0	17	20	N/A	20
				Baseline	0	0	0	0	17	N/A	0
				Target						N/A	45
080702	Number of projects focused on the introduction of standards and standard procedures of quality and cost management	Number	IOP MA	Achieved	0	0	14	8	9	N/A	9
				Baseline	0	0	0	14	8	N/A	0
				Target						N/A	15
074521	Number of supported employment service institutions	Number	IOP MA	Achieved	0	0	N/A	N/A	N/A	N/A	0
				Baseline	0	0	0	N/A	N/A	N/A	0
				Target						N/A	8
074532	Number of newly built and supported existing training centres of employment services	Number	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target						N/A	4
074533	Number of newly built information-training centres of employment services	Number	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target						N/A	2
260407	Number of IRS operational centres with integrated ICT	Number	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target						N/A	14
260408	Number of newly built logistics bases	Number	IOP MA	Achieved	0	0	N/A	N/A	1	N/A	1
				Baseline	0	0	0	N/A	N/A	N/A	0
				Target						N/A	1
260410	Number of modernised or newly built contact	Number	IOP MA	Achieved	0	0	76	242	265	N/A	265
				Baseline	0	0	0	76	242	N/A	0

	stations of Front office type connected to IRS network			Target						N/A	369	369
260412	Number of technological equipment for elimination of safety risks or their implications	Number	IOP MA	Achieved	0	0	N/A	0	0	N/A	0	0
				Baseline	0	0	0	N/A	0	N/A	0	
				Target	N/A						2 180	2 180

Source MSC2007 as of 2 Mar 2012

Table No 45 – Result indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015	Total
075711	Alternative social services	Number	IOP MA	Achieved	0	0	N/A	N/A	2	N/A	2
				Baseline	0	0	0	N/A	N/A	N/A	0
				Target	N/A						60
075712	Number of new social services and activities	Number	IOP MA	Achieved	0	0	N/A	3	3	N/A	3
				Baseline	0	0	0	N/A	3	N/A	0
				Target	N/A						50
075603	Share of persons for whom the provided support met its purpose	%	IOP MA	Achieved	0	0	N/A	61,8	61,11	N/A	61,11
				Baseline	0	0	0	N/A	61,8	N/A	0
				Target	N/A						60
080721	Increase of standardised specialised workplaces	%	IOP MA	Achieved	0	0	61,21	67,58	64,62	N/A	64,62
				Baseline	0	0	0	61,21	67,58	N/A	0
				Target	N/A						60
080712	Number of prevention programmes available for citizens	Number	IOP MA	Achieved	0	0	N/A	12	19	N/A	19
				Baseline	0	0	0	N/A	12	N/A	0
				Target	N/A						45
080704	Number of programmes introducing the standards and standard procedures for quality and cost management	Number	IOP MA	Achieved	0	0	N/A	6	10	N/A	10
				Baseline	0	0	0	N/A	6	N/A	0
				Target	N/A						40
074514	Improved quality of working and client environment of the employment services institutions	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target	N/A						15
074512	Increased capacity of	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	N/A	N/A	0

	training centres of employment services			Target	N/A					20	20
074513	Increased capacity of advisory and education and training centres	%	IOP MA	Achieved	N/A	N/A	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target	N/A					25	25
260401	Number of supported IRS units	Number	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	N/A	0	N/A	0
				Target	N/A	N/A	N/A	N/A	N/A	3	3
260406	Decrease in average response time to imminent or existing safety risks	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	100	0	0	N/A	0	N/A	100
				Target	N/A					75	75
260404	Creation of new capacities for effective provision of humanitarian aid to other countries	m 2	IOP MA	Achieved	0	0	N/A	N/A	2500	N/A	2500
				Baseline	0	0	0	N/A	N/A	N/A	0
				Target	N/A					2500	2500

Source: MSC2007 as of 2 Mar 2012

3.3.1.B Quality analysis

Financial progress

In Priority axis 3, funds in the total amount of EUR 370.3 million have been approved, which represents 57.74 % of the allocation for this priority axis. The largest volume of funds has been approved in Intervention area 3.2 – 73.16 % of the allocation for this intervention area, which equals EUR 221.86 million. Funds amounting to EUR 139.81 million have been paid to beneficiaries, with the largest share going to Intervention area 3.2 – EUR 116.76 million. The lowest volume of funds totalling EUR 0.37 million has been reimbursed to beneficiaries under Intervention area 3.3. The highest share or certified expenditure is seen in Intervention area 3.2 (EUR 101.89 million).

In 2011, the **Intervention area 3.1** experienced progress in the issuance of Decisions, reimbursement of funds and certification of expenditure. As of 31 Dec 2011, projects totalling EUR 11.6 million have been approved, of which EUR 10.6 million was approved in 2011. Of the amount of EUR 1.5 million, in 2011 EUR 1.4 million was paid out to beneficiaries and expenditure amounting to EUR 1.3 million was certified.

The rate of absorption under **Intervention area 3.2** slowed down in the course of 2011, predominantly in consequence of the introduction of Anti-Corruption Strategy of MoH, which apart from other things imposes an obligation upon the contracting entity to cancel the tender if only one bid is submitted and the beneficiary is unable to prove that the bid (price) corresponds with the prices common at the given time and place.

In Intervention area 3.4 in 2011, the delay in the implementation of the umbrella project caused delays in the follow-up projects. Of the amount of EUR 85.6 million, EUR 2.4 million was reimbursed and expenditure totalling EUR 2.1 million was certified.

Of the total amount of EUR 16.6 million of approved projects **in Intervention area 3.3**, EUR 14.3 million was approved in 2011. Upon request of IOP MA, the MoLSA changed its approach to issuance of the Statement of expenditure for financing the actions of GA/Decision on providing a grant following the closing of tenders. This procedure impacts the evidencing of progress achieved in programme implementation. The MA and other IBs issue one Decision only for the whole volume of assistance. At present, MoLSA issues several Statements/Decisions based on the tendered amounts.

In 2011, in this intervention area EUR 0.4 mil. was reimbursed and subsequently also certified.

Table No 46 – Financial status as of 31 Dec 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
3.1	93 180 640	11 604 394	12,45%	1 500 574	1,61%	1 265 575	1,36%
3.2	292 331 419	213 862 962	73,16%	116 759 838	39,94%	101 891 451	34,85%
3.3	54 812 141	16 543 247	30,18%	367 691	0,67%	395 338	0,72%
3.4	200 977 851	128 256 579	63,82%	21 181 979	10,54%	6 774 950	3,37%
PA 3	641 302 051	370 267 183	57,74%	139 810 080	21,80%	110 327 315	17,20%

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Table No 47 – Financial progress in 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
3.1	93 180 640	10 597 422	11,37%	1 408 404	1,51%	1 265 575	1,36%
3.2	292 331 419	-7 778 211 ¹⁷	-2,66%	40 519 003	13,86%	40 462 154	13,84%
3.3	54 812 141	14 284 902	26,06%	367 691	0,67%	395 338	0,72%
3.4	200 977 851	85 553 268	42,57%	2 363 927	1,18%	2 059 986	1,02%
PA 3	641 302 051	102 657 381	16,01%	44 659 024	6,96%	44 183 054	6,89%

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Statistical data on rejected projects

Compared to average values for the whole operational programme, **in Intervention area 3.1** under calls No 01 - 03 higher number of rejected projects was reported. These calls differ from the average values mainly by the percentage of rejected projects that failed to meet quality evaluation requirements, almost exclusively falling under call No 01, activity 3.1c). The most frequent reason

¹⁷ Negative value of the amount of funds covered by the Decision in Intervention area 3.2 is caused by wrongly entered data in nine projects. The data entered into IS Monit7+ for IOP corresponded with the requirement for support stated in project application, whereas in some projects the Decision was issued for a lower amount of assistance, which was approved by the Selection Committee. By conversion of data in IS Monit7+ the values have been corrected to correspond to reality.

was the failure to receive the minimum score necessary for support, these projects therefore were not recommended for support by external evaluators. This problem stands also in call No 08. The MoLSA responded to this fact by holding seminars for applicants and evaluators. In projects under activity 3.1 c), also addressed is the quality of evaluation of eligibility and formal requisites conducted by the Centre for Regional Development of the CR, which is necessary for subsequent fast and good quality evaluation of quality, analysis of risks and potential ex-ante checks.

The withdrawal of project application by applicant was recorded by MoLSA in 10.5% of rejected projects, most frequently in activity 3.1b) under call No 03. The applicants opted for this step as a solution to their inability to supplement their applications following the requirements raised by the ex-ante check. As concerns problem areas identified in call No 03, they consisted in unclearly defined requirements for annexes to project application, the investment plan in particular. Applicants also found difficult to appropriately design the social services in case they had no previous experience with their implementation. These problems should not occur to such an extent in call No 06. The MoLSA revised the problem causing requirements for applicants under call No 06 and the remaining two calls.

Another significant factor is the lack of funds for project implementation (operational stage) and sustainability. This problem is addressed by some applicants by the submission of parallel projects to OP HRE, from which they can cover the non-investment expenditure in the operational stage of their investment project.

Table No 48 – Table of rejected projects

Intervention area 3.1			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	4	1,8%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	1	0,5%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	90	41,1%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	5	2,3%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	14	6,4%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	1	0,5%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	23	10,5%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	0	0,0%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	138	63,0%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Statistical data on rejected projects

In Intervention area 3.2, altogether 31 project applications or projects were rejected, of which 12 were not recommended for financing by the Selection Committee, 6 projects failed to meet quality evaluation requirements and two projects did not meet eligibility criteria and two more projects did not meet formal requisites, 2 project applications were withdrawn by the applicant, in one project the

issuance of Decision on providing a grant was denied due to the deletion of the project from the Bulletin of the Ministry of Health of the CR, in which medical facilities included in the national network of specialised workplaces are listed, which is one of the eligibility requirement for the applicant. Moreover, 6 projects were withdrawn.

In 2011, project applications submitted under call No 08 were evaluated. All of them were recommended for financing, thus no project was rejected in the process of evaluation in 2011.

Table No 49 – Table of rejected projects

Intervention area 3.2			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	2	1,2%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	2	1,2%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	6	3,7%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	12	7,3%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	1	0,6%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	2	1,2%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	6	3,7%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	31	18,9%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Statistical data on rejected projects

In Intervention area 3.3, as of 31 Dec 2011 of the total of 17 submitted project applications 6 project applications were rejected. It concerns 1 project in activity 3.1 a) and 5 applications in activity 3.3 c). Apart from one project application, which did not pass the eligibility check, all the other applications were rejected due to the failure to meet the physical evaluation.

In the monitored period, 2 projects were rejected in activity c) on account of failure to meet the quality evaluation requirements. These projects were redrafted and submitted again.

The highest percentage of rejected applications is reported in activity c), which has proven to be troublesome in terms of achievement of the main objective of this activity. Main reasons behind the rejection of projects was insufficient justification of necessity of the project, revenue generation which is unacceptable in this call, charging services, weak focus on the target group - on specific changes of conditions for general public and of services provided to the general public based on the project implementation. Because of that the MoLSA closed the call on 30 Dec 2011 and reallocated the funds to activity a).

In activities a) and b), the percentage of rejected applications is very low. The MoLSA has established close contacts with applicants because the preparation of projects is covered from the national aid scheme.

Table No 50 – Table of rejected projects

Intervention area 3.3			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	1	5,9%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,0%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	5	29,4%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	0	0,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	0	0,0%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	0	0,0%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	6	35,3%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Statistical data on rejected projects

In Intervention area 3.4, two applications were withdrawn by applicant already in the previous period, the third project under this intervention area was withdrawn in 2011. The percentage of rejected projects is below the IOP average, the third lowest.

Table No 51 – Table of rejected projects

Intervention area 3.4			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	0	0,0%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,0%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,0%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	0	0,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	3	3,8%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	0	0,0%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	3	3,8%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Fulfilment of horizontal themes

Equal opportunities

In Priority axis 3, a total of 210 projects were approved before the end of 2011, of which 98 projects with a neutral impact on equal opportunities, 87 projects with a positive impact and the remaining 25 project applications should focus on equal opportunities.

Table No 52 – Equal opportunities

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Number of projects with a neutral impact on equal opportunities	Number of projects	98
Number of projects with a positive impact on equal opportunities	Number of projects	87
Number of projects focused on equal opportunities	Number of projects	25

Source: IS Monit7+ as of 4 Jan 2012

Sustainable development

The largest number of projects approved under Priority axis 3 by the end of 2011 should be environmentally neutral (168), 41 should have a positive environmental impact, 10 project applications undertake to improve the population awareness of environmental protection, 6 projects use alternative sources and 6 projects shall improve the quality of air and one project shall enlarge the area of urban vegetation. It is the project called “Strategic noise maps”, which itself will not enlarge the area of urban vegetation, but based on the values in maps it can be considered a corrective measures decreasing the noise load in certain locations. The positive environmental impact stated in the application for support is only indirect and cannot be quantified. The MA checks this information.

Table No 53 – Sustainable development

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	41
Project is environmentally neutral	Number of projects	168
Project will help improve the air	Number of projects	6
Project will help improve the quality of water	Number of projects	2
Project will use alternative sources	Number of projects	6
Project will enlarge the area of urban vegetation	Number of projects	1
Project will improve population awareness of environmental protection	Number of projects	10
Project requires an environmental impact assessment	Number of projects	0

Source: IS Monit7+ as of 4 Jan 2012

Ranking among the projects, which should have a positive environmental impact are e.g. the following:

- Smart laundry – improvement of water quality in Intervention area 3.1;
- Biofuel production plant – use of alternative fuels in Intervention area 3.1;
- Social enterprise for production and sales of eco-fuels – improvement of air quality in Intervention area 3.2;
- Building an information and education centre in South Bohemian region – improvement of the population awareness of environmental protection in Intervention area 3.3

3.3.2 Significant problems encountered and measures taken to overcome them

Intervention area 3.1

Risk of the shortage of prepared and submitted projects that are suitable and of good quality

Complicated procedures, documents which are difficult to understand, lack of information and poor communication with applicants can result in unpreparedness of applicants (especially in case of envisaged projects listed directly in the Programming Document), shortage of submitted projects, their low quality, postponement of project submission, mistakes in project implementation. It can result in the failure to absorb the funds and fulfil the N+3/N+2 rule and to accomplish the programme objectives.

Measures taken

- Intensive consultation with applicants on the preparation of projects and consultations with beneficiaries during project implementation, their quantitative and qualitative evaluation.

Provision of one-to-one consultations to applicants and beneficiaries was considered by MoLSA to be the most effective measure contributing to successful submission of projects and absorption of allocation under all activities. In case of activity a), the preparation of projects rests on the use of the National Centre for Support of the Transformation of Social Services, which offers comprehensive consultations to applicants.

- Use of external entities for consultations of project applications (National Centre for Support of the Transformation, Agency for Social Inclusion of Roma Locations at the Office of the Government (hereinafter referred to as the “Agency”), including the design of the system for improving the quality of consultations provided by these entities. More effective cooperation

with the Agency is conducive to the increase in the number of received projects in activity b) at the beginning of 2012.

- Closing of calls No 01 - 03 and opening of calls No 06 – 08 for the same activities, with modified procedures and requirements.
- Simplification of administration of projects by modification of the Handbook of Work Procedures and administrative streamlining of the system of project evaluation.
- Interest of applicants for activity a) is adversely impacted by political factors, this risk has been taken into account by MoLSA since the announcement of the first call and efforts have been executed to eliminate it. The key measure taken is the implementation of an intensive campaign in favour of the transformation (implementation of an individual project of MoLSA called “Support to transformation of social services“) and holding of individual meetings with regions (applicants) in case the transformation process and submission of a specific project application is put at risk. In 2011, the MoLSA staff participated as lecturers in several panel discussions, conferences and seminars held by the cooperating organisations or beneficiaries. It was e.g. the “Conference on transformation and deinstitutionalisation of social services“ held from 28 Feb to 1 Mar 2011, a seminar called “Transformation of social services” held in the Chamber of Deputies of the Parliament of the CR on 6 Oct 2011, the “Introductory conference to the project called “Support to the process of transformation of residential social services” held under the responsibility of aid beneficiary under IA 3.1 in the Moravian-Silesian region on 12 Oct 2011, a public hearing in the Senate on the topic of “Transformation of social services: exercise of rights of disabled persons“ on 22 Nov 2011, a conference “Life in community“ held on 1 – 2 Nov 2011 with the participation of approximately 250 participants from among professional and general public, and a conference called “Architecture of social services in common environment“ held on 13 Dec 2011.
- Key measure for 2012 will be the use of outputs from the analysis (evaluation) of barriers to absorption of funds under IA 3.1 and IA 3.3. The analysis will help reflect the proposed measures in support of the drawdown of funds.

Risk of failure to absorb the allocation

The main problem faced ever since the beginning of implementation of Intervention area 3.1 is the slow rate of absorption accompanied by a high risk of failure to absorb the allocation. The delay that occurred at the launch of programme implementation, establishment of cooperation between MoLSA and CRD, frequent modifications of calls and other issues that have an impact on absorption could not be fully eliminated, but merely mitigated. The risk of failure to absorb the allocation in 2011 was affected primarily by slow preparation of projects in activity b), postponement of implementation of projects in activity a), low number of approved projects in activity c) and lengthy ex-ante checks in all activities. The MoLSA also failed to implement the project in support of consultancy during development and implementation of business plans.

Measures taken

- Continuous evaluation of absorption capacity and progress of absorption.
- Drawing up of a binding timetable for the preparation and submission of projects in activity a). This measure applied since 2010 facilitates an individual approach to each project and makes it possible to respond to potential protraction of project preparation. The timetable of absorption is a part of the Monthly Monitoring Report submitted by IBs to MA.

- As a follow up to the 8th meeting of IOP MC, in December 2011 regular reporting to the EC was introduced, providing information on the issuance of guidance documents, summary of absorption of funds and absorption forecasts.

Risk of ineffective control of the economy and effectiveness of expenditure

Inadequate legislation and absence or unclear determination of common prices in some intervention areas lead to the risk of ineffective control of economy and effectiveness of expenditure.

Measures taken

- Cooperation with experts of the expert institution of the Institute of Rationalisation in Construction, assessment of projects in line with the Guide to Work Procedures of MoLSA IB.
- Control of observance of the set out maximum limits stipulated in calls and Programme documents.
- Public procurement control (responsibility of the Centre for Regional Development of the CR).

Intervention area 3.2

Difficult control of 3E

The Standard of devices and equipment for individual specialised workplaces, compiled by the Ministry of Health of the CR, comprises only the names of individual devices. Each hospital determines the technical parameters of purchased devices in line with its current needs, thus each purchased device is unique to some extent. The value of individual devices depends on their technical parameters. The efficiency of purchased technology is among other things dependant on the existing devices and equipment at the applicant's workplace and on the size of the target group of patients. The assessment of the reasonability of prices of purchased technology, its efficiency and economy cannot be done without the expertise in the field of medical technology and its market.

Measures taken: In mid 2011, the EF Department introduced the so called system of intensive risk management, which also means an intensive cooperation of employees of this department with experts who assess whether the price of the purchased devices and equipment corresponds with the prices common at the given time and place. Since the MoH did not avail of sufficient number of experts, it announced an invitation to tender. Before the end of 2011, contracts were signed with adequate number of experts to cover the needs of Intervention area 3.2.

Slowdown of absorption and an increase in the number of suspected irregularities

The introduction of the system of 3E control during the control of applications for payment means that any finding of a purchase of overpriced device in projects financed through the expenditure account with the Czech National Bank is considered a suspected breach of budgetary discipline and a suspected irregularity. These cases are referred to the Territorial Financial Authority for investigation and the administration of payment claim is suspended until the decision is adopted. The 3E control of applications for payment in majority of cases results in failure to observe the deadlines for administration set out in the Operational Manual.

Measures taken:

In projects, where the stage of their administration makes it possible, to conduct the 3E control prior to the invitation to tender, or prior to the conclusion of a contract with supplier.

Tenders

Mistakes made by the contracting entity in tenders, risk of failure to detect the mistake during the control at IB.

Measures taken

- Implementation of the Action Plan based on the recommendation of the Audit on implementation of projects from the 1st call for Intervention area 3.2 of IOP.
- Control of the implementation the Anti-Corruption Strategy of MoH.
- Exploitation of external consultancy during the control of contract documents (legal consultancy, expert consultancy).
- Training of staff in the field of public procurement and sharing experience within the department at regular meetings.
- Participation in the meetings of the Working Group Public Contracts.
- Preparation for the amendment to Act on public contracts – modification of the Handbook for Applicants and Beneficiaries and the OM for GG of MoH IB, participation in special training courses, organisation of seminars for beneficiaries on the amendment to Act on public contracts, where necessary.
- Participation of EF Department staff in opening the envelopes and meetings of Selection Committees in case of public procurement procedures conducted by beneficiaries.
- Implementation of the TA project called the Project of Technical Assistance 6.1 - Audits of the 4th, 5th and 8th calls.

Intervention area 3.3

Low interest of regions in activity c)

Following the request of MoLSA to express the binding interest in a project implementation, only four regions expressed their interest (South Moravian, Plzeň, Karlovy Vary and South Bohemian regions). Currently, the applications of 3 regions have been submitted and administered, of which one application has been approved.

Measures taken: The call was closed by MoLSA on 30 Dec 2011. The allocation for the call was calculated for 4 projects. Now, one project is under implementation, two projects are under administration. In the event the projects are not approved, the top officials of MoLSA will decide about the next steps, most likely about the reallocation into activity a) which shows the highest absorption capacity.

Reallocation of funds

“*Evaluation of feasibility of the transfer of funds within IOP*“ elaborated in the period from 16 Feb to 31 Mar 2011 by RegioPartner, s.r.o. company concluded that there is a need of reallocation of funds from activity c) of IA 3.3 to activity a) of IA 3.3. The reallocation was approved by the IOP MC on 31 May 2011.

Measures taken: As a follow up to the reallocation, the List of projects of the Labour Office of the CR developed for the implementation and financing under IOP was updated and supplemented.

Units of measure of monitoring indicators

The result indicators are difficult to measure in % at the level of project, which is why the MoLSA in cooperation with IOP MA are developing a methodology for the conversion of project indicators to programme indicators with the view to simplify the reporting.

Intervention area 3.4

Delay in the implementation of the umbrella project called the Information System of the Integrated Rescue System (IRS IS) and of the follow-up regional projects on the account of selection of the general supplier of the system.

Measures taken: intensive discussions at the top level to arrange for the selection of the general supplier

Inexperience of new beneficiaries with administration of projects under IOP

Measures taken: organisation of seminars for beneficiaries; bringing attention of beneficiaries to the possibility of continuous communication with CRD concerning the requisites of documents submitted within the application for payment and the monitoring report in order to achieve maximum effectiveness and speed of the process; provision of consultation activities for beneficiaries (elaboration of monitoring reports, applications for payment, public contracts, administration of changes, sustainability); appointment of a contact person responding to enquiries of beneficiaries

Lack of knowledge of public procurement procedures stipulated by law and the Binding Procedures, unwillingness to consult the contract documents for tenders with CRD and to accept the CRD comments.

Measures taken: in cooperation with the CRD to organise seminars on public contracts; internal meetings with CRD; publishing of FAQ on SFD and CRD website; consultation activities for beneficiaries on public contracts.

3.3.3 Example of a project

Intervention area: 3.1 Social integration services

Name of the project: Transformation of the Social Care Centre Jinošov (CZ.1.06/3.1.03/02.06970)

Beneficiary: The Highlands (Vysočina) region

Total project budget: Decision on providing a grant in the amount of CZK 6 655 174, Decision on registration of the action is issued for the amount of CZK 59 235 550,-.

The Social Care Centre Jinošov was a traditional social care facility of institutional type, which provides social services to clients with disabilities. In February 2008, due to the state of disrepair of the Social Care Centre, a part of clients was moved to three smaller accommodation establishments located in Náměšť nad Oslavou. This marked the beginning of transformation of the large capacity facility of institutional type, when a part of clients had to be moved into smaller accommodation establishments located close to the centre and enabling the users to get involved in community life. Because this type of establishment and the integration of users in the community life have proven their worth, the Highlands region sought ways how to carry on the launched transformation in order to ensure the modern approach to the provision of social services, with an emphasis on human dignity and natural environment of users and integration of disabled persons in mainstream society.

The Highlands region submitted a project in call No 2 under Intervention area 3.1 for activity a) focused on investment support to the process and introduction of a single approach to the transformation of residential facilities of social services into other types of social services. During project implementation, family type households for up to 6 persons will be built in Náměšť nad Oslavou and Velká Bíteš as well as infrastructure for outpatient services and management in Náměšť nad Oslavou. The construction of households with the infrastructure for day programmes will enable the disabled users to live their life in natural environment of mainstream society. In new transformed facilities the user will not have to adapt, but social services will provide him with life comparable to

that of his health peers. By construction and suitable location of the new premises, the social services in the Highlands region will be extended. People with disabilities will be able to use the outpatient form of social services which will support their life in homely setting and reflect their individual needs.

Intervention area: 3.2 Public health services

Name of the project, registration number: Upgrade and renewal of devices and equipment of the comprehensive cardiovascular centre of the University Hospital Hradec Králové, (CZ.1.06/3.2.01/05.06573)

Beneficiary: University Hospital Hradec Králové

Project funding: CZK 75 977 070 (SF contribution CZK 64 580 509, own resources CZK 11 396 561)

Implementation period: 15 Jun 2010 – 30 Apr 2011

The project called the Upgrade and renewal of devices and equipment of the comprehensive cardiovascular centre of the University Hospital Hradec Králové focused on the purchase of adequate technical equipment of the comprehensive cardiovascular centre with the view to safeguard the provision of quality care to patients of the University Hospital in Hradec Králové.

The upgrade and renewal of equipment helped not only maintain, but also increase the standard fit-out of the comprehensive cardiovascular centre, and thus also improve the conditions for provision of the highly specialised care in the University Hospital in Hradec Králové.

The medical devices were purchased for all necessary areas, both in terms of branches (cardiology, angiology, intervention radiology and cardiac surgery) and in terms of types of care (outpatient, intensive care, interventions and surgeries as well as highly specialised units). The project supported the purchase of e.g. a set for electrophysiological examinations, ultrasound devices, including the device for examination of coronary arteries, cardiac ablation system for the treatment of heart rhythm disorder, mechanical cardiac support, monitors for intensive care and also anaesthesiology devices.

The University Hospital in Hradec Králové and its workplaces have always represented the main pillar of cardiovascular medical services for the region with about 1.2 million of inhabitants. The main reason behind the implementation of this project was the obsolescence of used medical devices and technologies which could jeopardise the provision of quality care to the target group of patients. In addition, the new technologies have brought not only better quality results, but in most cases also helped reduce the workload of medical personnel.



Intervention area: 3.3 Employment services

Name of the project: Labour Office of the CR – Sokolov – reconstruction of the training centre (CZ.1.06/3.3.00/04.07802)

Beneficiary: Labour Office of the Czech Republic

Total project budget: CZK 14 880 740 (eligible expenditure), CZK 12 648 629 (SF funds)

During project implementation the training centre of the Sokolov contact point of the regional branch of the Labour Office of the CR in Karlovy Vary shall be reconstructed. The implementation of the project is necessary in order to enhance the capacity of training centres of MoLSA employees, the staff of employment services in particular. The situation has been unsatisfactory for a long period of time both in terms of capacity and the current requirements for education and training. It is targeted primarily at strengthening the capacity of training centres for employees of employment services by the reconstruction of the existing facility owned by the state and improvement of its material and technical infrastructure. Nowadays, the MoLSA avails of a limited number of training facilities and centres, of which some are located in rented premises, which is pretty costly.

The development of a training centre through the reconstruction of the existing facility (the meeting hall and selected surrounding premises) in the building of Sokolov contact point represents an efficient investment into the state-owned property. The need to provide quality education and training to the given employees is pretty obvious and builds on the fact that the public administration shall be performed in a quality manner by qualified staff. The ever growing requirements on the performance and frequent amendments to legislation are nowadays very common. This also calls for frequent and flexible transfer of quality information and new knowledge. If this is done in a state-of-the-art setting, in a user-friendly manner and with the use of suitable means, the set out objective, i.e. the training of staff, is certainly achieved in a much more effective way.

Intervention area: 3.4 Services in security, risk prevention and management

Name of the project, registration number: Tracking and recording equipment – Regional Directorate of the Police of Plzeň region, CZ.1.06/3.4.00/12.07959

Beneficiary: Regional Directorate of the Police of Plzeň region

Project funding: CZK 24 820 000 (total budget), CZK 21 097 000 (SF contribution), CZK 3 723 000 (SB contribution)

Thanks to this project the tracking and recording equipment for patrol cars of the PCR (intended for response to emergencies) will be purchased. This equipment will facilitate immediate tracking of vehicles, optimal coordination and synchronisation during interventions in the given territory. The new system, which will be a component part of the tracking and recording equipment, will be fully compatible with the newly developed technology of IRS operation centres.

3.4 Priority axis 4a, 4b – National support of tourism

The aim of Priority axes 4a, 4b is to support the formation of basic environment and conditions necessary for tourism development at the national level. To achieve its effective development it is necessary to manage and coordinate some tourism activities from the national level, which helps create suitable conditions for the development of business, increased competitiveness and employment in the this area. Both the priority axes are of national and system relevance, unlike the measures in regional operational programmes, where the local or regional dimension is emphasised. The priority axes will be complemented by interventions into tourism from the particular ROPs.

The priority axis covers the Convergence objective (4a) and the Regional Competitiveness and Employment objective (4b).

3.4.1 Achieved progress and its analysis

3.4.1.A Information on physical and financial progress

Implementation of priority axis

Calls

In Intervention area 4.1, 3 calls were announced in the course of 2011, of which one call was closed before the end of the year. A total of 16 project applications in the amount of EUR 44.6 million were submitted. 6 project applications were submitted under call No 11 in the amount of EUR 19.2 million, which equals the allocation for this call. 2 projects amounting to EUR 0.8 million were approved, the remaining 4 project applications did not meet evaluation requirements.

Under the 12th call, 10 project applications were submitted, totalling EUR 25.5 million, 2 applications were rejected during eligibility checks, 2 applications did not meet the requirements of project quality evaluation. The remaining projects are under evaluation.

Table No 54 - Overview of announced and ongoing calls in 2011 (EU + national sources) - cumulatively

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of priority axis /intervention area	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	number	in EUR	number	in EUR
38.	11	25.2.2011	31.5.2011	time-limited	4.1a	17 802 840	3	17 802 839	1	703 901
					4.1b	1 369 449	3	1 369 449	1	54 146
Call total						19 172 289	6	19 172 289	2	758 047
43.	12	7.9.2011		continuous	4.1a	35 361 842	5	23 633 749	0	0
					4.1b	2 720 142	5	1 817 981	0	0
Call total						38 081 983	10	25 451 730	0	0
45.	13	14.12.2011	21.1.2012	time-limited	4.1a	3 435 392	0	0	0	0
					4.1b	264 261	0	0	0	0
Call total						3 699 653	0	0	0	0
CONV total						56 600 073	8	41 436 589	1	703 901
RCE total						4 353 852	8	3 187 430	1	54 146
PA 4 total						60 953 925	16	44 624 018	2	758 047

Source: MSC2007 as of 4 Jan 2012
 CZK/EUR exchange rate: 25.910
 Source of funding: public funds total

Indicators

Progress achieved in the fulfilment of monitoring indicators is negligible since the majority of them is fulfilled after the completion of project implementation. The MI in activity a) introduction of the national information system and b) introduction of and information support to the national and international standards in tourism services (including certification, manuals, methodologies, systems, controls in particular) will be fulfilled by projects submitted in 2012.

Table No 55 – Output indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015 CONV	Target value 2015 RCE	CONV total	RCE total
410100 Core 34	Number of projects focused on tourism development	Number	IOP MA	Achieved	0	0	12	0	8	N/A	N/A	8	
				Baseline	0	0	0	12	0	N/A	N/A	0	
				Target	N/A					44	23	44	23
413305	Number of newly introduced information and reservation systems in tourism services	Number	IOP MA	Achieved	0	0	0	0	0	N/A	N/A	0	
				Baseline	0	0	0	0	0	N/A	N/A	0	
				Target	N/A					1	1	1	1
413315	Number of introduced standards in tourism services	Number	IOP MA	Achieved	0	0	0	0	0	N/A	N/A	0	
				Baseline	0	0	0	0	0	N/A	N/A	0	
				Target	N/A					5	5	5	5
410304	Number of marketing and statistical surveys	Number	IOP MA	Achieved	0	0	0	0	0	N/A	N/A	0	
				Baseline	0	0	0	0	0	N/A	N/A	0	
				Target	N/A					6	6	6	6
410303	Number of publicity campaigns promoting tourism products	Number	IOP MA	Achieved	0	0	0	0	5	N/A	N/A	5	
				Baseline	0	0	0	0	0	N/A	N/A	0	
				Target	N/A					32	11	32	11

Source: MSC2007 as of 2 Mar 2012

Table No 56 – Result indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015 CONV	Target value 2015 RCE	CONV total	RCE total
413311	Share of entities operating in tourism in the CR, which will be connected to the reservation system ¹⁸	%	IOP MA	Achieved	0	0	0	0	0	N/A	N/A	0	
				Baseline	0	0	0	0	0	N/A	N/A	0	
				Target	N/A					50	50	50	50
413320	Number of newly classified and certified entities operating in tourism	Number	IOP MA	Achieved	0	0	0	0	0	N/A	N/A	0	
				Baseline	0	0	0	0	0	N/A	N/A	0	
				Target	N/A					1720	280	1720	280
413321	Number of created source databases	Number	IOP MA	Achieved	0	0	0	0	0	N/A	N/A	0	
				Baseline	0	0	0	0	0	N/A	N/A	0	
				Target	N/A					6	6	6	6
410302	Number of created publicity or marketing products for tourism	Number	IOP MA	Achieved	0	0	0	0	8	N/A	N/A	8	
				Baseline	0	0	0	0	0	N/A	N/A	0	
				Target	N/A					10	10	10	10

Source: MSC2007 as of 2 Mar 2012

¹⁸ As of 31 Dec 2006, a total of 7 616 collective accommodation establishments were registered in the CR.

3.4.1.B Qualitative analysis

Financial progress

In Intervention areas 4.1a and 4.1b, EUR 31.2 million was approved, which represents 40.65 % of the allocation for this priority axis, EUR 7.8 million (10.16 %) was reimbursed to beneficiaries and EUR 8.2 million (10.63 %) was certified.

Almost half of the reimbursed funds (EUR 3.6 million of EUR 7.8 million) were paid out in 2011. Of the total volume of certified funds in this intervention area, 91.8 % was certified in 2011 (EUR 7.5 million of EUR 8.2 million). Of the total volume covered by the issued Decisions, 3 % were covered by Decisions issued in 2011 (EUR 0.9 mil. of EUR 31.2 million).

The progress in implementation of projects was made thanks to the completion of preparations and commencement, or completion of pivotal project activities. The implementation of four projects from the 4th call was completed in this year. Projects focused on the collection of marketing data are implemented in keeping with the set out timetables. Projects directed at the collection of statistical data on the sector of tourism, except for the project targeted at the improvement of quality of data for the creation of Tourism Satellite Account, show little progress in implementation. Tenders for pivotal project activities were published at the end of 2011. Projects from the 6th call continue to be implemented, 2 projects were completed. All the projects supported under the 9th call, that submitted the first payment claims, moved to the stage of implementation. Under the 11th call only one project was supported, under which tenders will be published at the beginning of 2012. In projects from the 12th call, no Decision was issued before the end of 2011, implementation of projects will commence only in 2012.

Table No 57 – Financial status as of 31 Dec 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
4.1a	71 255 784	28 968 720	40,65%	7 239 649	10,16%	7 574 653	10,63%
4a	71 255 784	28 968 720	40,65%	7 239 649	10,16%	7 574 653	10,63%
4.1b	5 481 214	2 228 378	40,65%	556 887	10,16%	583 081	10,64%
4b	5 481 214	2 228 378	40,65%	556 887	10,16%	583 081	10,64%
PA 4	76 736 998	31 197 098	40,65%	7 796 536	10,16%	8 157 734	10,63%

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Convergence objective ; RCE objective

Table No 58 – Financial progress in 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
4.1a	71 255 784	871 290	1,22%	3 329 589	4,67%	6 950 527	9,75%
4a	71 255 784	871 290	1,22%	3 329 589	4,67%	6 950 527	9,75%
4.1b	5 481 214	68 323	1,25%	256 112	4,67%	535 072	9,76%
4b	5 481 214	68 323	1,25%	256 112	4,67%	535 072	9,76%
PA 4	76 736 998	939 614	1,22%	3 585 701	4,67%	7 485 598	9,75%

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Convergence objective ; RCE objective

Statistical data on rejected projects

Intervention area 4.1 exhibits the highest share of rejected projects. The largest number of projects is rejected during quality evaluation, with majority of problems related to the analysis justifying the necessity of project implementation, elaboration of detailed budget, justification of the amount of expenditure and consistency of activities with the planned budget. The second most frequent reason of rejection occurs during the project eligibility checks, where majority of projects contradict with the state aid rules.

A total of 88 projects were rejected, which represents 63.8 % of the total number of project submitted under this intervention area. 47.9 % were rejected in activity d), in other activities 15.9 %.

The IOP MA has adopted several corrective measures. It specified the requirements for the elaboration of supporting documents for project quality evaluation under the 12th and 13th call. At the meeting with the CzechTourism agency it presented the grounds for rejection of projects and a part of project applications that shall be improved by the applicant. At the training course for applicants and beneficiaries for the purpose of the 12th call, the applicants were informed about the structure of the Supporting documents for project quality evaluation and requirements for their elaboration.

Table 59 – Table of rejected projects

Intervention area 4.1			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	24	17,4%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,0%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	52	37,7%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	0	0,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	4	2,9%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	8	5,8%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	88	63,8%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Fulfilment of horizontal themes

Equal opportunities

By the end of 2011, a total of 38 projects were approved under Priority axes 4a and 4b, of which 2 projects will focus on equal opportunities, 14 projects will have a positive impact on equal opportunities and 22 projects will have a neutral impact on equal opportunities.

Table No 60 – Equal opportunities

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Number of projects with a neutral impact on equal opportunities	Number of projects	22
Number of projects with a positive impact on equal opportunities	Number of projects	14
Number of projects focused on equal opportunities	Number of projects	2

Source: IS Monit7+ as of 4 Jan 2012

Sustainable development

Most of the projects approved under Priority axes 4a and 4b are environmentally neutral (30), 6 projects should have a positive environmental impact and 6 projects should improve the population awareness of environmental protection.

Table No 61 – Sustainable development

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	6
Project is environmentally neutral	Number of projects	30
Project will help improve the air	Number of projects	0
Project will help improve the quality of water	Number of projects	0
Project will use alternative sources	Number of projects	0
Project will enlarge the area of urban vegetation	Number of projects	0
Project will improve population awareness of environmental protection	Number of projects	6
Project requires an environmental impact assessment	Number of projects	0

Source: IS Monit7+ as of 4 Jan 2012

Ranking among projects with a positive environmental impact are e.g. the projects called “Touring historical towns“ and “Living towns, living monuments” which will improve the population awareness of environmental protection.

3.4.2 Significant problems encountered and measures taken to overcome them

Little progress in implementation of projects even though multiple corrective measures have been taken, the progress in implementation of projects under IA 4.1 continues to be inadequate. Supported projects cover only less than a half of the allocation for this IA.

Measures taken:

- Consultations with beneficiaries,
- Announcement of additional calls for submission of proposals,
- Analysis of reasons behind the rejection of projects during project quality evaluation and subsequent completion of the description of individual parts of the Supporting documents for the evaluation of quality under the 12th and 13th call,
- Provision of information on the lengthy approval process of tenders at MRD to the top officials of the ministry,

- Inclusion of administration of projects under Priority 4 among priorities of CRD activities.

Low economy and effectiveness of spent funds – difficult assessment and 3E control of funds spent on project implementation.

Measures taken:

- Precise definition of activities associated with the compulsory publicity of the project,
- Reduction of personal and overhead costs in projects under the 12th and 13th call (this proposal of MA was not supported by the top officials of the ministry),
- More stringent requirements for the elaboration of the Supporting documents for project quality evaluation with regard to the preparation of the project financing plan and justification of the amount of requested funds,
- Analysis of methods for 3E evaluation, conducted by MA in collaboration with an external expert, the first results are anticipated in mid 2012,
- More consistent control of the supporting documents for application for payment.

Deficiencies in the evaluation of project quality – altogether 9 motions to verify transparency and non-discrimination principles of quality evaluation under the 9th call. In two cases the complaint was justified.

Measures taken:

- Specification of the interpretation of individual evaluation criteria in the Procedures for evaluation of project quality,
- Training of external experts concerning the procedures for evaluation of project quality,
- Control of procedures applied by the evaluators.

Withdrawal of beneficiary from the implementation of projects under activity b) introduction of and information support to the national and international standards in tourism services (including certification, manuals, methodologies, systems, controls in particular). In mid 2011, the aid beneficiary withdrew from the implementation of 6 projects under this activity.

Measures taken:

- Consultations with beneficiary,
- Announcement of the 13th call focused on this activity.

Problems in tenders – mistakes in tenders (failure to produce the expected contract value, addenda to concluded contracts that have an effect on the selection of a supplier, etc.) and related ineligible project expenditure; lengthy approval of tenders at beneficiaries of the GA type.

Measures taken:

- Consultations concerning the contract documents prior to the publication of a contract notice,
- Publishing of the most frequently asked questions (FAQ),
- Provision of information on lengthy approval of tenders to the top officials of the ministry.

Risk of state aid in projects.

Measure taken:

- Consultations of problematic projects with an expert in the field of state aid.

3.4.3. Example of a project

Intervention area: 4.1 National support of tourism

Name of the project, registration number: *We are heading for the spa, CZ.1.06/4.1.00/06.05974*

Beneficiary: *Association of the Spa Resorts of the CR*

Project funding: total budget CZK 9 073 827,- (SF CZK 7 712 752,-; SB CZK 1 361 075,-)

The subject matter of the project is to conduct an innovative comprehensive marketing campaign promoting the potential of Czech spas as a unique cultural and natural heritage.

The project aims to boost the interest especially among the Czech population and several other major target groups (Germany, Russia...) in spa stays not only for treatment and health purposes, but also for recreation and relaxation. The project shall extend the segment of spa visitors by groups that could enjoy the spa services together with the surrounding nature as well as the tourist sites during a mix relaxation and fact-finding holiday (families with children, young and elderly couples with no children, etc.).

In this light, one of the main goals of this campaign is to present primarily the unique natural and cultural wealth of spa resorts and their vicinity so as to appeal to the broadest possible target group of potential clients and visitors of these tourist destinations.

3.5 Priority axis 5 – National support of territorial development

The interventions implemented by means of priority axis "National Support of Territorial Development" aim to create the basic environment that will be complemented by interventions from Regional Operational Programmes. The individual intervention areas are of national and system relevance and dimension. The intervention areas are:

- 5.1 – National support for utilising the cultural heritage potential
- 5.2 – Improving the environment in problematic housing estates
- 5.3 Modernisation and development of systems for creating territorial policies

3.5.1 Achieved progress and its analysis

3.5.1.A Information on physical and financial progress

Implementation of priority axis

Calls

In priority axis 5 one call for the submission of project applications was announced for Intervention area 5.1 and project applications continued to be submitted in the call for Intervention area 5.2.

In call No 03 (**Intervention area 5.1**), the MoC IB received 9 project applications in the total volume of EUR 69.1 million, while the allocation for the call was EUR 25.7 million. The submitted applications exceeded the volume of allocation by 168 %. Before the end of 2011, no project was approved. The evaluation of submitted applications will be launched at the beginning of January 2012.

So as to speed up the absorption, the following measures have been adopted in the preparation of call No 03:

- Setting out the deadline for project completion (31 Dec 2014),
- Requirements concerning the “construction preparedness” of projects – requirements stipulated in the call
 - at least a zoning permit or its equivalent is required for the submission of application for support,
 - a valid building permit or its equivalent shall be presented no later than at the date of issuance of the Decision.

The continuous call **for Intervention area 5.2** was announced in May 2009 in the volume of almost EUR 158.7 million, which represents 63 % of the total allocation for this intervention area, with inclusion of additional funds received based on the approved revision of the IOP Programming Document of December 2011.

In the course of July and August 2009, the municipalities started to implement IUDP, in 2011 altogether 36 calls were announced, of which 27 time-limited and 9 continuous. Before the end of 2011, the municipalities announced 164 calls.

As at the end of 2011, a total of 848 project applications were submitted totalling EUR 136.1 million and 780 projects in the amount of EUR 119.7 million were approved.

In mid 2011, **in Intervention area 5.3** the administration of applications from the 8th continuous call, closed in December 2010, was completed. The IOP MA completed the administrative check of projects that were not recommended for financing by CRD based on the ex-ante check and the control of tenders.

Table No 62 – Overview of announced and ongoing calls in 2011 (EU + national sources) - cumulatively

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of priority axis /intervention area	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	number	in EUR	number	in EUR
44.	03	24.10.2011	30.11.2011	Time-limited	5.1	25 738 325	9	69 056 707	0	0
15.	07	22.5.2009		Continuous	5.2	158 696 471	848	136 117 871	780	119 672 503
IA 5.1 total						25 738 325	9	69 056 707	0	0
IA 5.2 total						158 969 471	848	136 117 871	780	119 672 503
IA 5.3 total						0	0	0	0	0
PA 5 total						184 434 796	857	205 174 578	780	119 672 503

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Indicators

In summer 2011, in **Intervention area 5.1**, as a follow-up to the evaluations, the methodology of calculation of indicators concerning the visit rate was changed and the methodology of calculation of the indicator of the number of regenerated cultural monuments was aligned. The indicators are being fulfilled in projects that are close to completion or have already been completed. The indicators monitoring the visit rate and the number of created methodologies are monitored only during the sustainability period. In the project called “National Museum of Photography and Tapestry Workshop – Centre of Indigenous Crafts and Unique Technologies” the achieved value of the indicator “Number of regenerated cultural monuments” was increased by 3.

The fulfilment of indicators in **Intervention area 5.2** corresponds with the progress of its implementation. The values of indicators Number of renovated apartments and Energy savings in rental houses are fully in line with the originally planned values and correspond with the fulfilment of financing plans of individual IUDPs.

In the course of 2011, the IOP MA noticed the tendency of towns with IUDP, that had to cope with financial crisis, to detour from the originally planned projects of revitalisation of public spaces on the grounds of the lack of their own funds. By doing so, the municipalities also want to satisfy the increased demand for assistance in the area of regeneration of residential buildings, that was far higher than at the time of drafting the Programming Document. In some towns, the IOP MA shall probably decrease the original number of planned projects in Intervention area 5.2a) and will allow for their transfer into Intervention area 5.2b), which shows high absorption capacity. Therefore, it can be assumed that the value achieved in the indicator Area of revitalised territory will be lower than originally planned. The IOP MA envisages that the final value will not differ much from the originally planned value.

The target values of indicators in **Intervention area 5.3** under activity a) were almost fulfilled in projects of regions. The target value of the Number of projects on creating planning analytical materials of regions shall be covered by the submitted project applications, but one project was rejected during the administration. In case of projects on creating planning analytical materials for municipalities with extended powers, the target values of indicators have been exceeded. Since there were altogether 204 eligible applicants (without Prague), it was not assumed that the application for support will be submitted by more applicants. The target value of indicator No 330415 was set out in dependence on the forecast value of indicator No 330401. The area was calculated as the area of 140 smallest municipalities with extended powers, but in the end 170 applications submitted by the municipalities have been supported.

All the achieved values of output indicators under activity b) as at 31 Dec 2011 exceeded the target values. When setting the indicator No 330411, the calculations were made based on the price of territorial plans that was much higher, i.e. the price valid at the time of preparation of the Programming Document. The calculations considered the maximum price of CZK 4 million per 1 territorial plan, including the expert opinions, but the average application for support claims CZK 800 thousand only, which resulted in the excess of the target value. It also resulted in higher effectiveness of expenditure. When the target value of indicator No 330416 was set out, the calculations were made based on the anticipated value of indicator No 330411. The area was calculated as the area of 60 smallest municipalities with more than 500 inhabitants, which complied with the conditions of the prepared calls for 5.3b).

In result indicator No 330418, the target value of the indicator was exceeded one hundred times. The reasons are explained above in individual output indicators based on which the ratio result indicator is calculated.

Table No 63 – Output indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015	Total
410401	Number of regenerated immovable cultural monuments	Number	IOP MA	Achieved	0	0	N/A	N/A	3	N/A	3
				Baseline	0	0	0	N/A	N/A	0	
				Target						N/A	70
410402	Number of newly built or modernised cultural facilities	Number	IOP MA	Achieved	0	0	N/A	0	0	N/A	0
				Baseline	0	0	0	0	0	N/A	0
				Target						N/A	5
330100 Core 39	Number of projects improving the attractiveness of towns	Number	IOP MA	Achieved	0	0	66	230	598	N/A	598
				Baseline	0	0	0	66	230	N/A	0
				Target						N/A	1 000
331000	Number of established Urban Development Funds ¹⁹	Number	IOP MA	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A
				Baseline	0	N/A	N/A	N/A	N/A	N/A	0
				Target						N/A	1
330103	Number of projects improving the attractiveness of housing in the territory	Number	IOP MA	Achieved	0	0	N/A	33	81	N/A	81
				Baseline	0	0	0	N/A	33	N/A	0
				Target						N/A	41
330101	Number of projects improving the conditions of rental houses	Number	IOP MA	Achieved	0	0	0	192	463	N/A	463
				Baseline	0	0	0	0	192	N/A	0
				Target						N/A	950
330102	Number of pilot projects – support for selected Roma localities	Number	IOP MA	Achieved	0	0	N/A	5	16	N/A	16
				Baseline	0	0	0	N/A	5	N/A	0
				Target						N/A	7
330400	Number of projects on	Number	IOP MA	Achieved	0	4	9	9	9	N/A	9

¹⁹ This indicator was newly added after the revision of the IOP Programming Document

	creating planning analytical materials of regions			Baseline	0	0	4	9	9	N/A	0
				Target	N/A					10	10
330401	Number of assisted projects on creating planning analytical materials of municipalities	Number	IOP MA	Achieved	0	174	170	170	170	N/A	170
				Baseline	0	0	174	170	170	N/A	0
				Target	N/A					140	140
330411	Number of assisted projects on creating new or updating the existing territorial plans	Number	IOP MA	Achieved	0	2	93	227	293	N/A	293
				Baseline	0	0	2	93	227	N/A	0
				Target	N/A					60	60
330415	Area of municipalities covered by the planning analytical materials of municipalities	km2	IOP MA	Achieved	0	65 175,29	63 398,03	63 398,03	63 398,03	N/A	63 398,03
				Baseline	0	0	65 175,29	63 398,03	63 398,03	N/A	0
				Target	N/A					34800	34800
330416	Area of municipalities covered by the new territorial plan	km2	IOP MA	Achieved	0	84,42	2 289,38	3 344,04	7 180,10	N/A	7 180,10
				Baseline	0	0	84,42	2 289,38	3 344,04	N/A	0
				Target	N/A					140	140

Source: MSC2007 as of 2 Mar 2012

Table No 64 – Result indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015	Total
410404	Number of created methodologies in the cultural heritage area	Number	IOP MA	Achieved	0	0	N/A	N/A	N/A	N/A	0
				Baseline	20	0	0	N/A	N/A	N/A	20
				Target	N/A					60	60
410411	Increase in the number of visitors to monuments and cultural facilities	%	IOP MA	Achieved	0	0	100	100	100	N/A	100
				Baseline	100	0	0	100	100	N/A	100
				Target	N/A					125	125
331200	Number of renovated	Number	IOP MA	Achieved	0	0	N/A	10 126,48	24 809	N/A	24 809
				Baseline	0	0	0	N/A	10 126,48	N/A	0



	apartments			Target					N/A	24 500	24 500
331300	Area of revitalised territory	m2	IOP MA	Achieved	0	0	N/A	381 848,42	1 094 066,6	N/A	1 094 066,6
				Baseline	0	0	0	N/A	381 848,42	N/A	0
				Target	N/A						
331500	Energy savings in rental houses	%	IOP MA	Achieved	0	0	N/A	23,63	31,6	N/A	31,6
				Baseline	0	0	0	N/A	23,63	N/A	0
				Target	N/A						
330418	Increase in the area of development areas, development axes and specific areas covered by new territorial plans ²⁰	%	IOP MA/ Institute for Territorial Development	Achieved	0	0	0	9,12	18,25	N/A	18,25
				Baseline	0	0	0	0	9,12	N/A	0
				Target	N/A						
330417	Increase in the area of the CR which will be covered by planning analytical materials of municipalities	%	IOP MA/ Institute for Territorial Development	Achieved	0	0	80,3	80,3	80,3	N/A	80,3
				Baseline	0	0	0	80,3	80,3	N/A	0
				Target	N/A						

Source: MSC2007 as of 2 Mar 2012

²⁰ Due to the change in the Spatial Development Policy, the methodology of calculation of the target value was finalised.

3.5.1.B Qualitative analysis

Financial progress

In Priority axis 5, before the end of 2011 projects in the amount of EUR 362.1 million, representing 67.03 % of the total allocation earmarked for this priority axis, were approved. The largest volume of approved funds falls under Intervention area 5.1 (EUR 225.5 million – 83.23 %). The largest amount in 2011 was approved in Intervention area 5.2 (EUR 45.5 million). In Intervention area 5.3, 92.75 % of allocation was committed to projects with issued Decision.

Beneficiaries were reimbursed funds amounting to EUR 106.1 million (19.65 % of allocation), with the largest percentage paid out under Intervention area 5.2 (EUR 44.2 million).

Expenditure in the amount of EUR 88.6 million (16.39 %) has been certified. In 2011, the largest volume of certified expenditure was reported by Intervention area 5.2 (EUR 53.5 million). In Intervention area 5.3, the reimbursement and subsequent certification are running smooth, altogether 73.80 % of the allocation has already been certified.

Table No 65 – Financial status as of 31 Dec 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
5.1	270 945 706	225 504 060	83,23%	27 916 926	10,30%	20 864 440	7,70%
5.2	251 032 889	119 672 503	47,67%	64 194 493	25,57%	54 213 579	21,60%
5.3	18 270 714	16 946 177	92,75%	14 024 729	76,76%	13 483 463	73,80%
PA 5	540 249 309	362 122 739	67,03%	106 136 147	19,65%	88 561 483	16,39%

Source: MSC2007 as of 4 Jan 2012
 CZK/EUR exchange rate: 25.910
 Source of funding: public funds total

Table No 66 – Financial progress in 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
5.1	270 945 706	9 108 794	3,36%	21 919 868	8,09%	17 204 356	6,35%
5.2	251 032 889	45 499 374	18,12%	44 242 758	17,62%	53 499 376	21,31%
5.3	18 270 714	3 977 390	21,77%	3 563 142	19,50%	5 330 992	29,18%
PA 5	540 249 309	58 585 558	10,84%	69 725 768	12,91%	76 034 725	14,07%

Source: MSC2007 as of 4 Jan 2012
 CZK/EUR exchange rate: 25.910
 Source of funding: public funds total

Statistical data on rejected projects

In Intervention area 5.1, the rejected or withdrawn projects accounted for up to 48 % of submitted project applications, it concerned 24 projects. The project applications are most frequently rejected based on the eligibility checks (15 project applications), 4 projects were not recommended for financing and 3 project applications were withdrawn by the applicant. One project application failed to meet the quality evaluation requirements and one project was not completed.

Table No 67 – Table of rejected projects

Intervention area 5.1			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	15	30,0%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,0%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	1	2,0%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	4	8,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	3	6,0%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	1	2,0%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	24	48,0%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Statistical data on rejected projects

As of 31 Dec 2011, in **Intervention area 5.2** altogether 30 projects were rejected, of which 12 projects were withdrawn by the applicant, 10 projects were not completed, 5 project applications were rejected based on eligibility check. The percentage of rejected projects in this Intervention area (3.5 %) is the second lowest within this OP.

Table No 68 – Table of rejected projects

Intervention area 5.2			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	5	0,6%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,0%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,0%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	3	0,4%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	12	1,4%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	10	1,2%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	30	3,5%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Statistical data on rejected projects

In Intervention area 5.3, as of 31 Dec 2011 a total of 69 projects were rejected. The main reason is the failure to meet the eligibility criteria (27 project applications). It concerns primarily the projects under the 3rd and 5th call, when the Manual did not make it possible to have the supporting documents supplemented during the evaluation of project eligibility. The version of CRD Manual approved on 22 Oct 2009 laid down the possibility to have the supporting documents supplemented for the evaluation of eligibility. Majority of rejected projects were submitted again by the applicants.

A total of 21 project applications were rejected based on ex-ante check – errors in public procurement procedures, 10 project applications were withdrawn by the applicant (the applicants themselves became aware of their mistakes in project application and some of them submitted the application again in a corrected version), 3 projects were not completed and 3 project applications did not meet formal requisites. In 5 cases the funds were not reimbursed to beneficiaries following the project implementation based on the conducted interim check, which detected the non-compliance with public procurement legislation or due to the failure to complete the project by the deadline set out in the call (it concerns status N8 Contract terminated by MA/IB)

The percentage of rejected projects in Intervention area 5.3 (11.9 %) is only slightly higher than the percentage of rejected projects in the programme as a whole (9.3 %). Compared to the programme average, the higher percentage of rejected projects is exhibited during the evaluation of eligibility and ex-ante checks, while on the contrary fewer projects than the average were withdrawn by the applicant.

Table No 69 – Table of rejected projects

Intervention area 5.3			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	27	4,7%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	3	0,5%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,0%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	21	3,6%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	0	0,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	10	1,7%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	3	0,5%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	5	0,9%	0,1%
Total	69	11,9%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Fulfilment of horizontal themes

Equal opportunities

Most projects approved by the end of 2011 under Priority axis 5 were projects with a neutral impact on equal opportunities (a total of 919 projects), additional 372 projects have a positive impact on equal opportunities and 6 projects focus on equal opportunities.

Table No 70 – Equal opportunities

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Number of projects with a neutral impact on equal opportunities	Number of projects	919
Number of projects with a positive impact on equal opportunities	Number of projects	372
Number of projects focused on equal opportunities	Number of projects	6

Source: IS Monit7+ as of 4 Jan 2012

Sustainable development

Projects approved before the end of 2011 are most often environmentally neutral (710) or have a positive environmental impact (498), or require an environmental impact assessment (161). 81 projects will help improve the air, 32 projects will improve the population awareness of environmental protection, 17 projects will enlarge the area of urban vegetation, 8 projects will use alternative sources and will help improve the quality of water, 5 projects focused mainly on the environment and will help improve the quality of water.

Table No 71 – Sustainable development

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Project focuses mainly on the environment	Number of projects	5
Project has a positive environmental impact	Number of projects	498
Project is environmentally neutral	Number of projects	710
Project will help improve the air	Number of projects	81
Project will help improve the quality of water	Number of projects	8
Project will use alternative sources	Number of projects	8
Project will enlarge the area of urban vegetation	Number of projects	17
Project will improve population awareness of environmental protection	Number of projects	32
Project requires an environmental impact assessment	Number of projects	161

Source: IS Monit7+ as of 4 Jan 2012

Projects with a positive environmental impact are e.g. the following:

- Reconstruction of House with identification No 2305 in Pardubice, Model renovation of the Premonstratensians Monastery in Teplá – a project using alternative energy sources (Intervention area 5.1),
- Reconstruction of the residential building, Regeneration of Máj housing estate – improvement of air quality (Intervention area 5.2),
- Nová Pasířská Park – enlargement of the area of urban vegetation (Intervention area 5.2),
- Development of a territorial plan – improvement of the population awareness of environmental protection in Intervention area 5.3.

3.5.2 Significant problems encountered and measures taken to overcome them

Intervention area 5.1

Nature of projects and construction works at the sites of monuments of national significance – the construction works are subject to multiple approval processes and permits (e.g. restoration and conservation, archaeological research, restoration research). Administration of projects lasts longer than in other construction sites and is more demanding in terms of control conducted by the MoC IB.

Measures taken

Involved in the control of construction works are experts in the field of civil engineering and restoration and conservation of monuments.

State aid – in Intervention area 5.1 only projects which do not constitute unauthorised state aid are eligible. Compliance with the state aid rules is assessed during the evaluation of project eligibility based on the opinion of an external expert. The risk of any potential prohibited state aid is checked by all the risk analyses (ex-ante, interim, ex-post) of projects.

Measures taken

An external analysis on state aid related matters is conducted in projects implemented under Intervention area 5.1. The analysis shall evaluate whether there is any risk of unauthorised state aid in 17 projects under implementation and, where necessary, it shall propose measures to eliminate such a risk.

The conduct of an analysis was outsourced in 2011, the outputs are expected in the first quarter of 2012.

Procedures for evaluation of projects under IA 5.1

Measures taken

The MoC IB modified the procedures at all stages of project evaluation. The eligibility and formal requisites are, with the exception of the criterion concerning the project compliance with state aid rules that is always evaluated by an external expert, evaluated by the project and financial manager of the project. As concerns the quality evaluation, it is laid down that if the difference in scoring of two evaluators is more than 20 points, an evaluation by the third evaluator shall be carried out and the final score is the average of the third evaluator's score and the score closer thereto, whether of the first or of the second evaluator. For the third call, the modified selection criteria were approved in the per rollam procedure of IOP MC, with stress put on the usability of monuments and return on investment. Another change as against calls No 01 and 02 consists in the fact that the decision on the conduct of ex-ante check depends on the result of conducted risk analysis.

Intervention area 5.2

In the course of 2011, the IOP MA continued to increase the absorption capacity. Apart from meetings with municipalities suffering from low absorption capacity, the IOP MA enhanced its support to increasing the absorption capacity through more intensive publicity of this intervention area. Besides the dissemination of information on individual IUDPs in the programme newsletter, the IOP MA held the Annual Conference on the topic of “IUDP in IOP“, on the occasion of which the achieved progress of implementation under Intervention area 5.2 was presented.

Some towns, on the contrary, has already absorbed the amounts allocated to IUDP and the demand for the assistance from IOP to “Improving the environment in problematic housing estates“ prevails. A suitable solution of this situation is the pilot testing of Jessica financial instrument that would provide soft loans. The IOP Managing Authority, based on the decision of the Monitoring Committee of 12 May 2011, decided to implement the Jessica financial instrument in Intervention area 5. 2. of IOP - Improving the environment in problematic housing estates, in supported activity: regeneration of residential buildings. The IOP MA set up the WG Jessica and started to prepare the implementation of this financial instrument.

Requirement for at least 25 % of absorption in 2011 - in 2011 the risk of failure to fulfil the requirement for the absorption of 25 % of allocation continued in several towns.

Measures taken

The IOP MA carried on intensive cooperation with these towns and proposed several corrective measures. In Ústí nad Labem, the efforts to persuade the majority housing cooperative to take part in the implementation of IUDP were unsuccessful and the MA proposed to the municipality to decrease the amount allocated to IUDP.

Another solution could be the inclusion of payment claims submitted before 31 Dec 2012 in the absorption of allocation for 2011. This alternative was used by several municipalities. Another solution is to divide some project into stages, with the stage being completed still in 2011.

Despite stronger support of IOP MA, the requirement for the absorption of 25 % of allocation by the end of 2011 was not satisfied by the following municipalities: Děčín, Most and Ostrava. That is why the allocation will be cut by IOP MA in order for them to meet the 25% requirement of the total eligible expenditure on IUDP. These funds will be used by IOP MA to cover the CZK/EUR exchange rate reserve. Thus it will be possible to decrease the current exchange rate reserve in municipalities, which successfully absorb the allocation, beyond the scope of financing plan in IUDP. The IOP MA envisages the decrease of exchange rate reserve in the second half of 2012.

Intervention area 5.3

In Intervention area 5.3, no significant problems occurred in 2011, no calls were announced and no projects were received. In 2011, projects accounting for 23 % of the total allocation of this intervention area were approved. The reimbursement of assistance to beneficiaries and the certification of expenditure was smooth.

3.5.3. Example of a project

Intervention area: 5.1 National support for utilising the cultural heritage potential

Name of the project, registration number: Velehrad – Centre of cultural dialogue of Western and Eastern Europe (CZ.1.06/5.1.00/01.05920)

Beneficiary: Roman catholic parish Velehrad

Project funding: CZK 345 836 000

(SF contribution: CZK 293 960 600, SB contribution: CZK 51 875 400)

The subject matter of the project is a sensitive reconstruction, revitalisation and restoration of selected listed immovable assets of the national cultural monument and premises of Velehrad complex, related to which is the subsequent implementation of new cultural and education activities. The project focuses on the renovation of the monument, which commemorates the activities of Saint Cyril and Methodius, the founders of literature and national culture.

The comprehensive project covers the following premises:

- multifunctional Velehrad house of Cyril and Methodius in the renovated premises of farm buildings of a granary and stables;
- renovation of the building envelope of the Basilica of the Assumption of the Virgin Mary and Saint Cyril and Methodius;
- repair and restoration of the basilica interior: the nave of basilica and organs in particular;
- reconstruction of a part of the building of Velehrad monastery;
- reconstruction of the little church called Cyrilka;

- creation of a new education exhibition called: “Velehrad at the intersection of European history“.



Intervention area: 5.2 Improving the environment in problematic housing estates

Name of the project, registration number: Reconstruction of block 11 in Chanov, (CZ.1.06/5.2.00/07.07706)

Beneficiary: Statutory Town of Most

Project funding: total eligible expenditure: CZK 9 292 253 (SF contribution: CZK 3 361 026, SB contribution CZK 5 931 227)

The subject matter of the project is the reconstruction of a residential building in Chanov housing estate with the view to improve the living conditions in this deprived area, which constitutes a complicated mix of social, societal and technical problems.

3.6 Priority axis 6a, 6b – Technical assistance

Priority axes 6a and 6b focus on the support of effective management of IOP throughout the programming period. They are cross-cutting priority axes catering for all the other priority axes and intervention areas of the IOP.

The Priority axis covers the Convergence objective (6a) and the Regional Competitiveness and Employment objective (6b).

3.6.1.A Information on physical and financial progress

Implementation of priority axis

Calls

In 2011, project applications continued to be submitted in calls No 01 and No 10 under Priority axes 6a and 6b.

In Intervention area 6.1, a total of 31 project applications in the amount of EUR 39.3 million were submitted, of which 28 projects in the amount of EUR 34.2 million were approved, of which one project was withdrawn from implementation following the issuance of the Decision. The amount of approved projects still under implementation thus equals EUR 24.8 million.

For **Intervention area 6.2**, a continuous call was under way in 2011, under which by the end of 2011 a total of 26 project applications in the amount of EUR 4.8 million were submitted and 23 projects in the amount of 4.3 million were approved.

Table No 72 - Overview of announced and ongoing calls in 2011 (EU + national sources) - cumulatively

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of priority axis /intervention area	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	number	in EUR	number	in EUR
2.	01	5.6.2008	30.9.2015	continuous	6.1a	30 924 711	31	38 548 245	28	33 616 516
					6.1b	568 608		708 780		618 101
				Call total		31 493 319	31	39 257 026	28	34 234 618
36.	10	27.9.2010		continuous	6.2a	12 127 458	26	4 732 688	23	4 260 432
					6.2b	222 986		87 019		78 336
				Call total		12 350 444	26	4 819 707	23	4 338 767
IA 6.1 total						31 493 319	31	39 257 026	28	34 234 618
IA 6.2 total						12 350 444	26	4 819 707	23	4 338 767
CONV total						43 052 169	57	43 280 933	51	37 876 948
RCE total						791 593	0	795 800	0	696 437
PA 6 total						43 843 763	57	44 076 733	51	38 573 385

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Indicators

In Priority axes 6a and 6b, all the monitored indicators are being fulfilled. In 2011, some target values of indicators were already exceeded, e.g. in indicators No 480500, 481600 or 482500.

The excess of target values was brought about by the revision of methodological sheets of Technical assistance indicators that took effect on 2 October 2009 by the issuance of the revised version of the Handbook for Applicants and Beneficiaries for Technical Assistance. The planned target value of indicators was therefore determined based on different methodology, used for reporting of the achieved values of indicators in 2009 and 2010, which resulted in the excess of the target values.

Table No 73 – Output indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015 CONV	Target value 2015 RCE	CONV total	RCE total
480500	Number of elaborated studies and reports (incl. evaluation ones)	Number	IOP MA	Achieved	0	0	0	152	615	N/A	N/A	615	
				Baseline	0	0	0	0	152	N/A	N/A	0	
				Target							N/A	13	1
480700	Number of developed methodological and technical and information materials	Number	IOP MA	Achieved	0	0	14	91	111	N/A	N/A	111	
				Baseline	0	0	0	14	91	N/A	N/A	0	
				Target							N/A	82	2
481100	Number of held training courses, seminars, workshops, conferences	Number	IOP MA	Achieved	0	0	22	56	124	N/A	N/A	124	
				Baseline	0	0	0	22	56	N/A	N/A	0	
				Target							N/A	69	1
481600	Number of persons who attended the educational courses - total	Number	IOP MA	Achieved	0	0	677	3 040	5 692	N/A	N/A	5 692	
				Baseline	0	0	0	677	3 040	N/A	N/A	0	
				Target							N/A	1372	28
480800	Implemented cooperation with mass media and communication with the general public	Number	IOP MA	Achieved	0	0	5	52	57	N/A	N/A	57	
				Baseline	0	0	0	5	52	N/A	N/A	0	
				Target							N/A	29	1
480900	Number of organised information and publicity activities	Number	IOP MA	Achieved	0	0	4	34	72	N/A	N/A	72	
				Baseline	0	0	0	4	34	N/A	N/A	0	
				Target							N/A	30	2

483100	Number of full-time employees of the implementation structure	Number	IOP MA	Achieved	0	0	56,31	142,98	238,4	N/A	N/A	238,4	
				Baseline	0	0	0	56,31	142,98	N/A	N/A	0	
				Target	N/A						89	1	89

Source: MSC2007 as of 2 Mar 2012

Table No 74 – Result indicators

NCI code	Name of the indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	Target value 2015 CONV	Target value 2015 RCE	CONV total	RCE total
481900	Number of trained persons – total	Number	IOP MA	Achieved	0	0	277	1 140	1967	N/A	N/A	1967	
				Baseline	0	0	0	277	1 140	N/A	N/A	0	
				Target	N/A						1078	22	1078
480300	Number of meetings of (monitoring, advisory and management) committees	Number	IOP MA	Achieved	0	0	3	8	10	N/A	N/A	10	
				Baseline	0	0	0	3	8	N/A	N/A	0	
				Target	N/A						13	1	13
482500	Number of performed controls	Number	IOP MA	Achieved	0	0	10	5 304	5 306	N/A	N/A	5 306	
				Baseline	0	0	0	10	5 304	N/A	N/A	0	
				Target	N/A						1323	27	1323

Source: MSC2007 as of 2 Mar 2012

3.6.1.B Qualitative analysis

Financial progress

In Priority axes 6a and 6b, a total of EUR 47.3 million was approved, which equals 87.58 % of allocation for these priority axes, of which EUR 11.1 million was approved in 2011. The beneficiaries were paid out EUR 14.2 million (26.29 % of the allocation), of which funds in the amount of EUR 5.2 million were reimbursed in 2011. Expenditure amounting to EUR 14.2 million (26.27 % of the allocation) was certified.

Table No 75 – Financial status as of 31 Dec 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
6.1a	31 973 749	33 616 589	105,14%	11 282 009	35,29%	11 181 060	34,97%
6.2a	21 011 320	12 788 897	60,87%	2 645 682	12,59%	2 736 718	13,02%
6a	52 985 069	46 405 487	87,58%	13 927 691	26,29%	13 917 778	26,27%
6.1b	587 779	618 028	105,15%	207 535	35,31%	205 675	34,99%
6.2b	386 332	235 119	60,86%	48 676	12,60%	50 341	13,03%
6b	974 111	853 147	87,58%	256 211	26,30%	256 016	26,28%
PA 6	53 959 180	47 258 634	87,58%	14 183 901	26,29%	14 173 794	26,27%

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Convergence objective ; RCE objective

Table No 76 – Financial progress in 2011

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
6.1a	31 973 749	6 823 827	21,34%	4 536 618	14,19%	7 387 674	23,11%
6.2a	21 011 320	4 034 052	19,20%	535 772	2,55%	1 260 327	6,00%
6a	52 985 069	10 857 879	20,49%	5 072 390	9,57%	8 648 000	16,32%
6.1b	587 779	125 454	21,34%	83 401	14,19%	135 820	23,11%
6.2b	386 332	74 165	19,20%	9 849	2,55%	23 171	6,00%
6b	974 111	199 618	20,49%	93 250	9,57%	158 990	16,32%
PA 6	53 959 180	11 057 497	20,49%	5 165 640	9,57%	8 806 991	16,32%

Source: MSC2007 as of 4 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Convergence objective ; RCE objective

Statistical data on rejected projects

In **Intervention area 6.1**, 1 project has been withdrawn, which accounts for 3.2 % of all the projects under this intervention area. No project was withdrawn or rejected in 2011.

Table No 77 – Table of rejected projects

Intervention area 6.1			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	0	0,0%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,0%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,0%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	0	0,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	0	0,0%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	1	3,2%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	1	3,2%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

In **Intervention area 6.2**, 1 project and two project applications have been withdrawn by the applicant. The percentage of withdrawn and not completed projects thus stays below the average of IOP. Two project applications were withdrawn by the Centre for Regional Development of the CR as the applicant in the course of 2011.

Table No 78 – Table of rejected projects

Intervention area 6.2			
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	0	0,0%	1,6%
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,0%	0,7%
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,0%	2,0%
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,0%	0,3%
<i>N2.3 Project was not recommended for funding by the Selection Committee</i>	0	0,0%	0,4%
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,0%	0,0%
<i>N5 Project application was withdrawn by the applicant</i>	2	4,0%	3,1%
<i>N7 Project was not completed/project was withdrawn</i>	1	2,0%	1,1%
<i>N8 Contract was terminated by the MA/IB</i>	0	0,0%	0,1%
Total	3	6,0%	9,3%

Source: IS Monit7+ as of 2 Jan 2012

Fulfilment of horizontal themes

Equal opportunities

All the 72 projects approved under Priority axes 6a and 6b should have a neutral impact on equal opportunities.

Table No 79 – Equal opportunities

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Number of projects with a neutral impact on equal opportunities	Number of projects	72
Number of projects with a positive impact on equal opportunities	Number of projects	0
Number of projects focused on equal opportunities	Number of projects	0

Source: IS Monit7+ as of 4 Jan 2012

Sustainable development

67 projects approved under Priority axes 6a and 6b undertake to be environmentally neutral.

Table No 80 – Sustainable development

Monitoring of horizontal themes	Unit of measure	Status as of 31 Dec 2011
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	0
Project is environmentally neutral	Number of projects	67
Project will help improve the air	Number of projects	0
Project will help improve the quality of water	Number of projects	0
Project will use alternative sources	Number of projects	0
Project will enlarge the area of urban vegetation	Number of projects	0
Project will improve population awareness of environmental protection	Number of projects	0
Project requires an environmental impact assessment	Number of projects	

Source: IS Monit7+ as of 4 Jan 2012

3.6.2 Significant problems encountered and measures taken to overcome them

Administration of IOP TA projects

The IOP MA endeavours mainly to simplify the implementation of projects and to make beneficiaries submit several specific projects under one intervention area, namely in line with the supported activities (e.g. accomplishment of annual communication plan, education activities, purchase of HW and SW, etc.). This recommendation was accepted by the majority of beneficiaries (except for one IB – the Ministry of Health of the CR), who gradually submitted more projects focused on individual activities, mostly with the period of implementation of one year. This shift was obvious at the meetings of the Selection Committee for IOP TA projects on 24 Feb 2011, 9 Jun 2011, 31 Aug 2011 and 1 Dec 2011. The IOP MA envisages there will be no more **enormous administrative burden brought about by constant changes in projects**. Also the monitoring of absorption will be clearer since once the project implementation is completed and the payment claim is submitted, the status of absorption of TA funds by individual beneficiaries will be obvious.

Most frequently addressed problems are the eligibility and evidencing of expenditure, especially in projects focused on administrative capacity, fulfilment of monitoring indicators and frequent changes in projects.

Measures taken

In the monitored period, the IOP MA together with CRD CR intensified the methodological and professional assistance directed at:

- Changes in the Handbook for Applicants and Beneficiaries for IOP TA and factoring them in projects;
- Assistance during the administration of IOP TA projects;
- State of play of absorption by IB under IOP TA;
- Public procurement matters.

Information was disseminated among beneficiaries at meetings of MA and IB and at meetings of the WG for IOP TA.

The goal of the MA is not the maximum absorption of funds allocated to Priority axis 6, but particularly the **observance of rules of economy, efficiency and effectiveness in the absorption of Technical assistance funds.**

Risk of ineligible activities and expenditure. The IOP MA concentrated on the absorption of Technical assistance funds and the achievement of maximum degree of eligible expenditure, its economy, efficiency and effectiveness.

Measures taken

The IOP MA introduced stricter rules applicable prior to the submission of project applications to the Selection Committee for IOP TA projects and to the approval of new activities in IOP TA projects. The revision of the Handbook for Applicants and Beneficiaries for Priority Axes 6a and 6b effective from 1 September 2011 enshrines the principle that the expenditure on activities covered by IOP TA, not approved in writing beforehand by the IOP MA, will be ineligible. More stringent approval procedure of new project applications and activities in IOP TA projects was discussed with all the IOP TA beneficiaries at the meeting of the Working Group for TA on 20 September 2011.

4 ERDF/COHESION FUND PROGRAMMES: MAJOR PROJECT (IF APPLICABLE)

The major project as defined in Article 39 of Council Regulation (EC) No 1083/2006 was planned in Intervention area 3.4 Services in security, risk prevention and management under the title **National Centre for Emergency Preparedness and Training of IRS Units in Hradec Králové.**

By decision of the top officials of the Ministry of Interior of November 2010, the preparation of the project was terminated. This fact was announced by the MoI representative at the 6th meeting of IOP Monitoring Committee in November 2010. The Monitoring Committee tasked the MoI CR with the conduct of evaluation of impact of the major project cancellation on the implementation and accomplishment of objectives of Intervention area 3.4 and the possible use of funds in other intervention areas. The conclusions of evaluations were presented at the IOP MC technical meeting and approved at the 7th meeting of the IOP Monitoring Committee in May 2011. Reallocation from activity c) to activity d) was incorporated in the revision of the Programming Document, approved by the European Commission on 21 Dec 2011.

5 TECHNICAL ASSISTANCE

Priority axes 6a and 6b – Technical assistance

Priority axes 6a and 6b focus on the support for effective management of the IOP for the whole 2007-2013 programming period. They are cross-cutting priority axes catering for all the other priority axes and intervention areas of the IOP. Within the process of management the Priority axes 6a and 6b support activities related to the preparation, selection and evaluation of assistance and operations.

Intervention areas of Priority axes 6a and 6b :

- 6.1a/6.1 b – Activity connected with the IOP management

- 6.2a/6.2 b – Other costs of the IOP Technical Assistance

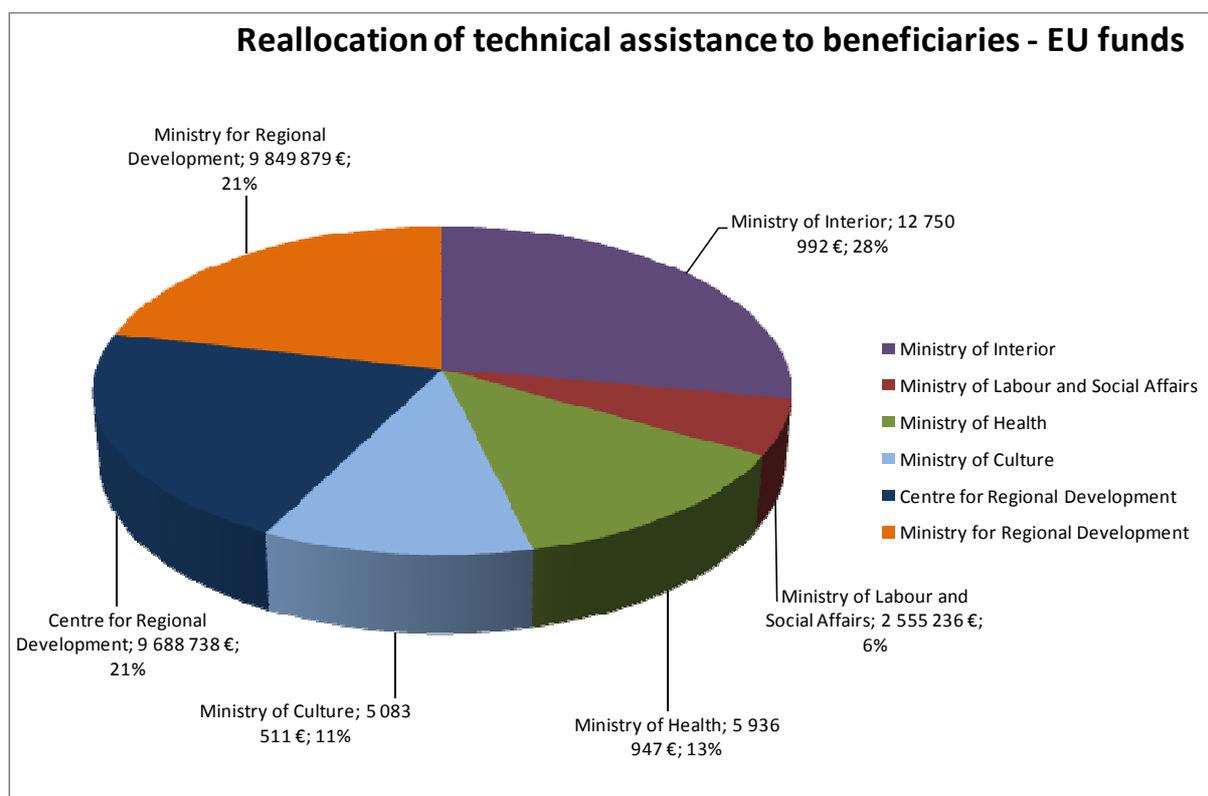
The IOP TA beneficiaries are the Ministry for Regional Development of the CR, the Ministry of Culture of the CR, the Ministry of labour and Social Services of the CR, the Ministry of Interior of the CR, the Ministry of Health of the CR and the Centre for Regional Development of the CR.

1) Percentage of financial allocation earmarked to IOP TA (funds to be used by IOP TA)

The share of Priority axes 6a and 6b in the total allocation for the operational programme accounts for 2.9 %. Of which 2.85% is earmarked for the Convergence objective and 0.05% for the Regional competitiveness and employment objective.

The distribution of allocation for Technical Assistance among the implementing entities was laid down by Government Resolution No 537/2008 of 14 May 2008 on ensuring the activities of the Managing Authority and the Intermediate Bodies in the implementation of the Integrated Operational Programme for 2007-2013 period. The Managing Authority was granted 21% of the total allocation for this priority axis and distribution of the rest of the funds reflects the shares in the delegated activities of the individual Intermediate Bodies.

Chart No 13 - Distribution of Technical Assistance allocation among beneficiaries following both the reallocations



Source: IOP MA, status as of 31 Dec 2011

Progress made in 2011

In the course of 2011, four meetings of the Selection Committee for IOP TA projects were held, at which 30 projects in the amount EUR 12 228 216.25 were approved.

Table No 81 – Overview of projects approved by the SC for IOP TA in 2011

	6.1	6.2
Ministry for Regional Development CR	4	3
Ministry of Health CR	-	-
Ministry of Labour and Social Affairs CR	-	2
Ministry of Culture CR	-	3
Ministry of Interior CR	4	5
Centre for Regional Development CR	4	5
Total	12	18

Source: Secretariat to the SC for IOP TA

2) Projects implemented in the framework of IOP TA

Table No 82 – Progress in the implementation of Intervention areas 6.1 and 6.2 in terms of projects as of 31 Dec 2011

	6.1	6.2
Number of submitted projects	28	41
Number of approved projects	28	41
Volume of funds of submitted projects SF+SB (25.910 CZK/EUR)	35 907 869 EUR	11 908 290 EUR
Share of the volume of funds of submitted projects in the allocation for the call	114,02%	107,82%

Source: MSC2007 as of 2 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Table No 83 - Progress in the implementation of Intervention areas 6.1 and 6.2 in terms of the total allocation

	6.1		6.2	
Projects approved for financing	35 907 869 EUR	114,02%	11 908 290 EUR	107,82%
Funds paid to beneficiaries	9 196 187 EUR	28,98%	2 175 625 EUR	10,43%
Submitted certified funds	7 961 842 EUR	25,10%	1 935 732 EUR	9,28%

Source: MSC2007 as of 2 Jan 2012

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

Main areas of absorption of IOP TA funds

1. Strengthening the administrative capacity

All the entities involved in the programme implementation draw the Technical Assistance funds in order to provide for administrative capacities in line with Government Resolution No 1332/2009 approving the procedure and the way of addressing the administrative capacity for the absorption of resources of Structural Funds for 2007-2013 period. A separate project concerning these matters was submitted by the IOP Managing Authority, the Centre for Regional Development of the CR and the

Ministry of Interior of the CR. The other beneficiaries included the wage costs in their framework project under Intervention area 6.1.

In 2011, the costs incurred in relation to 179.29 FTE in the breakdown stated in the table below were covered from IOP TA.

Table No 84 – Administrative capacity in 2011

Entity	Number of FTE employees based on administrative capacity for 2011
IOP Managing Authority	47,70
Centre for Regional Development CR	37,70
Ministry of Interior CR	34,34
Ministry of Culture CR	17,50
Ministry of Labour and Social Affairs CR	21,55
Ministry of Health CR	20,50
TOTAL	179,29

Source: Report on administrative capacity of IOP for 2011

2. Ensuring vocational training

A major part of TA funds is regularly channelled to these activities. Their exploitation is described in detail in Chapter 7.2 Education and training of IOP MA and IOP IB staff.

3. Purchase and installation of computer systems and information technologies

The MRD CR submitted the largest project in 2011 – Specific adjustments of the applications of Monit7+ for IOP and Benefit web application for IOP - part III. The budget of the project is CZK 12 480 000,- (EUR 481 667,-). The first payment claim in the amount of CZK 820 056,- was submitted on 25 Jan 2012.

CRD CR – due to the EC and IOP MA requirements for sustainability, the information system MONIT for JROP and SPD 2 has to be operated also in 2010–2013 period,. In 2011, altogether CZK 1 505 718.00 was reimbursed (EUR 58 113.39). The CRD CR submitted a project on extending the technical equipment for IOP data processing at CRD CR amounting to CZK 850 000,- (EUR 32 805.87).

MoI CR – within the project called Education, trips and technical infrastructure of MoI IB 2011 the Technical assistance funds covered the rental of mobile computer technology, i.e. 26 notebooks and 30 mobile phones, including the mobile tariff totalling CZK 753 680 (EUR 29 088.38).

An LCD monitor was purchased and installed in the lounge of MoI IB, showing the presentation concerning the absorption of IOP and OP HRE funds under the responsibility of MoI IB. The price of the monitor covered from IOP was CZK 16 419 (EUR 633.69). Moreover, expenditure incurred by the rental of 3 pieces of multifunctional equipment (copy machine-scanner-printer) amounted to CZK 364 000 (EUR 14 048.63).

MoC CR – purchased in 2011 a NAS disk station for storage and backup of electronic documents for IOP projects in the amount of CZK 26 152.00 (EUR 1 009.34), the equipment for the Intermediate Body staff was purchased – 16 notebooks with accessories in the total amount of CZK 400 374 (EUR 15 452.50). The eKOZA (electronic system of control of public contracts) system was acquired, the aim of which is to control the contract documents, course of tenders and the contract. The price for the development and operation of this system in 2011 totalled CZK 148 958 (EUR 5 749.05).

4. Methodological guidelines, expert studies and analyses, evaluation and other strategies covered from IOP TA

This part of the chapter presents the main documents financed by the individual beneficiaries from the IOP TA.

MA

Evaluation of changes in the IOP Programming Document, total costs CZK 954 000,- (EUR 36 820,-).
Evaluation of the progress of implementation of Priority axis 4 of IOP. Total costs CZK 692 661,- (EUR 26 733,-).

MoI CR

Analysis of the operational model of CzechPOINT – update for 2010, CZK 68 000 (EUR 2 624.47).
Interim analysis of communication needs , CZK 1 070 552.34 (EUR 41 318.11).
Collection, analysis and classification of data from IOP projects under IA 1.1. and 2.1, CZK 92 000 (EUR 3 550.75).

5. Analysis in the field of ensuring administrative capacity

The IOP MA in cooperation with IBs conducted an analysis of the ensuring of administrative capacity based on the Report on ensuring administrative capacities pursuant to Government Resolution No 1332/2009 for 2007-2013 period and through the conduct of their own analysis called “Analysis of administrative capacities and outsourcing of IOP Intermediate Bodies“. The results for the 1st half of 2011 were presented at the 8th meeting of the IOP Monitoring Committee and are detailed in Chapter 2.7.2 Evaluation of the Programme.

In ensuring the administrative capacity, the IOP MA and all the IBs proceeded in compliance with Government Resolution No 1332/2009, by which the procedure and the way of addressing the administrative capacity for the absorption of resources from the Structural Funds and the Cohesion Fund for 2007-2013 were approved. In the 1st quarter of 2012, the IOP MA shall issue the Methodological guideline concerning the procedure for the payment of bonuses following the absorption of allocation, the main purpose of which is the direct reward of employees for their labour merit in the accomplishment of tasks of special importance, manifested by consistent achievements at work.

6 INFORMATION AND PUBLICITY

The IOP MA publishes a list of approved projects and examples of implemented projects in IOP on its website:

Examples of implemented projects are published and updated on
<http://www.strukturalni-fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovaný-operacni-program/Projekty/Uspesne-projekty-IOP>

The list of aid beneficiaries under IOP is published and monthly updated on
<http://www.strukturalni-fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovaný-operacni-program/Projekty/Podporene-projekty>

Implementation of the communication plan and activities in the field of publicity

Activities implemented in the field of IOP publicity in 2011 ensued from the Communication Plan of IOP for 2007–2013, the annual communication plans for 2011 of individual Intermediate Bodies and from the results of the evaluation study of communication and publicity activities of IOP for 2008–2010. Concurrently, they reflected the approved projects under the IOP Technical assistance of individual IBs.

New strategy – “QUALITY OF MY LIFE“

A considerable change as against the previous period was in 2011 the adoption of a new strategy called “Quality of My Life”, the principle of which can be described as an “integrated approach”. The strategy built on the final report of the Evaluation of communication and publicity activities of IOP.

It aimed to create a uniform policy of “**quality of life**” as the **fundamental unifying communication objective of IOP**. To how to the general public how the IOP improves and strengthens the quality of their life. In this case the quality of life was identified as the “availability of options” which demonstrate the better life lived thanks to the IOP. The options thus represent the individual pivotal areas supported from the IOP²¹.



1. Target groups and communication priorities in 2011

1.1 Communication objectives

Communication objectives

At the level of specific goals, the focus of the Communication plan for 2011 concerned the Specific goal No 2: a successfully implemented programme, and Specific goal No 3: a successfully implemented project.

²¹ The fifth possibility - for active life, which is not included in the summary, was added during the implementation of the strategy.

The first goal responded to the current absorption of EU Structural Funds and a widespread negative publicity associated with the alleged irregularities in the implementation of selected operational programmes. This publicity could impact the opinions of the targets groups on IOP.

The second goal corresponded to the advancement of IOP absorption, when it was no more necessary to build the general awareness of IOP and to primarily mobilise the applicants, but rather to build the awareness of IOP results and benefits.

Communication objectives

Professional public – potential applicants and aid beneficiaries

- To inform the aid beneficiaries on conditions under which the support is granted and on the most frequent deficiencies during the project implementation.
- To inform the applicants on possibilities of financing activities from selected (not yet fully absorbed) intervention areas.
- To strengthen the awareness of applicants and beneficiaries of the transparency of project selection procedure and absorption of funds from IOP.

General public, including mass media and other target groups

- To assure the general public of the transparency of absorption of funds from IOP.
- To inform the general public on aid beneficiaries.
- To inform the general public on specific successfully implemented IOP projects.
- To show the general public the impacts of IOP interventions on their life.

1.2 Target groups

- 1) Potential applicants, aid beneficiaries
- 2) General public

The primary target group for 2011 remained to be the beneficiaries and applicants due to uneven absorption from the Integrated Operational Programme and the Managing Authority aimed particularly to ensure effective absorption capacity and successful drawdown of the earmarked allocation of funds. Ever more attention was paid to the general public, with respect to the approaching end of the programming period and the need to inform a broad spectrum of interested persons about IOP activities and projects. This focus also ensued from the recommendations of the evaluation study of communication and publicity activities of IOP in 2008–2010 and from the European Commission priorities. Among other target groups, which were indirectly involved in the absorption capacity, are mass media, professional organisations, promoters of selected intervention areas, etc..

Target groups

Professional public (PP) – potential applicants and aid beneficiaries

Key communications in 2011

- MA and IB provide factual, timely and comprehensible information on possibilities of financing from IOP.
- The way of submission, selection and reimbursement of projects is transparent at every stage of the process. The aid beneficiaries receive timely and quality information about the conditions of absorption in individual intervention areas of IOP and are warned against the most frequent mistakes made in the implementation.

General public (GP)

Key communications in 2011

Money from IOP is absorbed in a transparent manner.

Control mechanism of absorption is designed so as to prevent the misuse of funds.

All beneficiaries have enough information for successful implementation of their projects.

IOP funds are channelled to meaningful projects with specific and tangible benefits for citizens of the CR

IOP improves the quality of life of each of us!

Tools

In the framework of IOP publicity, the traditional tools of EU funds publicity were exploited, which included **online communication** (MA and IB website), **printed communication** (leaflets, publications, newsletters, etc.), **direct communication** (seminars, conferences, consultations). In 2011, more attention was paid to the following types of activities:

Activity	Description of activity
Activities for general public	It is an event type activity – i.e. information and entertainment events targeted at general public, associated with e.g. searching for information boxes, etc.
Uniform information portal + 4 microsities	In line with the “Quality of My Life” strategy and greater comprehensibility of IOP for general public, a new design of IOP publicity on the Internet should be created. The web signpost will lead the users to 4 simple websites, the so called microsities. They cover 4 areas (possibilities for quality life) of IOP benefits for everyday life. These areas thematically sum up the IOP interventions.
Internet campaign	Existence of a new signpost and 4 microsities should be supported by an online campaign – either in the form of a banner or hypertext advertisement, or other effective forms of online advertising. The aim was to direct the users from among general and professional public and media to the new website.

For the purpose of launch of the “Quality of My Life” concept and successful implementation of communication activities an external expert was hired, who had experience with marketing communication and introduction of similar changes in communication. This supervisor provided methodology guidance to the members of the Working Group for publicity during the setting out of all the processes and procedures leading to the implementation of the concept, and prepared additional materials applying the new concept.

2. Examples of activities in the field of publicity

Summary of all communication and publicity activities of IOP for 2011 is included in Annex No 2.

2.1. Activities for general public (seminars, conferences)

Just like in the previous years, ranking among the main activities in 2011 were seminars and conferences for professional public.

Annual Conference of IOP – Improving the environment in problematic housing estates



The conference took place on October 13–14, 2011 at the cultural centre in the town of Písek which was also a co-organising partner of the event. The main topic on agenda was the Integrated Urban Development Plans. It was attended by representatives of all the involved municipalities, representatives of operational programmes implementing IUDP, and representatives of other entities taking part in the implementation of IUDP.

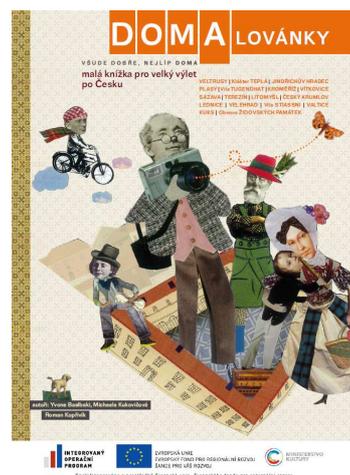
Seminars for applicants and beneficiaries



Seminars for applicants and beneficiaries were held by MoLSA IB because of the opening of new calls and in order to provide basic information necessary for the elaboration of applications. In Intervention area 3.1, two seminars took place in Prague, providing information on conditions of call No 8. They were attended by 70 persons. In Intervention area 3.3, a workshop was held for applicants at the Training centre in Křešice.

2.2. Publications intended for general public

An example of the publication intended for the general public are “Drawing and colouring books“ created by the Ministry of Culture of the CR for pre-school children and pupils of the primary level of elementary schools. Its purpose was not to inform the readers about the details of the programme, but to provoke in children the interest in cultural sites in the Czech Republic which receive support from IOP. This is why a playful form was opted for, namely stories and characters that arouse imagination and will perhaps make the children as well as their parents to visit the places. The Drawing and colouring books are connected to another activity of information boxes that will enliven the visits of children and families to IOP 5.1. projects.



2.3. IOP newsletters

In 2011, 2 types of IOP newsletters were published. One sums up the projects from all the intervention areas on behalf of the MA and the other on behalf of the Ministry of Interior of the CR highlights the projects under its responsibility. Both the newsletters were published quarterly and brought the attention particularly to the implemented projects.

2.4. Photo documentation

Since the projects are now at the stage of completion, a suitable tool for documenting the results of IOP support appears to be the photo documentation of projects, which in 2011 was employed by the CRD and MoH, while other IBs intend to do so in the future. It is one of the fitting ways to present the impact of IOP financial support to the general public in a simple fashion. The photographs can be used in many different ways, e.g. on promotional merchandise, website or in publications. The photographs of medical devices come from the University Hospital Plzeň.



3. Communication with the general public, applicants and beneficiaries

Enquiries

In 2011, the IOP MA and IBs received nearly 7 500 e-mail enquiries.

Table No 85 – Overview of received e-mail enquiries

e-mail enquiries	MRD	MoC	MoLSA	MoI	MoH	CRD	TOTAL
Registered	31	15	661	2 200		80	2987
Unregistered					1 000	3500	4 500
TOTAL							7 487

Source: MA, IB – register of enquiries. Data as of 31 Dec 2011.

Based on the repeated enquiries, the IOP MA and IBs create and update the responses to frequently asked questions, the so called FAQ that are published on the website of individual entities.

Website traffic

The following table gives a summary of website traffic of www.strukturalni-fondy.cz/iop website for 2011. The website traffic is monitored via Google Analytics.

Table No 86 – Number of website visitors to www.strukturalni-fondy.cz/iop website in 2011

Month	Number of visits	Number of sessions
January	8 490	6 541
February	7 326	5 274
March	9 149	6 940
April	7 094	5 359
May	7673	5 722
June	6023	4 542
July	5145	3 958
August	5569	4 194
September	5929	4 491
October	6412	4 782
November	6972	5 173
December	4435	3 402
Total	80 217	60 378

Source: Google Analytics as of 31 Dec 2011

4. Total budget of IOP CoP 2011

The total costs incurred in the field of publicity covered from IOP Technical assistance in 2011 amounted to CZK 5 972 230.

Table No 87 – Total costs of IOP publicity covered from IOP Technical assistance

IOP MA / IB	Indicative budget (EUR)	Actual value (EUR)
Ministry for Regional Development CR	189 733,7	59 272,4
Ministry of Culture CR	115 785,4	44 966,96
Ministry of Labour and Social Affairs CR	17 522,19	2 308,452
Ministry of Interior CR	471 352,8	117 966
Ministry of Health CR	48 243,92	14 247,97
Centre for Regional Development CR	50 945,58	45 075,72
Total (CZK, VAT incl.)	893 583,6	230 499

Source: MA and IB as of 31 Dec 2011

CZK/EUR exchange rate: 25.910

Source of funding: public funds total

As against the previous years, the actual costs incurred by almost all the entities were significantly lower than the forecast. The reason behind was the postponement of activities to the next year and the use of other ways of publicity. E.g. articles were published in printed media for free which resulted in savings (MoI, MoLSA). In some cases, the activity failed to be implemented, e.g. seminars were not held because of delays in the timetable of announcement of calls at MoH and MoLSA.

5. Evaluation of publicity activities in 2011

Some activities listed in the Annual Communication Plan for 2011 were not performed and some are envisaged to be implemented in 2012 (e.g. some activities of MRD and MoI).

One of the reasons for the postponement of activities was the incorporation of the new “Quality of Life” strategy into individual outputs, which in some cases such as in the creation of microsites, took longer than originally planned. Another reason was a later opening of new calls (e.g. by MoLSA), or an identification of a more suitable activity for reaching the target group, which is why the original activity was not implemented (MoH).

An important role was played by the newly adopted “Quality of Life” strategy, which was conducive to a major progress in the implementation of individual activities, when compared to previous years the outputs of MA and IB were much better aligned in terms of their graphic layout and the individual graphic elements of the “Quality of Life” were incorporated into the published materials. Thereby, the recommendation from the Evaluation study to align and simplify the communication strategy in order to make it more comprehensible for the general public is being acted upon.

Similarly as in the years before, one of the main target groups were applicants and beneficiaries. The most suitable tool for their addressing, apart from the website communication, still proves to be seminars and training courses.

Ever more attention is paid and will be paid to the general public due to the advanced status of IOP absorption and the need to inform a wide spectrum of interested persons about projects. With respect to this fact, already in 2011 activities targeted at the general public were performed, such as the Drawing and colouring books, searching for information boxes or creation of microsites. Similar activities are scheduled also for 2012.

Primarily the cooperation with regional journalists who are interested in IOP related topics and thus present the successful projects to the general public in a straightforward way has proven its worth. We would like to pursue this activity in the next year too.

7 MISCELLANEA, SHARING EXPERIENCE, BEST PRACTICE

For the sake of sharing experience with IOP, the IOP MA most often employs the following communication platforms:

- IOP working groups;
- Education of IOP staff;
- Discussions between the IOP Managing Authority and IOP Intermediate Bodies;
- Others.

7.1 IOP Working Groups

Working groups represent a tool for communication on topical themes or problems. The respective working groups usually meet 4x a year, the minutes are taken from their meetings and WGs are subject to evaluation. In collaboration with WG members, the evaluation considers the frequency of meetings in the year concerned, attendance, fulfilment of IB tasks assigned at the working group meetings, involvement and activity of WG members during the meetings, satisfaction of members with the organisation of WG and evaluation of working group benefits.

Working groups can respond in a flexible fashion to the emerging problems in IOP implementation. To a great degree they are also used as a tool of IB education.

In the period from 1 Jan 2011 to 31 Dec 2011, meetings of the following IOP MA working groups were convened:

- WG for communication
- WG Pilot
- WG Technical assistance
- WG Financial management
- WG Evaluation
- WG IS and monitoring
- WG for risk management
- WG for 5.2
- WG Jessica
- WG for public contracts

In the monitored period, no meetings of the WG of the IOP Monitoring Committee were convened:

- WG for Intervention area 3.1, 3.2 and 3.4
- WG for Intervention area 4.1 – activities in tourism are twice a year discussed at the meeting of regional representatives for tourism, regional coordinators and representatives of the Czech headquarters of tourism – CzechTourism.
- WG for Intervention area 5.1 – activities of this working group were replaced by the participation of the Director of the Strategy and Aid Policy Department of the MoC in the meeting of the expert working group of the Association of Regions of the CR for EU funds, at which representatives of regions and the Regional Operational Programmes meet.
- WG for Intervention area 5.3 – Intervention area 5.3 of IOP is on the agenda of WG for coordination of urban policy, which is managed by the Regional Policy Department of the MRD, and IOP MA participates in its meetings just like the other representatives of operational programmes and professional associations. The IA 5.3 of IOP was not discussed at any of the meetings held in 2011.

Main conclusions from meetings of the working groups

WG for communication

In the monitored period the working group met four times. The main point on agenda was the discussion and approval of the joint effort to introduce the new communication strategy of IOP called “Quality of My Life”, which will facilitate an effective presentation of the achieved results of IOP over the remaining years of the current programming period. It shall also serve as an easily accessible source of information on IOP projects, not only for the general public, but also for mass media. The new strategy, built around the principle that can be briefly characterised as the “integrated approach” follows from the final report of the Evaluation of communication and publicity activities of IOP, commissioned by IOP MA, that was completed in April 2011.

WG Pilot

In total, the working group met three times in the monitored period. Everyday issues associated with the implementation of pilot projects were discussed at the meetings with pilot towns. An emphasis was placed on the links to other synergic projects and on sustainability.

WG Technical assistance

Within the monitored period the working group met on 20 Sep 2011. At this meeting the MA pointed at major changes in the revised Handbook for Applicants and Beneficiaries effective from 1 Sep 2011. Discussed was especially the obligation of applicants under IOP TA to send all new activities within the IOP TA projects for approval to the Secretariat to the Selection Committee for projects and the obligation to submit the new project applications under IOP TA first to the Secretariat to the Selection Committee for IOP TA for approval.

WG Financial management

In the monitored period the working group met twice. At the meeting held on 24 May 2011, discussions were held on the state of play of applications for payment at individual IBs and on addressing the problems during their administration as well as on the procedure for the administration of recoveries and settlement of fines and penalties imposed by the beneficiary on suppliers.

At the meeting on 4 Aug 2011, the MA invited all the implementation entities to take an active part and cooperate, particularly with the emphasis on addressing the topical problems with submission of payment requests, authorisation of payments and certification of expenditure. The MA recommended the IBs to prioritize during the processing of payment claims in order to achieve the maximum absorption of funds, to prioritize during the administration of payment claims with respect to the fulfilment of n+3 rule and control of the observance of individual deadlines.

WG Evaluation

The Working Group for evaluation of IOP convened three times. At the meeting of 23 June 2011, it recapped all the evaluations of MA and IBs conducted since 2007, discussed the ongoing evaluation activities of MA and IBs and agreed on the elaboration of Action Plans from all the evaluations carried out in 2011 in a uniform format. At the meeting on 21 Sep 2011, the discussions concentrated mainly on the conclusions and recommendations from the Analysis of administrative capacities and outsourcing of Intermediate Bodies of IOP, drafting of the Evaluation Plan of IOP for 2012 was commenced and the topics for a seminar on evaluations, commissioned by the MA with the Czech Evaluation Company for December 2011 for MA and IBs started to be identified. The training course of the CEC was on the agenda of the third meeting of WG for evaluation of IOP in 2011.

WG for evaluation of NCA

The IOP representative also takes part in the meetings of the Working Group for evaluation of NCA, which convened twice in 2011 (20 Apr 2011 and 25 Oct 2011), the IOP representative attended only the meeting held in October.

At this meeting, the topical evaluations at the level of NSRF were presented. First of all, there was a presentation of the main results of ex-post evaluation of CSF and SPD (2004-2006), the course of the Mid-term evaluation of physical and financial progress of NSRF (MID-TERM evaluation) and preparations of the Strategic evaluation pursuant to Article 29 of the General Regulation – STRATeval 2012. The representative of the Regional Policy Development and Strategy Department of MRD introduced two contracts related to the Regional Development Strategy of the CR, and the Analysis and Strategy Department of MRD presented an evaluation called “Background studies for the preparation of the CR for the use of EU funds in 2014+ period”. Later, a new activity under the umbrella of NCA was presented, namely the meta evaluation of performed activities, and a discussion on the scope of provided information was opened. At the end of the meeting, the representatives of the Managing Authorities of individual OPs had the opportunity to present their currently conducted evaluations.

WG IS and monitoring

In the monitored period, the working group met twice. Among the topics on the agenda of the working group held on 23 Aug 2011 were the procedures of administration of revenue-generating projects pursuant to Article 55 of the General Regulation in IS Monit7+ for IOP and Benefit7. The aim was to acquaint the WG participants with a new, important functionality in IS incorporated in line with the Methodological Handbook of NCA. The topic of WG held on 28 Nov 2011 was the preparation of supporting documents for the annual report and report on implementation and analysis of the fulfilment of indicators.

WG for risk management

In the Monitored period, the working group convened twice on 29 Apr 2011 and 8 Sep 2011. The WG discussed and approved the Catalogue of IOP Risks. At the meeting the MA requested especially the careful elaboration of partial risk analyses by all the parties and consistent evaluation of implemented corrective measures.

WG for 5.2

The Working Group for Intervention area 5.2 meets when there is a need to align the procedures between the IOP MA and IB (CRD). In 2011, one meeting took place, at which the procedure for evaluating the annual monitoring reports of individual IUDPs were discussed.

WG Jessica

The working group in the monitored period convened six times. The basic topics on the agenda of the WG were the setting out of conditions for the pilot verification of the implementation of JESSICA financial instrument in IOP. Consulted and discussed were the following areas:

- Explanation of supported activities and related revision of the IOP Programming Document,
- Transfer of funds from OPTA,
- Involvement of the State Housing Development Fund in the implementation as the holding fund manager,
- Timetable of implementation of the FI by 2015,
- Finalisation of the investment strategy and the proposal for conditions of the Decision on providing a grant to the holding fund,
- Revision of the Methodological Guideline on the main principles of the preparation of evaluation and approval of IUDP.

WG for public contracts

In the monitored period the working group convened six times. The topics of the agenda were the harmonisation of procedures in the field of conduct and control of public contracts across the IOP. The meetings also served as a platform for the exchange of information gained from the decision making practice of controlling entities.

7.2 Education of IOP MA and IOP IB Staff

7.2.1 IOP Managing Authority

The system of education of IOP MA staff in 2011 consisted of the following stages:

- Evaluation of staff by means of MRD evaluation questionnaires,
- Planning the education of employees through individual education plans,
- Actual conduct of education (internal, external educational events, e-learning),

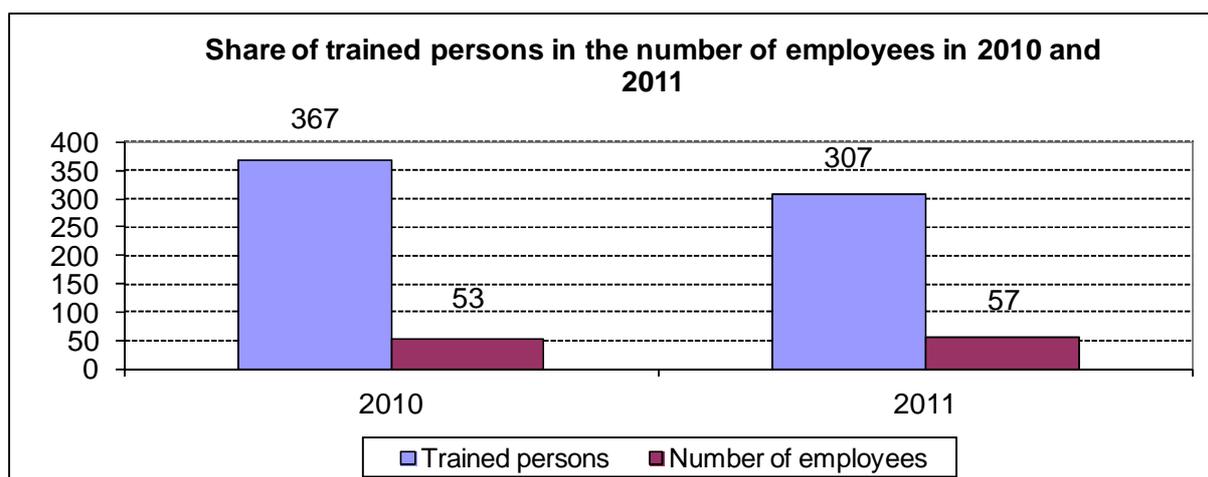
- Monitoring of the accomplishment of individual plans,
- Semi-annual and final annual evaluation of the accomplishment of the IOP Managing Authority education plan,
- Evaluation of the quality of educational events.

In 2011, a total of 72 education and training activities were organised, of which 46 were outsourced and 26 were delivered by internal lecturers. The internal education and training activities comprised those held by the IOP Managing Authority and those held by the NCA and the MRD Human Resources Department.

The total number of educational events also includes all the training courses, i.e. not only those funded from the IOP Technical Assistance.

The number of activities attended by the IOP MA staff dropped by 3 as against 2010, the number of trained persons dropped by 60. The chart below clearly shows that when comparing the number of trained persons and the number of IOP MA employees, the number of trained persons in 2011 decreased by 16.4 % as against 2010.

Chart No 14 - Share of the trained persons in the total number of IOP Managing Authority employees in 2010 and 2011

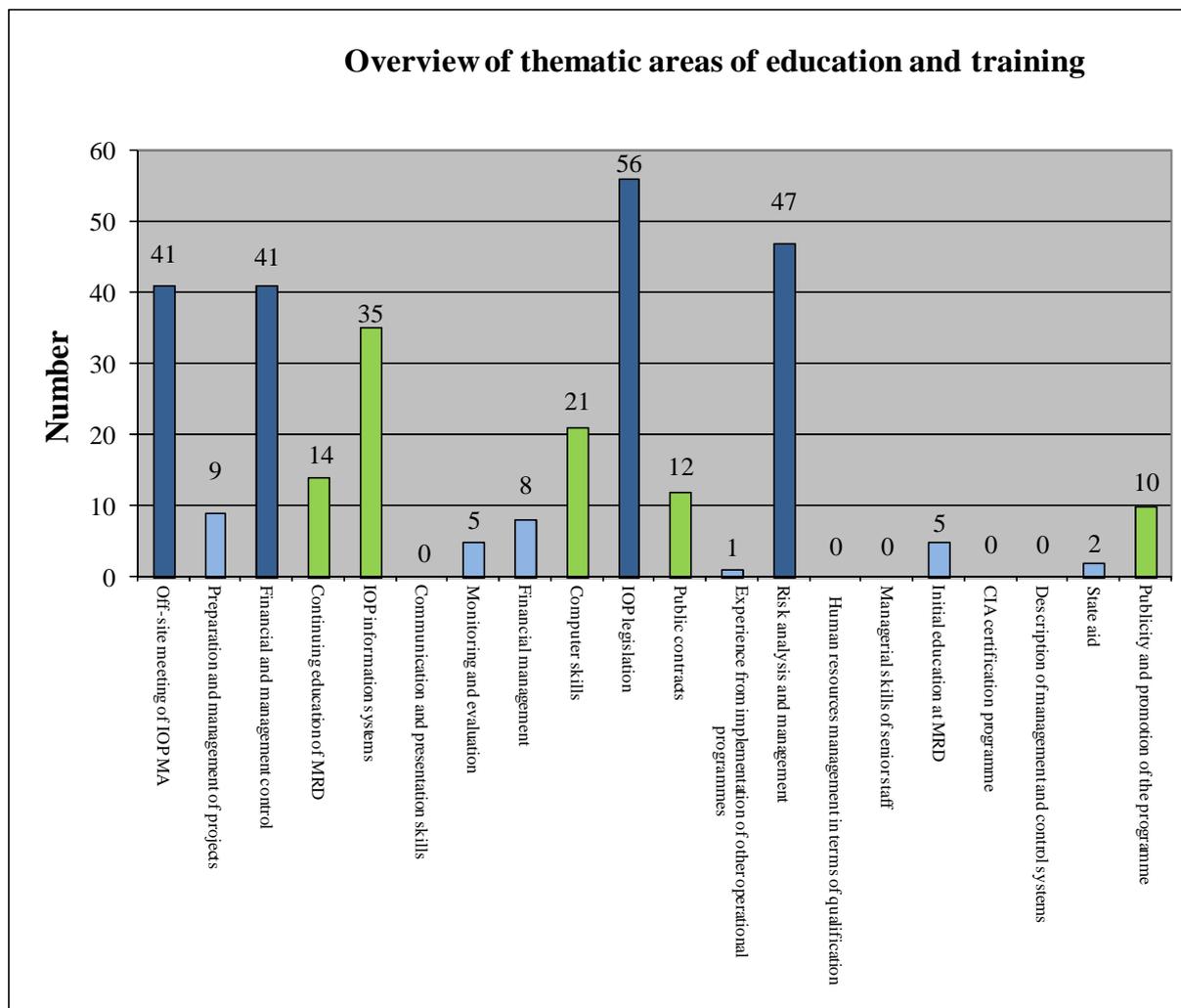


Source: IOP MA

In 2011, the highest number of education and training activities focused on financial and management control, computer skills, IOP legislation, public contracts, analysis of risk management, information systems, preparation and management of projects, and language courses.

The lowest number of education and training activities focused on monitoring and evaluation, financial management, publicity and state aid.

Chart No 15 – Overview of thematic areas of education and training in 2011



NOTE: blue colour – the highest number of training courses

Source: IOP MA

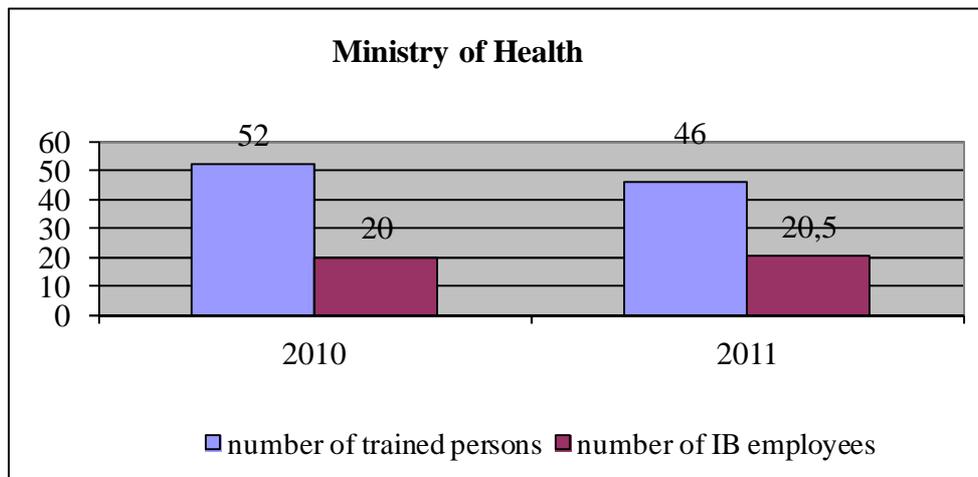
7.2.2 IOP Intermediate Bodies

The Intermediate Bodies cover the costs of education and training from its IOP TA projects, or are invited to participate in training courses held by the IOP Managing Authority.

In 2011, the IOP MA did not request the submission of individual education plans and their evaluation from the Intermediate Bodies, therefore the training courses held exclusively by the Intermediate Bodies are not included in this overview.

In 2011, the IOP MA organised a total of 16 internal education and training activities for its IBs. A total of 166 persons were trained. The share of trained persons in the total number of employees is illustrated in the following charts. For more accurate quantification, comparisons with 2010 are presented.

Chart No 16 - Share of trained persons in the number of employees of the Ministry of Health in 2010 and 2011



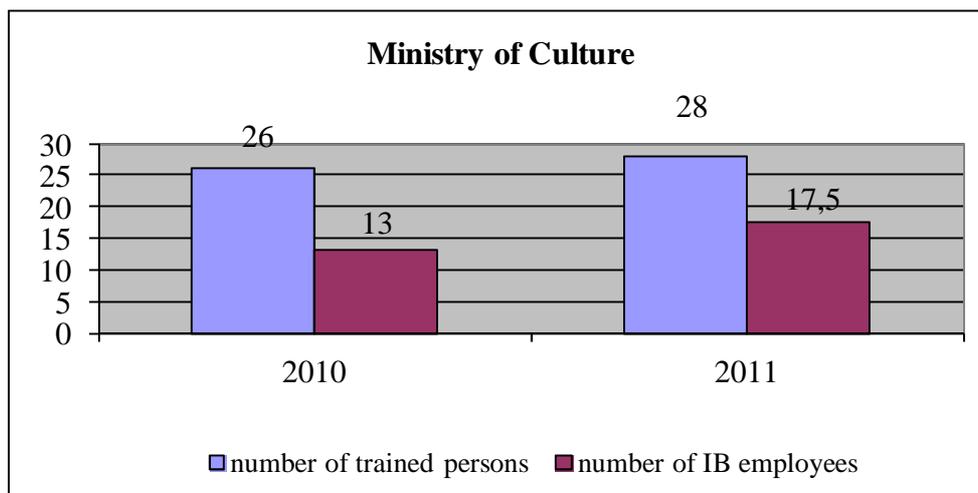
Source: IOP MA

Chart No 17 - Share of trained persons in the total number of employees of the Ministry of Labour and Social Affairs in 2010 and 2011



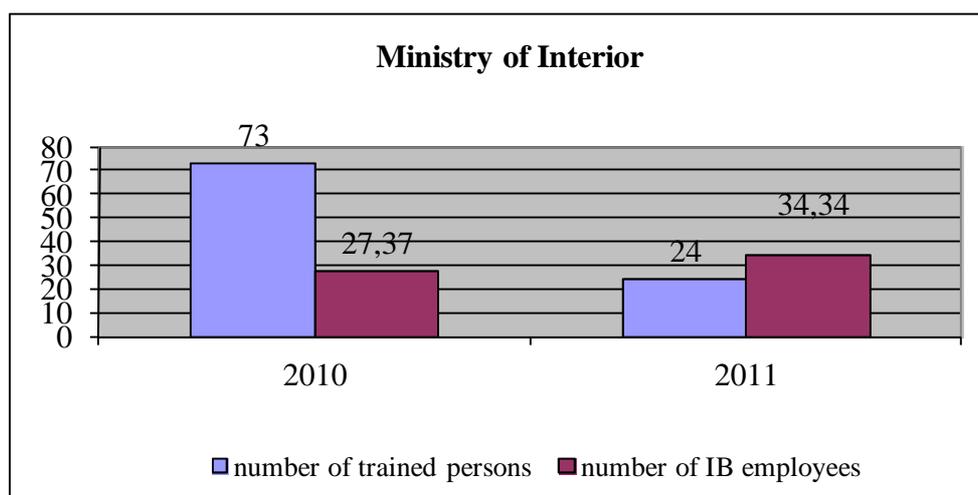
Source: IOP MA

Chart No 18 - Share of trained persons in the total number of employees of the Ministry of Culture in 2010 and 2011



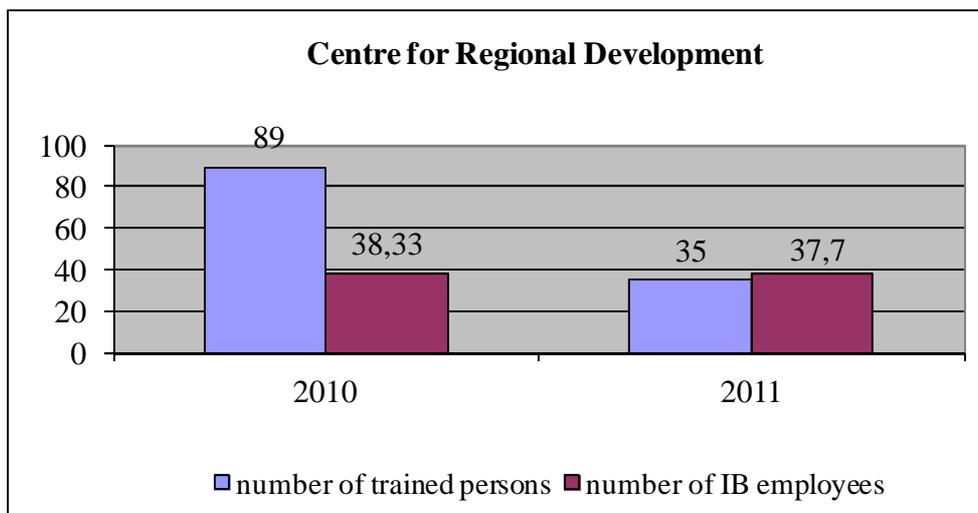
Source: IOP MA

Chart No 19 - Share of trained persons in the total number of staff of the Ministry of Interior in 2010 and 2011



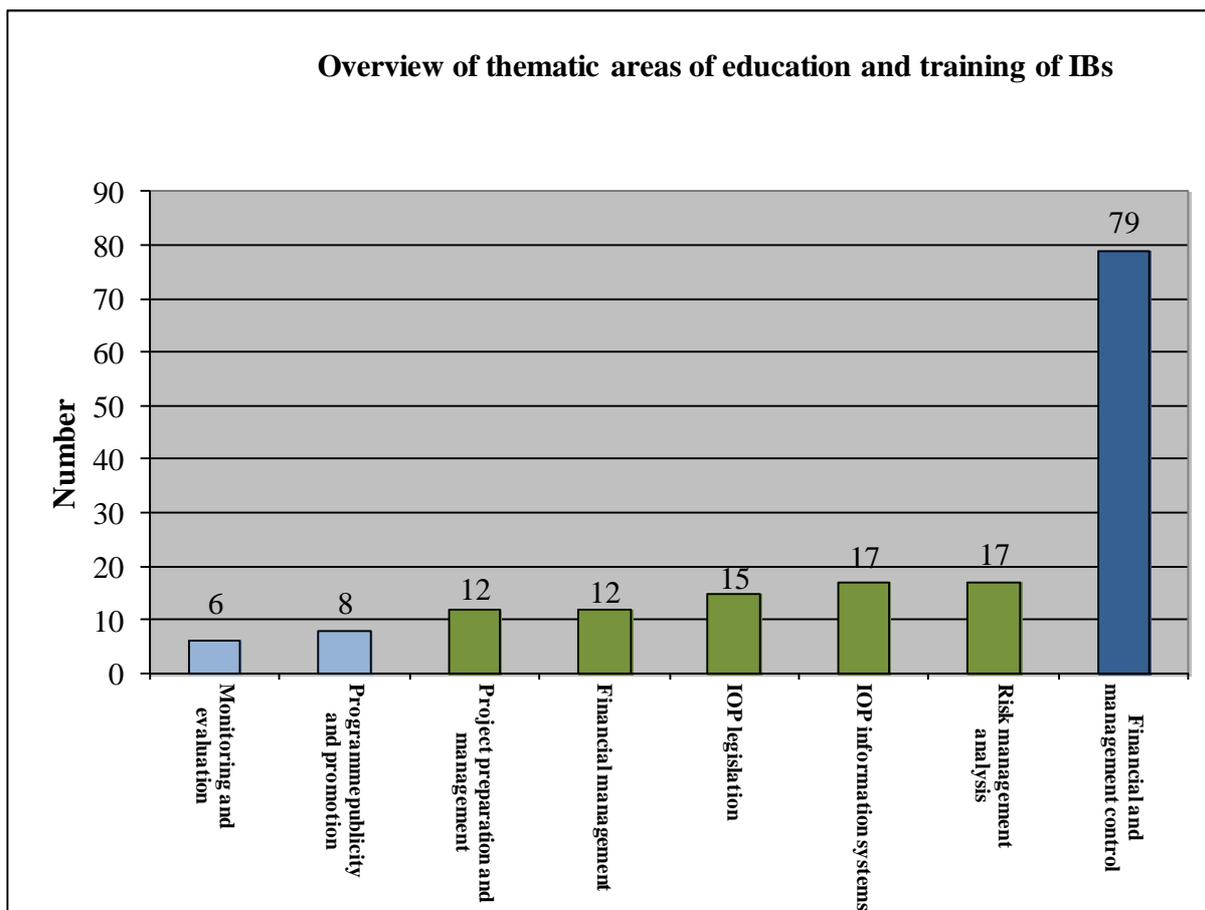
Source: IOP MA

CHART NO 20 - Share of trained persons in the total number of employees of the Centre for Regional Development in 2010 and 2011



Source: IOP MA

Chart No 21 – Share of thematic areas of education and training



NOTE: blue colour – the highest number of training courses

Source: IOP MA

In 2011, the highest number of education and training activities organised by the IOP Managing Authority for IOP IBs focused on financial and management controls.

7.3 Meetings held Between the IOP Managing Authority and IOP Intermediate Bodies

The highly beneficial tool of communication and sharing experience between the IOP MA and IBs are considered to be the regular IOP MA and IB meetings.

In 2011, the following pattern was in place:

- 1x a month at the level of IB directors and top officials of the IOP MA,
- 1x a month a training course for IBs and IOP MA

The regular meetings between the IOP MA and Directors of IOP IBs address the evaluation of plans of absorption, including the submitted applications for payment for the previous month, the actual state of play of the fulfilment of N+3 rule and outlook for 2012, observance of the timetables of IBs, preparation of projects, ongoing and planned calls, administration of applications for payment, tasks of IBs, accomplishment of forecasts, refunds, etc.

At the beginning of 2011, the IOP MA identified, also based on the suggestions of Intermediate Bodies, the areas of topics to be covered by the education and training. On the basis of these topics, the timetable of training courses was continuously updated to take into account the emerging problems in the IOP implementation.

7.3.1 Meetings of Deputy Ministers implementing the IOP

With regard to the status of implementation of the programme and the addressed problems, which were often times beyond the responsibility of the individual Directors of IOP IBs, the MRD top officials decided to hold meetings at the level of Ministers and Deputy Ministers involved in IOP implementation. At the meeting of Ministers on 29 Jun 2010, the Interministerial Commission of Deputy Ministers Implementing the IOP was set up.

On 28 Apr 2011 a meeting of the Interministerial Commission of IOP at the level of Deputy Ministers was held at the Ministry for Regional Development.

Conclusions of the meeting of the Interministerial Commission of Deputy Ministers implementing the IOP:

- Observance of deadlines in the implementation and administration of projects; to avoid extending the individual stages; necessity of stronger commitment of the respective Ministers to the fulfilment of the absorption of funds; improvement of forecast absorption of funds.
- Recap of tasks assigned to individual ministries.
- In follow-up to the recommendations from the information presented to the Government on IOP risks, the Ministries shall provide the following information:
 - what recommendations have been adopted at their ministry for GA as the aid beneficiary;
 - what recommendations have been adopted at their ministry for GA as IB;

- information was shared on the holding of the Technical meeting of IOP MC on 3 May 2011, where individual evaluations were presented and discussed. The participants were also acquainted with the holding of the regular meeting of IOP MC on 31 May 2011, where also a proposal for changes in the IOP Programming Document will be presented as well as information on the procedure related to the approval of these changes.

On 13 Jun 2011 a meeting of the Interministerial Commission of IOP at the level of Deputy Ministers was held at the Ministry for Regional Development.

Conclusions of the meeting of the Interministerial Commission of Deputy Ministers implementing the IOP:

- a summary of the progress in implementation of IOP achieved in April and May and a comparison of IOP with the other operational programmes;
- at the meeting all the ministries presented their self-evaluations and handed them over to the IOP MA in writing. The representatives of each ministry expressed their opinion on the effectiveness of work with applicants and beneficiaries, evaluation of the scope and quality of control activities conducted, staffing, cooperation with individual units of ministries and forecast absorption, etc.;
- the representatives of individual ministries also pointed at the adopted measures or measures that will be adopted in order to accelerate the whole process of administration;
- fulfilment of n+3 rule without the use of advance payments from the EC for the whole programme is realistic, nonetheless it differs at individual ministries;
- IOP MA decided to intensify the regular monitoring of administration of applications for payment in IOP.

On 29 Nov 2011 a meeting of the Interministerial Commission of IOP at the level of Deputy Ministers was held at the Ministry for Regional Development.

Conclusions of the meeting of the Interministerial Commission of Deputy Ministers implementing the IOP:

- Volume of funds covered by the Decision is 72 % of the allocation, the reimbursed and certified funds equal 18 %, or 10.4 % respectively, which means that the IOP still ranks among the weakest OPs.
- In the monitored period the number of projects with issued Decision increased by 172 projects in the total amount of CZK 4 billion.
- The fulfilment of the plan for January – November 2011 approximates 26 % at MoLSA and 50 % at MoH and MRD
- Mr. Braun, the First Deputy Minister, pointed at an extremely high number of rejected projects during ex-ante checks at MoLSA, at the possibility of excessive or duplicate requirements for beneficiaries and simplification of Handbooks for Beneficiaries.
- The MRD in cooperation with MoLSA and CRD, as a follow-up to the approved Evaluation Plan, prepares an internal evaluation of processes in implementation and requirements placed upon the applicants and beneficiaries
- Mr Braun, the First Deputy Minister, recommended to the MoC CR and MoI CR to set out the limits for absorption of funds under individual projects for individual years and potential cuts of unabsorbed funds at beneficiaries who fail to meet the set out targets of absorption.
- Mr Braun, the First Deputy Minister, highlighted the importance of the observance of deadlines at individual stages of project cycle; the application of the terms and conditions of

the contract, the purpose of which is to enforce the supplier's obligations, as a partial evaluation criterion and the use of random selection by casting lots in the award of public contracts in IOP.

7.3.2 Bilateral meetings between IOP MA and IOP IBs

In 2011, several bilateral meetings took place with the individual ministries, at which the following topical issues were addressed:

- Status of absorption in intervention areas of the respective IOP IBs,
- Forecast absorption, project implementation,
- Controls,
- Issuance of the Registration of action/Decision,
- Seminars for beneficiaries, technical assistance,
- Public contracts,
- Approval of documentation,
- Measures taken by IBs to improve the absorption,
- Revision of Handbooks for Applicants and Beneficiaries,
- Calculation of target values of monitoring indicators,
- Progress in the administration of project applications, etc.

LIST OF ABBREVIATIONS

AAE	Authorised Audit Entity
AP	Application for payment
AR	Association of Regions
CBA	Cost Benefit Analysis
CF	Cohesion Fund
Conv.	Convergence objective
CoP	Communication Plan
CRD	Centre for Regional Development
DG	Directorate General
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
ERDF	European Regional Development Fund
ESC	Economic and Social Cohesion
ESF	European Social Fund
EU	European Union
FI	Financial Instrument
FRS	Fire Rescue Service
GD FRS CR	General Directorate of the Fire Rescue Service of the CR
GG	Global Grant
HAB	Handbook for Applicants and Beneficiaries
HWP	Handbook of Work Procedures
IA	Intervention area
IB	Intermediate Body
ICT	Information and Communication Technologies
IOP	Integrated Operational Programme
IOP MC	Monitoring Committee of IOP
IOP OM	IOP Operational Manual
IPM	Internal Procedures Manual
IRS	Integrated Rescue System
IUDP	Integrated Urban Development Plan
JROP	Joint Regional Operational Programme
LO	Labour Office
MA	Managing Authority
MoC	Ministry of Culture of the CR
MoH	Ministry of Health of the CR
MoI	Ministry of Interior of the CR
MoLSA	Ministry of Labour and Social Affairs of the CR
MR	Monitoring Report
MRD	Ministry for Regional Development of the CR
NCA	National Coordination Authority
NRP	National Reform Programme
NSRF	National Strategic Reference Framework
NUTS	La Nomenclature des Unités Territoriales Statistiques
OP	Operational Programme
OP EC	Operational Programme Education for Competitiveness

OP HRD	Operational Programme Human Resources Development
OP HRE	Operational Programme Human Resources and Employment
OPC	Office for the Protection of Competition
OPTA	Operational Programme Technical Assistance
PA	Priority axis / priority area
PAM	Planning analytical materials
PCR	Police of the CR
PFD	Programme Financing Department
PWC	Price Waterhouse Coopers
RCE	Regional Competitiveness and Employment
RDP	Rural Development Programme
ROP	Regional Operational Programme
SAPD MoC	Strategy and Aid Policy Department of the Ministry of Culture
SC	Selection Committee
SEA	Strategic Environmental Assessment
SF	Structural Funds
SFD	Structural Funds Department
T	Tourism
TA	Technical assistance
TD	Tourism Department
TFO	Territorial Financial Authorities
TOP	Thematic Operational Programme
TP	Territorial Plan
WG	Working Group

ANNEXES

Annex No 1 – Forms for Reporting Synergy by Thematic Area

Annex No 2 – Publicity Activities 2011

Annex No 3 – Action Plans from Evaluations

Annex No 1 Forms for Reporting Synergies by Thematic Area

FORM NO 1 – SMART ADMINISTRATION

SUPPLIER OF THE DOCUMENT: INTERMEDIATE BODY – MINISTRY OF INTERIOR

Supplier of the form:		<i>Intermediate body of the Ministry of Interior</i>				
Thematic area*:		<i>(name of thematic area)</i>				
Synergic intervention areas OP/ROP1*		<i>OP HRE Intervention area 4.1)</i>				
Links to intervention areas OP/ROP2*		<i>(names of intervention areas* OP/ROP2)</i>				
Has an agreement on cooperation been concluded between the MA (initial projects) and the MA (follow-up projects):		The system of coordination of building the Smart Administration, enshrined in two different operational programmes, was ensured by entrusting the administration of these parts of OP to a single Intermediate Body, reporting to two different Managing Authorities, in this case to IOP MA (MRD) and OP HRE MA (MoLSA). An Agreement on delegating activities has been signed between the IB and those two MAs.				
<i>Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and the MA (follow-up projects) set out in the agreements between the MAs/in the programming documentation/in other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in the Handbook for Applicants/Handbook for Beneficiaries, etc.):</i>						
<i>Summary of synergic projects showing the synergic links – MSC2007 221 report</i>						
Selection criteria: Programme = OP/ROP1						
Sequence number	Number of synergic project OP/ROP1 (initial project, follow-up project)	Name of project OP/ROP1	Description of synergy	Assigned synergy code	Number of synergic project OP/ROP2	Name of project OP/ROP2
1	CZ....				CZ...	
2						
<i>Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of links not stated in the report due to the transition of a follow-up project/initial project to a negative status,...):</i>						
Links between OP HRE and IOP						
<ul style="list-style-type: none"> • Superstrategic projects <ul style="list-style-type: none"> ○ Objective: design of the underlying coordination structures of the strategy (Programme Management Office for the Coordination of Smart Administration projects, Unit of the Chief Architect of eGovernment) ○ Submitted in call No 27 of OP HRE • Public administration analyses in support of proposing the implementation of procedures and 						

activities leading to the accomplishment of the Strategy objectives

- Projects under call **No 32** of OP HRE
- Analyses for the implementation of projects in calls **No 03 and No 07** of IOP

- **Education of public administration officers and employees, methodologists, trainers and politicians in the field of introduction of eGovernment to PA**
 - Projects under call **No 38**
 - Projects on education in the field of CzechPOINT and eGovernment
 - Synergy with projects under call **No 40** of OP HRE and **No 03 and 07** of IOP

- **Process modelling of public administration agendas**
 - Projects under call **No 38**
 - Objective: audit on processes and organisation of the most important public administration agendas
 - Synergy with and impact on projects submitted under the calls of both the OP HRE and IOP

Problems and identified risks in ensuring synergy by the Managing Authorities, adopted measures:

Topics to be discussed by the Coordination Committee/thematic micro-team meetings:

Other notes:

Elaborated by:

FORM NO 2 – ROMA RELATED MATTERS

SUPPLIER OF THE DOCUMENT: IOP MANAGING AUTHORITY

Form elaborated by:	<i>Integrated Operational Programme</i>									
Thematic area*:	Roma related matters									
Synergic intervention areas in IOP:	3.1 Social integration services 5.2 Improving the environment in problematic housing estates									
Links to intervention areas in OP HRE:	3.2 Promoting social integration of Roma locations									
Links to intervention areas in OP EC:	1.2 Equal opportunities of children and pupils, incl. children and pupils with special education needs 3.2 Support for supply of further education									
Has an agreement on cooperation been concluded between the IOP MA and OP HRE /OP EC MA:	YES									
<i>Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and the MA (follow-up projects) set out in the agreements between the MAs/in the programming documentation/in other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in the Handbook for Applicants/Handbook for Beneficiaries, etc.):</i>										
<table border="1"> <tr><td>1) Sending the timetable of calls: cooperation with OPHRE</td></tr> <tr><td>2) Sending the report on implementation and the annual report: NO</td></tr> <tr><td>3) Sending the list of approved projects with synergy: in MSC</td></tr> <tr><td>4) Participation in the MC: cooperation with OPHRE</td></tr> <tr><td>5) Participation in WG: WG Pilot, WG Coordination of Urban Policy</td></tr> <tr><td>6) Participation in seminars for applicants: NO</td></tr> <tr><td>7) Participation in seminars for beneficiaries: NO</td></tr> <tr><td>8) Information on implementation of projects with synergy: continuously</td></tr> <tr><td>9) Other mechanisms: Cooperation with the Agency for Social Inclusion – information on soft projects, seminars for IUDP managers</td></tr> </table>		1) Sending the timetable of calls: cooperation with OPHRE	2) Sending the report on implementation and the annual report: NO	3) Sending the list of approved projects with synergy: in MSC	4) Participation in the MC: cooperation with OPHRE	5) Participation in WG: WG Pilot, WG Coordination of Urban Policy	6) Participation in seminars for applicants: NO	7) Participation in seminars for beneficiaries: NO	8) Information on implementation of projects with synergy: continuously	9) Other mechanisms: Cooperation with the Agency for Social Inclusion – information on soft projects, seminars for IUDP managers
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2) Sending the report on implementation and the annual report: NO										
3) Sending the list of approved projects with synergy: in MSC										
4) Participation in the MC: cooperation with OPHRE										
5) Participation in WG: WG Pilot, WG Coordination of Urban Policy										
6) Participation in seminars for applicants: NO										
7) Participation in seminars for beneficiaries: NO										
8) Information on implementation of projects with synergy: continuously										
9) Other mechanisms: Cooperation with the Agency for Social Inclusion – information on soft projects, seminars for IUDP managers										
<i>Summary of synergic projects showing the synergic links – MSC221 report, in case the MA does not use the MSC2007 system for monitoring all the synergies, it shall state its own method of synergic projects registration.</i>										
<p>It concerns projects implemented within the IUDPs in IOP. The IUDPs in IOP are primarily focused on regeneration of residential buildings and revitalisation of public spaces (IOP 5.2), nevertheless, also projects financed from other operational programmes may be included. These projects are awarded preferential points equalling 10 % . Information is available in MSC, more detailed information is included in individual IUDPs. The list of approved projects is a component part of annual monitoring reports on progress in IUDP. In activity 5.2c) the obligation of a synergic link to project in 3.1b of IOP or 3.2 of OPHRE is laid down directly by the programming document.</p>										
<i>Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of links not stated in the report due to the transition of a follow-up project/initial project to a negative status,...):</i>										
<p>Procedure for the inclusion of projects in the pipeline in IUDP and their eligibility – addressed at WG Coordination of Urban Policy. In the framework of IUDP under IOP, the projects can be added by a notification of change in the IUDP.</p>										
Elaborated by: IOP MA										

* defined in the Methodological recommendation on ensuring synergies between the OPs (Annex No 1 and 2)

** see Annex to the Decision of the Minister for Regional Development No 235/2009

SUPPLIER OF THE DOCUMENT: INTERMEDIATE BODY – MINISTRY OF LABOUR AND SOCIAL AFFAIRS

Supplier of the form:	CR – Ministry of Labour and Social Affairs					
Thematic area*:	Social integration					
Synergic intervention areas OP/ROP1*	3.1 Social integration services					
Links to intervention areas OP/ROP2*	3.2 OP HRE Roma related matters, 3.1 OP HRE Mirror projects and increasing the quality and availability of public services, 5.2 IOP Social integration (IUDP)					
Has an agreement on cooperation been concluded between the MA (initial projects) and the MA (follow-up projects):	NO					
Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and MA (follow-up projects) set out in the agreements between the MA/in programming documentation/other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in Handbook for Applicants/Handbook for Beneficiaries, etc.):						
Applicants receive information on synergic links between operational programmes at seminars for applicants.						
Summary of synergic projects showing the synergic links – MSC2007 221 report						
Selection criteria: Programme = OP/ROP1						
Se-quence No	Number of synergic project OP/ROP1 (initial project, follow-up project)	Name of project OP/ROP1	Description of synergy	Assigned synergy code	Number of synergic project OP/ROP2	Name of project OP/ROP2
1	CZ.1.06/3.1.02 /01.06080	Extension of social entrepreneurship of Active Colour s.r.o. - Mokrá lakovna			CZ.1.04/3.1.06/30. 00010	Extension of social entrepreneurship of Active Colour s.r.o. - Mokrá lakovna
2	CZ.1.06/3.1.02 /01.06088	CLEAR SERVIS-establishment and development of laundry, ironing and mending services in Těrlicko			CZ.1.04/3.1.06/30. 00005	CLEAR SERVIS-establishment and development of laundry, ironing and mending services in Těrlicko
3	CZ.1.06/3.1.02 /01.06232	Woodworking plant Tomíkovice - Social enterprise in a Roma location of Kobylá n.Vidnavkou, Velká Kraš			CZ.1.04/3.1.06/30.00039	Woodworking plant Tomíkovice - Social enterprise in a Roma location of Kobylá n.Vidnavkou, Velká Kraš
4	CZ.1.06/3.1.02	SOFIRA -			CZ.1.04/3.1.06/30. 00011	SOFIRA - Slunce

	/01.06074	Slunce pro všechny (The Sun for all)				pro všechny (The Sun for all)
5	CZ.1.06/3.1.02 /01.06448	DEK Group- to support, to help, to do business			CZ.1.04/3.1.06/30.00069	DEK Group- to support, to help, to do business
6	CZ.1.06/3.1.02 /01.06938	V pohodě na souši i na vodě (Comfortable both on land and in water)			CZ.1.04/3.1.06/30.00104	V pohodě na souši i na vodě (Comfortable both on land and in water)
7	CZ.1.06/3.1.02 /01.06944	Catering – catering vehicle			CZ.1.04/3.1.06/30.00098	Catering – catering vehicle
8	CZ.1.06/3.1.02 /01.06963	Forest operations – equal opportunities social enterprise			CZ.1.04/3.1.06/30.00118	Forest operations – equal opportunities social enterprise
9	CZ.1.06/3.1.02 /01.07110	Fruit and herbs processing in Velká Kraš			CZ.1.04/3.1.06/30.00128	Fruit and herbs processing in Velká Kraš
10	CZ.1.06/3.1.02 /01.06232	Woodworking plant Tomíkovice - Social enterprise in a Roma location of Kobylá n.Vidnavkou, Velká Kraš			CZ.1.04/3.1.06/30.00039	Woodworking plant Tomíkovice - Social enterprise in a Roma location of 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 of the centre of printing services Broumov			CZ.1.04/3.1.06/30.00168	Social enterprise Centre of services Broumov s. r. o.
14	CZ.1.06/3.1.02 /01.07541	Social enterprise – Cukrárna Sedmička Strakonice			CZ.1.04/3.1.06/30.00166	Social enterprise – Cukrárna Sedmička Strakonice
15	CZ.1.06/3.1.02 /01.07596	Integrating café PONTES			CZ.1.04/3.1.06/30.00169	Integrating café PONTES
16	CZ.1.06/3.1.02 /01.07113	Dairy bar NAPROTI – setting up and stabilisation of a sustainable social enterprise			CZ.1.04/3.1.06/30.00154	Dairy bar NAPROTI – setting up and stabilisation of a sustainable social enterprise
17	CZ.1.06/3.1.02 /01.06284	Technical capacity of services provided by Centrom			CZ.1.04/3.2.01/19.0018	Extension of capacities and portfolio of services provided by CENTROM
18	CZ.1.06/3.1.02 /01.06284	Technical capacity of services provided by			CZ.1.04/3.2.01/19.00182	Quality management of provided registered social services by

		Centrom				CENTROM II
19	CZ.1.06/3.1.02 /01.06284	Technical capacity of services provided by Centrom			CZ.1.04/3.2.01/19.00229	Qualification course for social service employees in excluded locations
20	CZ.1.06/3.1.02 /01.07307	Construction of a low threshold and consultancy centre in Ostrava - Kunčičky			CZ.1.04/3.2.00/55.00004	Operation of a low threshold and consultancy centre in Ostrava – Kunčičky
21	CZ.1.06/3.1.02 /01.07288	Development of social services for the town of Broumov – equipment of premises for social services			CZ.1.04/3.2.00/55.00007	Development of social services for the town of Broumov
22	CZ.1.06/3.1.02 /01.07303	KHAMORO consultancy centre			CZ.1.04/3.2.00/55.00010	Services of KHAMORO consultancy centre
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	Comprehensive integration programme for socially excluded population and population at risk of social exclusion in the town of Most
Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of links not stated in the report due to the transition of a follow-up project/initial project to a negative status,...):						
Problems and identified risks in ensuring synergy by the Managing Authorities, adopted measures:						
Topics to be discussed by the Coordination Committee/thematic micro-team meetings:						
Other notes:						
Elaborated by:						

FORM NO 3 – TOURISM, PUBLICITY, MARKETING
SUPPLIER OF THE DOCUMENT: IOP MANAGING AUTHORITY

Supplier of the form:		<i>IOP MA</i>				
Thematic area*:		<i>Tourism, publicity, marketing</i>				
Synergic intervention areas OP/ROP1*		4.1a National support of tourism 4.1b National support of tourism				
Links to intervention areas OP/ROP2*		ROP South-East 2.2 Development of services in tourism ROP South-West 3.3 Development of services in tourism, marketing and tourism products ROP Central Bohemia 2.3 Publicity and management of tourist destinations of Central Bohemian region ROP Moravia-Silesia 2.4 Marketing of the region ROP Central Moravia 3.4 Publicity and management ROP North-East 3.2 Marketing and coordination activities in tourism ROP North-West 4.3 Support for marketing and development of tourism products				
Has an agreement on cooperation been concluded between the MA (initial projects) and the MA (follow-up projects):		YES				
<i>Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and MA (follow-up projects) set out in the agreements between the MA/in programming documentation/other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in Handbook for Applicants/Handbook for Beneficiaries, etc.):</i>						
<i>Summary of synergic projects showing the synergic links – MSC2007 221 report</i>						
Selection criteria: Programme = OP/ROPI						
Sequence No	Number of synergic project OP/ROP1 (initial project, follow-up project)	Name of project OP/ROP1	Description of synergy	Assigned synergy code	Number of synergic project OP/ROP2	Name of project OP/ROP2
1	CZ....				CZ...	
2						
<i>Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of links not stated in the report due to the transition of a follow-up project/initial project to a negative status,...):</i>						
In Priority axis 4 no projects are implemented that show synergic links to specific projects implemented under ROP.						
<i>Problems and identified risks in ensuring synergy by the Managing Authorities, adopted measures:</i>						
<i>Topics to be discussed by the Coordination Committee/thematic micro-team meetings:</i>						
<i>Other notes:</i>						
Elaborated by:						

FORM NO 4 – UTILISING THE CULTURAL HERITAGE POTENTIAL
SUPPLIER OF THE DOCUMENT: INTERMEDIATE BODY – MINISTRY OF CULTURE

Supplier of the form:		<i>(name of OP MA/ROP1)</i>				
Thematic area*:		<i>(name of thematic area)</i>				
Synergic intervention areas OP/ROP1*: IOP 5.1/ROP Utilising the cultural heritage potential		<i>(names of intervention areas* OP/ROP1)</i> “National support for utilising the cultural heritage potential“/ROP				
Links to intervention areas OP/ROP2*: OP RDI 1.1 <i>Research and development for innovation</i> OP RDI 2.1 OP RDI 3.1		<i>(names of intervention areas* OP/ROP2)</i>				
Has an agreement on cooperation been concluded between the MA (initial projects) and the MA (follow-up projects):		YES/NO				
<i>Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and MA (follow-up projects) set out in the agreements between the MA/in programming documentation/other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC/thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in Handbook for Applicants/Handbook for Beneficiaries, etc.):</i>						
Summary of synergic projects showing the synergic links – MSC2007 221 report						
Selection criteria: Programme = OP/ROP1						
Se qu en ce No	Number of synergic project OP/ROP1 (initial project, follow-up project)	Name of project OP/ROP1	Descript ion of synergy	Assigned synergy code	Number of synergic project OP/ROP2	Name of project OP/ROP2
1	CZ.1.06/5.1.00/01/06156	Terežín – Project on Revival of Historical Monuments			CZ.1.09/4.1.00/31.00770	Revitalisation of access to reconstructed building in Terežín
2	CZ.1.06/5.1.00/01.05508	Model Renovation of the National Cultural Monument of the Premonstratensians Monastery in Teplá				
	CZ.1.06/5.1.00/01.05498	Opening the Vítkovice National Cultural Monument to the Public and Its New Use			CZ.1.10/2.2.00/10.01160	Accompanying tourism infrastructure for the National Cultural Monument Vítkovice
	CZ.1.06/5.1.00/01.06135	Revitalisation of the Castle Hillock in Litomyšl			CZ.1.13/3.1.00/15.00844	Revitalisation of the historical building of the Regional Museum in Litomyšl
	CZ.1.06/5.1.00/01.06155	Kuks – The Pomegranate			CZ.1.13/3.1.00/24.0113	Braun's region II
					CZ.1.13/3.1.00/24.01130	Ensuring the accessibility of tourism sights in the municipality of 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 printing house and street theatre in Kuks
	CZ.1.06/5.1.00/01.06095	Multifunctional centre - Castle Riding School in			CZ.1.11/2.1.00/02.00453	Reconstruction of the Castle hotel Lednice

		Lednice				
					CZ.1.11/2.2.00/ 02.00545	PRODUCT DEVELOPMENT AND PUBLICITY, MARKETING CAMPAIGN IN TOURIST AREA PÁLAVA AND LVA
					CZ.1.11/2.2.00/ 01.00134	Guide to Podluží and Hodonín region
	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 to the development of tourism in Pelhřimov region
					CZ.1.11/3.2.00/ 01.00242	Comprehensive renovation of Karlovo square in Polná and its vicinity
					CZ.1.11/2.2.00/ 02.00506	Presentation and publicity of important tourist sites in the town of Polná
					CZ.1.11/2.1.00/ 06.01093	Making the national cultural monument in Polná accessible for the purposes of tourism
					CZ.1.11/2.2.00/ 02.00474	Where to go in Boskovice region?
					CZ.1.11/2.2.00/ 06.00945	Visitors service at architectural heritage sites in Boskovice region
					CZ.1.11/2.2.00/ 01.00067	Mikulov region – a professional partner in tourism
					CZ.1.11/2.2.00/ 06.00937	Provision of multimedia guides for exhibitions in the Regional Museum in Mikulov
	CZ.1.06/5.1.00/ 01.06093	Vila Tugendhat Centre of renovation of architectural monuments of the 20 th century			CZ.1.11/2.2.00/ 02.00466	Provision of multimedia guides for exhibitions in the Regional Museum in Mikulov
					CZ.1.11/2.2.00/ 02.00470	Brno – the town of future – Information and publicity materials of the town of Brno
					CZ.1.11/2.1.00/ 02.00531	Brno architectural trails
					CZ.1.11/2.2.00/ 02.00537	Creation of the exhibition of Brno functionalism with the use of the cultural monument of "Kavárna ERA"
Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of links not stated in the report due to the transition of a follow-up project/initial project to a negative status,...):						
Problems and identified risks in ensuring synergy by the Managing Authorities, adopted measures:						
Topics to be discussed by the Coordination Committee/thematic micro-team meetings:						
Other notes:						
Elaborated by:						

Annex No 2 – Publicity Activities in 2011

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
MA	www.strukturalni-fondy.cz/iop website	On-going publishing of information and updating of the website	Applicants and beneficiaries General public, Evaluators, Implementation entities, Mass media	0	Update of the website throughout the year.
MA	<i>IOP pod lupou</i> newsletter	Topical information on IOP, successful projects, calls, FAQ etc.	Applicants and beneficiaries, General public, Implementation entities, Mass media	20912, 69	4 issues were published in 2011.
MA	Enquiries through iop@mmr.cz	General enquiries concerning IOP	Applicants and beneficiaries General public	0	Number of responses to enquiries: 31
MA	Modification of IOP logo manual	Corporate identity	Beneficiaries Implementation entities Mass media	0	Modification of the logo manual was necessary due to the change of MRD logo
MA	Promotional merchandise	Promotional and presentation merchandise and supplies	Participants in seminars General public Monitoring Committee Implementation entities	9093,78	Production of e.g. a calendar, a notebook, folders, business cards

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
MA	IOP annual conference	Improving the environment in problematic housing estates – IUDP	Professional public, Mass media	7326,9	13–14 Oct 2011, Písek. Number of participants - approx. 100 persons
MA	Seminar for beneficiaries under Intervention area 5.3	Seminar on the topic: How to avoid mistakes in project management	Beneficiaries	7299,112	15 Nov 2011 Prague. Number of participants: 40 29 Nov 2011 Brno. Number of participants: 35
MA	Seminars for IUDP managers	Information for IUDP managers	IUDP managers	Included under the amount of Seminars for applicants	15 Nov 2011 Prague. Number of participants: 33 22 Nov 2011 Olomouc. Number of participants: 27
MA	Simple information portal – microsites	Information on successful projects	Applicants and beneficiaries General public Mass media	6497,87	Information on successful IOP projects
MA	Publication focused on projects under IA 5.2	Information on the implementation of IUDP projects	Applicants and beneficiaries General public Mass media	8142,03	18 IUDP projects – status before+status after
CRD	www.crr.cz website	Continuous publishing of information on IOP and update of the tab.	Applicants and beneficiaries General public Implementation entities Mass media	0	Update of the website throughout the year.

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
CRD	Specialised PR article	Topic: “EU assistance helps improve the environment of the Czech housing estates“	Beneficiaries and applicants, Professional public, General public	10604,09	Published in: Moderní obec (9/2011), Obec a finance (4/2011), Výstavba měst a obcí (3/2011), Panelák (36), Eurozpravodaj (3/2011), Veřejná správa (18/2011)
CRD	Specialised PR article	Topic: “European assistance and protection of population in crisis situations“	Beneficiaries and applicants, Professional public, General public	10603,05	Published in: Obec a finance (5/2011), Výstavba měst a obcí (4/2011), Moderní obec (12/2011), Eurozpravodaj (4/2011), Veřejná správa (25/2011)
CRD	Seminars under IA 5.2	Seminars on the topic: Eligible and ineligible costs, public procurement procedures, filling in Benefit	Applicants	0	9 Mar 2011 Příbram. Number of participants: 20 9 Jun 2011 Strakonice. Number of participants: 20

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
CRD	Seminars on Intervention area 2.1	Seminar on the topic: How to avoid mistakes in project management, most frequent mistakes in project implementation, ensuring project sustainability, financial management, monitoring reports	Beneficiaries	0	20 Jan 2011 Brno. Number of participants: 55 5 Apr 2011 Prague. Number of participants: 40
CRD	Seminar on Intervention area 5.2	Seminar on the topic: Problems in project implementation and sustainability	Beneficiaries	0	19 May 2011 Prague. Number of participants: 35
CRD in cooperation with MoI	Seminar on Intervention area 2.1 – 6 th , 8 th and 9 th call	Seminar on the topic: award of public contracts in IT	Beneficiaries	0	14 Jul 2011 Prague. Number of participants: 35 5 Oct 2011 Prague. Number of participants: 30
CRD in cooperation with MRD	Seminar on Intervention area 5.3b)	Seminar on the topic: How to avoid mistakes in project management	Beneficiaries	0	15 Nov 2011 Prague. Number of participants: 40 29 Nov 2011 Brno. Number of participants: 35

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
CRD in cooperation with MRD	Seminar on Intervention area 4.1	Seminar on the topic: How to fill in the application in Benefit, procedure for selection of suppliers	Applicants and beneficiaries	0	22 Sep 2011 Prague. Number of participants 25
CRD	Participation in trade fairs and conferences	Presentation of general activities of CRD and CRD activities related to IOP	Applicants and beneficiaries, Professional public, General public	0	13 – 16 Jan 2011 Brno. Holiday World Trade Fair 25 – 30 Aug 2011 České Budějovice. Země živitelka trade fair. 1 Mar 2011 (Prague) and 3 Mar 2011 (Vyškov) . 1 Nov 2011 (Prague) and 3 Nov 2011 (Vyškov). Conference called Days of small municipalities on 4 – 5 Apr 2011 in Hradec Králové. Conference called Internet in public administration and self-government
CRD	Conference: Regeneration of residential buildings	Presentation of general activities of CRD and CRD activities related to IOP, article on Intervention area 5.2 – IUDP in the	Beneficiaries and applicants, Professional public	2269,39	8 – 9 Nov 2011 Hradec Králové. Number of participants: 408

		conference proceedings			
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MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
CRD	Promotional merchandise, New Year cards	Promotional merchandise, New Year cards	Participants in seminars General public	5882,63	Production of e.g. USB flash disc, travel game set, calendar, pen gift sets, umbrella, etc.
CRD	Photo documentation	Set of photographs of selected IOP projects under IA 5.2-IUDP that are at the stage of implementation	Professional public, General public	4631,41	Taken in July 2011
CRD	Number of responses to enquires	IOP enquiries	General public, Beneficiaries, Applicants	0	Number of registered responded enquiries: 80
MoC	www.kultura-evropa.eu web portal	On-going publishing of information and updating information on Intervention area 5.1	Applicants and beneficiaries General public	8568,12	Update of the website throughout the year
MoC	Seminars	Information on calls for Intervention area 5.1	Applicants and beneficiaries	2370,05	1 seminar for applicants and 3 for beneficiaries. Dates: 6 Apr 2011; 3 Aug 2011; 18 Oct 2011; 2 Nov 2011
MoC	Promotional merchandise	Promotional and presentation merchandise	General public, Beneficiaries, Applicants	9453,8	Production of e.g.A6 notepads , PF 2012, roll-ups, maps
MoC	Printed materials	Drawing and	General public	16507,37	Publication intended for pre-

		colouring books			school children and pupils of the primary level of elementary schools
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MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
MoC	Information boxes	Information on projects in the form of information boxes (supporting documents)	General public	356,31	Location of projects, Intervention area 5.1
MoC	Photo documentation, project implementation	Taking photos of projects implemented under IA 5.1	General public, Beneficiaries, Applicants	7711,3	Continuous professional photo documentation of project implementation
MoC	Number of responses to enquiries	Enquiries on IOP IA 5.1	General public, Beneficiaries, Applicants	0	Number of responses to enquiries: 15
MoLSA	www.mpsv.cz website	General information on Intervention areas 3.1 and 3.3	Applicants and beneficiaries General public Mass media	0	Update of the website throughout the year
MoLSA	Number of responses to enquiries	Enquiries on IOP IA 3.1 and 3.3	General public, Beneficiaries, Applicants	0	Number of responses to enquiries: 661
MoLSA	Paid advertisements and information on calls in media	Advertisement in Moderní obec periodical	Applicants Beneficiaries General public	1852,56	December 2011
MoLSA	Unpaid advertisements in media	Articles on calls and news in Intervention area 3.1	Applicants Beneficiaries General public	0	Articles/advertisements in Zpravodaj Tessa, Zpravodaj Národního centra podpory transformace a sociálních služeb (Newsletter of the National Centre for Support of the

					Transformation of Social Services), in Práce a sociální politika newspaper
MoLSA	Seminars for applicants and beneficiaries, conferences, panel discussions	Information on IA 3.1 and 3.3	Professional public, Applicants, Beneficiaries	0	Dates: 28 Feb to 1 Mar, 21 Feb, 20 May, 19 Jul, 21 Jul, 6 Oct, 12 Oct, 11 to 2 Nov, 22 Nov, 13 Dec

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
MoLSA	Seminars for beneficiaries and applicants under IA 3.1.	Information on calls and news in IA 3.1	Applicants, General public	316,17	12 seminars. Dates: 7 Mar, 19 May, 28 Jun, 13 Jul, 2 Sep, 6 Sep, 16 Sep, 5 Oct, 24 Oct, 3 Nov, 9 Nov, 5 Dec
MoLSA	Seminars for beneficiaries and applicants under IA 3.3	Information on calls and news in IA 3.3	Beneficiaries, Applicants	72,17	3 seminars. Dates: 13 Apr, 19 Apr, 21 to 22 Jul
MoLSA	Training course for evaluators under 3.1.	Information on IA 3.1 for evaluators	Evaluators	67,54	4 training courses. Dates: 14 Jul, 23 Sep, 25 Oct, 10 Nov
MoI	www.osf-mvcr.cz website	On-going publishing of information and updating of the website	Applicants and beneficiaries General public, Evaluators, Implementation entities, Mass media	13588,07	Update of the website throughout the year.
MoI	Number of responses to enquiries	Enquiries concerning IOP	General public, Beneficiaries, Applicants	0	Number of responses to enquiries: 2 200
MoI	Media communication	Media communication + conventional advertisements	General public, Mass media	15806,18	Examples of conventional advertisements: <ul style="list-style-type: none"> ▪ eGONNEWS – EU money – opportunity for public administration ▪ EURO – The era of digitisation is coming to authorities ▪ Týden – The era of digitisation

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
					is coming to authorities ▪ CDIS Revue – Rapid response of rescue services in crisis, etc.
MoI	Provision of PR services for general public and professional public	One-to-one meetings with journalists, regular distribution of press releases, monitoring of media, creation of editorials for thematic inserts, etc.	General public, Mass media	30732,5	PR articles: 1. Consistent data management will be safeguarded by basic registers 2. Technology Centres will speed up the document flow Barometer of absorption of municipalities from SF Press releases: 4 Project of the month etc. Meetings with journalists: 24 (at monthly interval) Cooperation on editorials on the topic of Smart Administration
MoI	Regular distribution and creation of the newsletter	Provision of information on SFD activities, successful projects, interviews with SFD staff, project holders, statistical data.	Professional public	11502,28	Executed by Bison&Rose company. Disseminated electronically to 6 000 e-mail addresses, by mail to 500 addresses, 10 pcs each. 4x annually.

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
MoI	Special seminars for applicants and beneficiaries	15 seminars with information on calls, practical information	Applicants and beneficiaries	3201,27	<ol style="list-style-type: none"> 1. Beneficiaries under call No 06 – 57 participants, 20 Jan, Brno 2. Public contracts for public administration – 49 participants, 26 Jan, Prague 3. Beneficiaries from among public administration in the framework of “Expert assistance to beneficiaries”, 2 – 45 participants, 16 Mar, Prague 4. Beneficiaries under call No 08 – 26 participants, 5 Apr, Prague 5. Public contracts for public administration – 71 participants, 6 Apr, Prague 6. Public contracts for public administration – 55 participants, 15 Jun, Prague 7. Beneficiaries of IOP under IA 2.1 – 55 participants, 14 Jul, Prague 8. Beneficiaries of IOP under IA 2.1 – 50 participants, 5 Oct, Prague 9. Workshop for beneficiaries – 43 participants, 10 Nov, Prague 10. Beneficiaries of IOP under IA 1.1 – 40 participants, 15 Nov, Prague 11. Beneficiaries of IOP-copyright – 33 participants, 15 Nov, Prague
MoI	Strategic planning of	Interim analysis of	IBs	41318,1	Analysis aimed to define the

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
	communication activities	communication needs of MoI in the field of EU Structural Funds			communication needs and to evaluate the to date effectiveness of communication on Smart Administration of MoI as the intermediate body of OP HRE and IOP and to assess its synergy with communication of OP HRE and IOP MA.
MoH	www.mzcr.cz website	On-going publishing and updating of information on Intervention area 3.2	Applicants and beneficiaries, General public	0	Update of the website throughout the year.
MoH	Paid advertisements (2x)	Information on the announcement of the 8 th call and searching for experts for application assessment	General public, Applicants	7282,55	24 Jan 2011. Lidové noviny 8 Aug 2011. Zdravotnické noviny
MoH	Promotional merchandise	Promotional merchandise	Applicants and beneficiaries, General public, EF Department	5882,632	Contract was concluded in 2011. It will be delivered in 2012.
MoH	Services of a photographer	Taking professional photographs of medical devices in already implemented calls for IA 3.2.	Applicants and beneficiaries, General public, EF Department	555,77	Implemented in November and December at four selected beneficiaries (University Hospital Motol, UH Plzeň, UH Hradec Králové, Rehabilitation Centre Kladruby).
MoH	Seminars and training courses for applicants (2x)	Provision of information for applicants under the 8 th call, focus on	Applicants	1082,78	25 Jan 2011, Prague. 1 Feb 2011, Olomouc. Total number of participants: 64.

		activity 3.2a (introduction to the application, project financing, system of evaluation, etc.)			
MoH	Training courses for evaluators (2 x)	Information for project evaluators under the 8 th call	Evaluators	0	19 and 20 April 2011. Total number of participants: 29
MoH	Workshop with representatives of MoH SR	Exchange of experience	Representatives of Ministries of Health of the CR and the SR	387,41	14 and 15 July 2011. Total number of participants: 25

Annex No 3 – Action Plans from evaluations

Annex No 3 – Action Plans from Evaluations

Action Plan from the Evaluation of Communication and Publicity Activities of IOP

Recommendation of the evaluator	IOP Managing Authority			IOP Intermediate Bodies		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
To direct the regular meetings of publicity staff of individual Intermediate Bodies toward the creation of uniform concept of IOP publicity.	Meetings of Working Group for communication of IOP	The next meeting in 07/2011, then on a continuous basis	14. 7. 2011, 3. 11. 2011, 17. 1. 2012	Participation in meetings of the Working Group for communication of IOP	Next meeting in 07/2011	14. 7. 2011, 3. 11. 2011, 17. 1. 2012
To create a concept which should focus on the provision of information to the public on how and by what the individual areas supported from IOP improve and enhance the quality of life. For the sake of setting the concept “Quality of My life” to motion and for the sake of successful implementation of communication activities it is useful to have the whole process supervised by an expert, who has experience with marketing communication and introduction of similar changes in communication.	To translate the theoretical concept to specific tools of communication and publicity. To prepare a tender and to hire a creative supervisor, who will be tasked to compile a “cookbook” for the application of the concept primarily with the use of the following three tools: 1. Internet (microsites), 2. printed matters, 3. events	06-09/2011	On 14 Aug 2011 the services of a creative supervisor were ordered, in November 2011 the manual of the “Quality of My Life” concept was introduced	One representative of each IB shall participate in the communication with the creative supervisor and will thus help finetune the concept.	06-09 2011	On 30 Aug 2011 meeting of the WG for communication of IOP with the creative supervisor

<p>To use the topical themes to promote the IOP benefits – e.g. in the light of health care crisis to provide for media coverage of the benefits of Priority axis 3, to which the largest volume of funds of the whole programme is allocated, the interest of media in this priority axis, however, was inadequate bearing in mind the amount of allocation.</p>	<p>Creation of microsites in the spirit of the “Quality of My Life” concept, which will in a visually-attractive and user-friendly form present the IOP successful projects. Publishing of information on successful projects on the Structural Funds website, in IOP newsletter, elaboration of a publication with successful projects, etc.</p>	<p>Continuously</p>	<p>On 4. 1. 2012 an invitation to tender was published for the creation of the IOP information portal (microsites), at present the bids are under evaluation</p>			
<p>In order to increase the impact of IOP communication and publicity activities on the general public, it is suitable to exploit especially the TV and Internet campaigns that would concentrate on the presentation of implemented projects and their benefits for the general public.</p>	<p>TV – since it is very costly, this tool will be exploited only exceptionally Internet – once the simple information interface (microsites) is created, to launch a web campaign for this interface, where the information, pictures, video recordings etc. on successful IOP projects will be posted.</p>	<p>11/2011 – 1/2012</p>	<p>Internet campaign on microsities is at the stage of approval of the project outline</p>	<p>WG for communication participates on an ongoing basis</p>	<p>11/2011 – 1/2012</p>	
<p>For the professional public, a suitable tool seems to be the Internet in general (Internet campaign) and the IOP website.</p>	<p>Internet - once the simple information interface (microsites) is created, to launch a web campaign for this interface, where the information, pictures, video recordings etc. on successful IOP projects will be posted.</p>	<p>12/2011 - 2/2012</p>		<p>WG for communication participates on an ongoing basis</p>	<p>12/2011 – 2/2012</p>	

<p>It is necessary to add the strategic background to the individual annual CoPs, which means to evaluate the progress in the fulfilment of CoP objectives to get a complete picture of key tasks in the long run and then to decide about the priorities for the given year.</p>	<p>To conduct annual external evaluations of communication activities and based on these evaluations to create a “strategic background“, which will partly be evaluated internally and partly externally in the framework of annual evaluations (always in the following year). In 2011, the main aim is to develop the referred to concept, the partial evaluation of which will be an integral part of the annual evaluation.</p>	<p>1st Q 2012, 1st Q 2013 etc.</p>				
<p>The annual CoPs should specify and quantify the communication objectives. It is then possible to evaluate the level of fulfilment of these objectives in individual years. The level of fulfilment of objectives of the framework CoP can be evaluated in relation to the defined target values of impact indicators.</p>	<p>To set out impact indicators on the basis of annual evaluations and to reflect them in individual annual communication plans.</p>	<p>1st Q 2012, 1st Q 2013 etc.</p>		<p>To set out impact indicators on the basis of annual evaluations and to reflect them in individual annual communication plans.</p>		

Action Plan from the Evaluation of the Progress of Implementation of IOP Priority axis 4 (National support of tourism) with respect to the achievement of the set out programme objectives

Recommendation of the evaluator	IOP Managing Authority			IOP Intermediate Bodies		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED	CORRECTIVE MEASURE	DEAD-LINE	ACCOMPLISHED
Recommended prices common at the given time and place (page 4)	<p>a) To conduct an analysis of evaluation of economy, efficiency and effectiveness of project costs</p> <p>b) To modify the evaluation criteria – to award higher score to criteria assessing 3E, project quality and to diminish the significance of specific criteria</p> <p>c) To modify the structure of the Supporting documents for quality evaluation – to modify the structure of detailed itemised budget; to detail the content of the baseline analysis – to add the requirement for calculation of costs, preliminary market research to ascertain the prices, to insist on the specification of project activities</p> <p>d) To modify the list of eligible expenditure – only such expenditure will be eligible that has a direct link to project activities (to exclude labour costs and expenditure beyond the mandatory publicity from eligible expenditure)</p> <p>e) To train the evaluators – when evaluating the prices the evaluator shall give justification with a reference to the source used</p>	<p>a) 2/2012</p> <p>b) 31. 5. 2011</p> <p>c) for the following calls - 5. 9. 2011</p> <p>d) for the following calls - 5.9.2011</p> <p>e) 9/2011</p>	<p>a) No</p> <p>b) Yes</p> <p>c) Yes</p> <p>d) Yes</p> <p>e) Yes - 4. and 6. 10.2011</p>			

<p>To modify the system of evaluation (page 4, 30, 48,33,35)</p>	<p>a) To modify the evaluation criteria – to award higher score to criteria assessing 3E, project quality and to diminish the significance of specific criteria b) To issue a methodological guideline introducing new evaluation criteria c) To issue a methodological guideline - to modify the procedure for evaluation of project quality d) To train the evaluators</p>	<p>a) 31. 5. 2011 b) 13. 7. 2011 c) 31. 8. 2011 d) 9/2011</p>	<p>a) Yes b) Yes c) Yes - 5.9.2011 d) Yes - 4. and 6. 10.2011</p>			
<p>To push stronger for the submission of quality projects (page 24, 27, 29, 68)</p>	<p>a) To modify the evaluation criteria – to award higher score to criteria assessing 3E, project quality and to diminish the significance of specific criteria b) To modify the structure of the Supporting documents for quality evaluation – to modify the structure of detailed itemised budget; to detail the content of the baseline analysis – to add the requirement for calculation of costs, preliminary market research to ascertain the prices, to insist on the specification of project activities c) To train the CRD for eligibility checks – to return the project application for completion in the event the project activities are not specifically described and a detailed project budget is not included</p>	<p>a) 31. 5. 2011 b) for the next call c) for the next call</p>	<p>a) Yes a) Yes - 5.9.2011 b) Yes - 13. 9. 2011</p>			

<p>To ensure the adherence to set out project timetables (page 35)</p>	<p>a) To consistently see to the adherence to procedures of administration of changes in projects</p>	<p>a) Continuously</p>	<p>a) Continuously</p>	<p>a) The CRD shall consistently see to the adherence to the procedure of administration of changes in projects – imposition of sanctions in case of late submission of the Notification of changes in the project (once a delay occurs in the timetable of implementation) b) Recommendation to Tourism Dept. and CzT beneficiaries to optimize the timetables of project implementation</p>	<p>a) Continuously b) 31. 8. 2011</p>	<p>a) Continuously b) It was recommended and the Tourism Department currently submits the Notification of changes</p>
<p>To ensure maximum economy and effectiveness of expenditure (page 35 - points 2 and 4)</p>	<p>a) To conduct an analysis of evaluation of economy, efficiency and effectiveness of project costs; to conduct a survey in order to identify the possibilities of exploiting external experts for the 3E assessment b) To modify the list of eligible expenditure – only such expenditure will be eligible that has a direct link to project activities (to exclude labour costs and expenditure beyond the compulsory publicity from eligible expenditure) c) To supplement HAB with the information that no new activities can be added to projects d) To modify the evaluation criteria – to award higher score to criteria assessing 3E, project quality and</p>	<p>a) 2/2012 b) for the next calls c) for the next calls d) 31. 5. 2011 e) for the next calls f) 9/2011</p>	<p>a) No b) accomplished to a certain degree - reduced was only expenditure on compulsory publicity c) Yes – 12th call from 5.9.2011 d) Yes e) Yes - 5.9.2011 f) Yes - 4. and 6. 10. 2011</p>	<p>During the controls of applications for payment the CRD shall consistently adhere to the procedures for 3E control</p>	<p>Continuously</p>	<p>The MA in cooperation with the CRD prepares a tender for experts in tourism, who would help e.g. increase the professional quality of the performed controls focused on 3E</p>

	<p>to diminish the significance of specific criteria</p> <p>e) To modify the structure of the Supporting documents for quality evaluation – to modify the structure of detailed itemised budget; to detail the content of the baseline analysis – to add the requirement for calculation of costs, preliminary market research to ascertain the prices, to insist on the specification of project activities</p> <p>f) To train the evaluators – the evaluators can propose the cuts in eligible expenditure in the event of non-compliance with 3E; consistent justification of 3E evaluation</p>					
<p>To modify the PD for reasons of non-fulfilment of the objective “To increase the number of entities connected to the reservation system“ and non-fulfilment of MI No 413305 Number of new information and reservation systems in tourism and No 413311 Number of entities operating in tourism connected to the reservation system. (page 41 and 45)</p>	<p>To draft a proposal for changes in PD and to send it to the EC for approval</p>	7/2011	Yes			
<p>To introduce ceilings for labour costs for individual positions in the project team (page</p>	<p>Partly accepted – the list of eligible expenditure will be modified – labour costs will not be considered eligible in the following calls</p>	<p>For the following calls</p>	<p>No – Labour costs continue to be eligible expenditure in the</p>			

47)			amount of 9 % of total eligible expenditure of the project. The remuneration of project team members shall be with respect to the nature of beneficiaries (GA and organisations established by them) in line with Government Order No 564/2006 Coll., as amended.			
To introduce fixed price ceilings in key budget items (page 49, 67)	Partly accepted – fixed price ceilings are not set, therefore they cannot be incorporated in the documentation a) To conduct an analysis of evaluation of economy, efficiency and effectiveness of project costs b) To conduct a survey in order to identify the possibilities to use external experts for 3E evaluation c) To suggest to the PCA and NCA to propose a system solution of evaluation and control of 3E	a) 2/ 2012 b) 12/2011 c) accomplished	a) No b) No – it will follow from the conducted analysis of 3E assessment see a) c) Yes			
Introduction of the annex to the Supporting documents for evaluation of project quality – itemised budget of key project expenditure in a recommended structure (page 47)	To modify the structure of the Supporting documents for evaluation of quality – to modify the structure of a detailed itemised budget;	For the following calls	Yes - 5.9.2011			

To launch the preparation of the State Tourism Policy Concept for 2013+ period	To write a letter to the Deputy Minister for Regional Development and Tourism with an appeal to accelerate the preparations of the State Tourism Policy Concept for 2013+ period	16.6.2011 the letter was sent	Yes			
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Action Plan from Evaluation of Possibilities and Feasibility of the Transfer of Funds in the Framework of IOP

Recommendation of the evaluator				IOP Managing Authority			IOP Intermediate Bodies			
IA	Recommendation/finding of the evaluator	Alternative/point in the text	Accepted yes/no	CORRECTIVE MEASURE	DEAD-LINE	ACCOMPLISHED	CORRECTIVE MEASURE	DEAD-LINE	TO BE DONE BY	ACCOMPLISHED
1.1	Fairly unclear methodology of monitoring of MI values by IB	21	Yes	1) To require the ongoing values of MI (at least during the compilation of annual report and report on implementation)	Continuously	1) Accomplished, on 8.8.2011 the MoI sent the values of ratio indicators	1) Establishment of a closer cooperation between the financial and project manager should contribute to better control of the fulfilment of MI 2) Within the revision of the set of indicators the SFD initiated the introduction of additional indicators expressed in numbers, which facilitate better monitoring of progress in the fulfilment of the MI concerned.	1) Continuously 2) Preparation of PD revision by 31.7.11	1)MoI 2)MoI	1) As of 1.7. transfer between offices, PM-FM pairs assessing the same projects were formed 2) Indicators expressed in numbers were included in the National Code List.
2.1	Lack of relevant data and data with reporting value for the existing ratio values of MI	11,27, 269	Yes	1) To communicate intensively with IB on continuous exchange of original values	Continuously	Accomplished continuously	1) To communicated the running values of ratio indicators to the MA (at least during the elaboration of the annual report and report on implementation)	Continuously	MoI	1) Values of ratio indicators were sent to the MA on 8.8.2011, methodology for the calculation of ratio indicators is currently drafted in cooperation

										with the MA
3.2	Potential overstatement of target values of MI in activity 3.2c) or low efficiency or inadequate economy of support	55	Yes	1) To control the fulfilment of the Action plan elaborated based on the audit of the 1 st call	Continuously	Accomplished – control of the fulfilment of Action plan as of 31.12.11	1) More thorough analysis of implemented projects 2) At the time of announcement of call for activity 3.2c) the control of effectiveness of spent funds during the approval of projects and also during their implementation and control of the monitoring reports	2) Continuously	MoH	1) Audit of the 1 st call was completed in April
3.3	Increase in allocation for 3.3a) from 3.3c)	Alternative 1	Yes	1) Discussed at the MC meeting 2) Following the approval, the preparation of justification of changes in the Programming Document 3) Preparation of the changed version of the Programming Document	2) By 31.7.11 3) By 31.7.11	1) On 31.5.11 approved by the IOP MC 2) Sent to the EC on 28.7. 3) Sent to the EC on 28.7.	1) Cooperation on the justification of changes in PD 2) Cooperation on the preparation of the changed version of PD	1) By 31.7.11 2) By 31.7.11	MoLSA	1) Sent to the EC on 28.7. 2) Sent to the EC on 28.7.
3.3	Decrease in the allocation for 3.3c)	Alternative 1	Yes	1) Discussed at the MC meeting 2) Following the approval,	2) By 31.7.11 3) By	1) On 31.5.11 approved by	1) Cooperation on justification of changes in PD	1) By 31.7.11 2) By	MoLSA	1) Sent to the EC on 28.7. 2) Sent to the

				the preparation of justification of changes in the Programming Document 3) Preparation of the changed version of the Programming Document	31.7.11	the IOP MC 2) sent to the EC on 28.7. 3) sent to the EC on 28.7.	2) Cooperation on the preparation of the changed version of PD	31.7.11		EC on 28.7.
3.4	Cancellation of the major project under 3.4		Yes	1) Discussed at the MC meeting 2) Following the approval, the preparation of justification of changes in the Programming Document 3) Preparation of the changed version of the Programming Document	2) By 31.7.11 3) By 31.7.11	1) On 31.5.11 approved by the IOP MC 2) Sent to the EC on 28.7. 3) Sent to the EC on 28.7.	1) Cooperation on justification of changes in PD 2) Cooperation on the preparation of the changed version of PD	1) By 31.7.11 2) By 31.7.11	MoI	1) Sent to the EC on 28.7. 2) Sent to the EC on 28.7.
3.4	Cancellation of activity 3.4c)	Alternative 1,2,3,4 81	Yes	1) Discussed at MC meeting 2) Following the approval the preparation of justification of changes in the Programming Document 3) Preparation of the Programming Document version with tracked changes	2) By 31.7.11 3) By 31.7.11	1) On 31.5.11 approved by the IOP MC 2) Sent to the EC on 28.7. 3) Sent to the EC on 28.7.	1) Cooperation on justification of changes in PD 2) Cooperation on the preparation of PD version with tracked changes	1) By 31.7.11 2) By 31.7.11	MoI	1) Sent to the EC on 28.7. 2) Sent to the EC on 28.7.
3.4	Modification/extension of activity 3.4d)	Alternative 1,2,3,4 81	Yes	1) Discussed at MC meeting 2) Following the approval the preparation of justification of changes in the Programming Document 3) Preparation of the changed version of the Programming Document	2) By 31.7.11 3) By 31.7.11	1) On 31.5.11 approved by the IOP MC 2) Sent to the EC on 28.7. 3) Sent to the EC on 28.7.	1) Cooperation on justification of changes in PD 2) Cooperation on the preparation of the changed version of PD	1) By 31.7.11 2) By 31.7.11	MoI	1) Sent to the EC on 28.7. 2) Sent to the EC on 28.7.

3.4	Increase in the allocation for 3.4d) from 3.4c) by allocation for the major project	Alternative 1	Yes	1) Discussed at MC meeting 2) Following the approval the preparation of justification of changes in the Programming Document 3) Preparation of the changed version of the Programming Document	2) By 31.7.11 3) By 31.7.11	1) On 31.5.11 approved by the IOP MC 2) Sent to the EC on 28.7. 3) Sent to the EC on 28.7.	1) Support for the applicants in the preparation of implementation of projects promoting the capability of IRS units which ensure adequate absorption capacity for the drawdown of allocation	After the approval of PD revision	MoI/ GD FRS	Revision of PD approved on 21.12. Call will be announced as of 2.2.2012
5.1	Increase in 5.1b) by additional funds pursuant to Article 17 of Interinstitutional Agreement	97,102	Yes	1) Discussed at the MC meeting 2) Following the approval the preparation of justification of changes in the Programming Document 3) Preparation of the changed version of the Programming Document	2) By 31.7.11 3) By 31.7.11	1) On 31.5.11 approved by the IOP MC 2) Sent to the EC on 28.7. 3) Sent to the EC on 28.7.	1) Cooperation on justification of changes in PD 2) Cooperation on the preparation of the changed version of PD	1) By 31.7.11 2) By 31.7.11	MoC	1) Sent to the EC on 28.7. 2) Sent to the EC on 28.7.
5.1	Insufficiently covered by indicators – result indicator 41.04.04 – Number of created methodologies in the cultural heritage area measures rather the outputs of activity a)	13	Yes	1) Conduct of an analysis, to what extent the specific goals and activities can be measured by the existing indicators or other indicators (statistical or by data collected through specific surveys)	December 2011	1) 1.7.2011	1) Cooperation on the conduct of an analysis of the measurability of specific goals and activities by the existing indicators 2) Modification of the definitions of indicators (detailed description, setting the baseline and target values, record keeping) – to be covered by the HAB revision	1) December 2011 2) July 2011	MoC	1) 1.7.2011 2) 1.7.2011

3.1 3.3 3.4	To monitor the progress in the IAs at risk and the implementation of adopted measures	Alternative 1 252	Yes	1) Regular evaluation of progress 2) Regular meetings with IB 3) Evaluation of effectiveness of adopted measures	Continuously	1) Being accomplished on a monthly basis 2) Being accomplished in line with WG deadlines 3) Being accomplished				
3.1 3.3 3.4	To minimise the communication misunderstandings between the individual IBs as well as other problems related to the involvement of two IBs	Alternative 1 252	Yes	1) Regular communication with IB and responsible persons 2) Regular meetings at the level of IB directors 3) Regular meetings of working groups	Continuously	1) Being accomplished 2) Being accomplished 3) Being accomplished				
3.1 3.3 3.4	To ensure the enforceability of the set out deadlines for work procedures	Alternative 1 252	Yes	1) Monitoring the observance of deadlines 2) Administrative checks of the observance of deadlines 3) Monitoring the submission of applications for payment and comparing it against the forecasts	Continuously	1) Being accomplished 2) Check of the MoI deadlines, completed on 27.5.11, it will be the subject matter of checks in 2012 3) Being				



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Action Plan from Analysis of Administrative Capacities and Outsourcing of IOP Intermediate Bodies

Conclusions	IOP Managing Authority			IOP Intermediate Bodies			
	CORRECTIVE MEASURE	DEAD-LINE	ACCOMPLI-SHED	CORRECTIVE MEASURE	DEAD-LINE	TO BE DONE BY	ACCOMPLISHED
<p>1. Total financial costs of IB in relation to the administered allocation</p> <p>Major differences in financial costs related to the administered allocation of the programme between the group of Intermediate Bodies (MoH, CRD and MoC) with CZK 1 000 per 1 million of administered allocation and MoI, MoLSA with costs by 50 – 80 % higher.</p>	<p>IOP MA in cooperation with the Intermediate Bodies will conduct an in-depth analysis of the extreme values with the view to clarify this difference, or to eliminate it.</p>	<p>By 31.12.11</p>	<p>Based on the data as of 31.12.2011 an analysis will be conducted covering the whole year of 2011, results will be incorporated in the Report on Implementation as of 31.3.2012</p>	<p>With regard to the extreme values, the individual IBs shall propose adequate measures to eliminate the risks arising from these results and shall inform the IOP MA about the proposed measures.</p>	<p>15.11.2011</p>	<p>MoI MoLSA</p>	<p>MoI – sent to the MA on 8.11. 2011 Settlement of comments sent to the MA on 8.12.2011 MoLSA – in the course of November and December 2011 the MoLSA held internal working meetings in order to reduce the administrative costs of minor part-time employment contracts of MoLSA staff involved in the IOP implementation. The internal meetings at MoLSA resulted in the reduced total number of MoLSA staff involved in the IOP implementation by 13 persons, i.e.</p>

							from original 48 (July 2011) to 35 (December 2011).
<p>2. Total financial costs of administration of 1 project incurred by the IB</p> <p>Semi-annual costs per 1 approved project at the MoC and MoLSA exceed CZK 300 thousand as compared to the other IBs, where they range from 8 to 100 thousand.</p>	<p>IOP MA in cooperation with the Intermediate Bodies will conduct an in-depth analysis of the extreme values with the view to clarify this difference, or to eliminate it.</p>	<p>By 31.12.11</p>	<p>Based on the data as of 31.12.2011 an analysis will be conducted covering the whole year of 2011, results will be incorporated in the Report on Implementation as of 31.3.2012</p>	<p>With regard to the extreme values, the individual IBs shall propose adequate measures to eliminate the risks arising from these results and shall inform the IOP MA about the proposed measures.</p>	<p>15.11.2011</p>	<p>MoC MoLSA</p>	<p>MoC – 1. 2. 2012 the reasoning of the extreme value was sent MoLSA cooperates with IOP MA on the evaluation of barriers to absorption of funds under IA 3.1 and IA 3.3. Based on this evaluation it will be possible to reflect the</p>

							proposed measures including potential modification in procedures and deadlines of administration of projects under IA 3.1. and IA 3.3, which increase the costs of MoLSA – IOP IB.
<p>3. Number of FTE in relation to the administered allocation Number of FTE involved in the administration of IOP at MoLSA per 1 billion of allocation is the highest of all the IBs (10.99 FTE), in the other IBs it ranges from 3.34 to 5.83 FTE per CZK 1 billion of the administered allocation.</p>				MoLSA shall present reasons for the high number of part-time employees involved in IOP administration and covered from IOP TA and shall explain why the number has doubled since the end of 2010.	15.11.2011	MoLSA	Accomplished together with the corrective measure referred to under point 1 above. Starting with 1.12.2011 the number of part-time contracts was reduced by 3.1 FTE and by 13 persons involved
<p>4. Comparison of the structure of total financial costs of IBs High share of costs of outsourcing at MoI with respect to the high number of FTE, compared to the other IBs.</p>	Revision of HAB in IOP TA, the IOP MA shall approve the project application and project budget prior to the project submission. Expenditure on activities, not approved in advance by the IOP	1.9.2011	1.9.2011	The MoI shall submit to the IOP MA an analysis of the need for individual outsourced services and description of the management and control system of suppliers of outsourced services.	15.11.2011	MoI	MoI - Sent to the MA on 8.11. Settlement of comments sent to the MA on 8.12.

	MA in writing, will be considered ineligible.						
5. Comparison of the structure of FTE Increasing share of FTE and costs of AWP/ AWA at the expense of skeleton staff at the MoI.				The MoI shall submit to the IOP MA an analysis of the need of AWP/AWA, which will contain: - detailed justification for the need of such a high number of FTE under AWP/AWA, - identification of activities performed by these persons, - management and control system of the work done under these agreements, - system of education and development of these employees. In case there is no system of management, control , education and development in place at the MoI, the MoI shall submit it to the MA by 31 Dec 2011.	15.11.2011	MoI	MoI - Sent to the MA on 8.11. Settlement of comments sent to the MA on 8.12.
6. Mapping the administrative capacity	The IOP MA shall map the performance of administrative capacity at individual IBs.	Always as of 30.6.					

	The IOP MA shall extend the scope of regular reporting of administrative capacities as of 31 Dec of each calendar year and shall incorporate in this report also the obligatory description of the forecast for the following year.	By 31 January for the previous year	31.1.2012 sent by all the IBs	The IBs will incorporate the description of the need for the following year in the Report on administrative capacities.	By 20 January for the previous year	All IBs	31.1.2012 sent by all the IBs
	The IOP MA shall prepare a form for reporting administrative capacities and shall send it to the IBs.	31.11.2011	10.1.2012 the form sent to the IB				
7. Recommendations for controls	The IOP MA shall target the control of delegated activities on administrative capacity.	Continuously					
	The IOP MA shall reflect the risks ensuing from this evaluation in the update of the Catalogue of IOP Risks.	31.12.2011	It will be reflected in the Catalogue of Risks as of 31.12.2011				
	The IOP MA shall prepare the "Analysis of matters related to 3E evaluation in IOP" with the view to identify the possibilities of 3E	2 nd Q 2012					

	control in IOP projects, incl. the possibilities of 3E control in TA projects.						
8. Recommendation concerning the simplification for 2014-2020 period	For the preparation of 2014-2020 period to verify the effectiveness and cost-effectiveness with the involvement of 2 IBs in the implementation of one IA in the context of elimination of a risk or anticipated effect related to the involvement of 2 IBs.	Continuously					

Action plan from the Audit on implementation of projects under the 1st call for Intervention area 3.2 of the Integrated Operational Programme

Recommendation of the evaluator	Intermediate Body of the Ministry of Health		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
<p>In this context we recommend to draft binding model purchase contracts for medical devices or purchase contracts for services (management and publicity), with the beneficiary being entitled to deviate from the binding model in duly justified cases. In our opinion, the requirements for EF Department capacity would decrease since only the changes made by the beneficiary (in the change procedure) and not the whole document would have to be checked. Similar procedure could be followed in case of contract documents, or other documents, that the MoH is obliged to check and that show a certain degree of uniformity.</p>	a) To elaborate a model structure of contract documents in individual types of contracts – devices, management and publicity, and to post it on the web.	30.9.2011	On 19.10.2011 model contract documents for the purchase of devices and calls for small-scale contracts for the purchase of management and publicity services were published on www.mzcr.cz website.
	b) To stipulate that the draft contract, including the trade terms, shall always be included in contract documents in contracts of higher value	By the announcement of the next call, otherwise as recommended	
	c) To elaborate a model structure of a draft contract in individual types of contracts – devices, management and publicity, and to post it on the web.	30.9.2011 New deadline set at 31.03.2012	September 2011 – partly accomplished, see point a)
<p>Therefore we recommend to complement the existing or to draft a new checklist of documents which shall be a component part of documents included in the project file for each public procurement procedure. The existence of such a checklist would considerably reduce or eliminate the potential omission of any important document caused by human factor. This</p>	a) To propose a binding form of the structure of documents for tenders in the project file in archives.	31.8.2011 New deadline set at 31.03.2012	
	b) To include in the individual checklists for the check of individual steps of tenders and public procurement procedures the notes referring to the specific documents, pursuant to which the given question is checked, since the wording of majority of questions is pretty vague	30.9.2011 New deadline set at 31.03.2012	

<p>checklist would be made by the beneficiary at the commencement of works on public procurement procedure and submitted at fixed intervals to the project manager at the MoH for check, together with the documents that the beneficiary is obliged to forward to the implementing authority.</p> <p>In order to simplify the follow-up check, we recommend to expand the scope of documents archived by the MoH in order to have the full set of documents available at the MoH. To this end e.g. the checklist recommended in the point above can be used.</p>	<p>c) To use a list of mandatorily created and archived documents by individual type of tender/ public procurement procedure in the checks of the course of tenders and to send this list to beneficiaries, who will gradually mark in the list those documents which are already available to them in the tender and will send it together with the documents to be checked.</p>	<p>30.9.2011</p>	<p>On 28.7.2011 a new tab Documents to public contracts was created on www.mzcr.cz website in the European funds/IOP/Documents section. Under this tab the recommended list of documents for individual types of tenders by the foreseen value was published, which was defined in the corrective measure, posted under this tab were also e.g. model checklists for individual stages of control of public contracts by EF Department in order to inform the beneficiary about the pitfalls of the conduct of public contracts. Under this tab also other documents defined in the framework of other corrective measures will be published. Moreover, an information e-mail about the creation of the new tab, together with the List of documents for public contracts, was sent to beneficiaries.</p>
<p>We also recommend to introduce a uniform system of files or directories in paper and electronic project files. This unification should consist in the development of a single structure of files (directories), creating versions of documents, rules for assigning names to files (directories) etc.</p> <p>We recommend to arrange all the documents in the project files by their logical place in the process of public procurement procedure and not according to the date of delivery (naturally, the date of delivery has to be properly recorded).</p>	<p>a) To create a uniform binding structure of project files on "O" (the shared disc), which shall correspond to the structure of the paper file in the archive.</p>	<p>31.8.2011</p>	<p>On 18.8.2011 at the meeting of the department, the binding structure of project files on the O disc was presented. The employees received the graphic layout both in paper version and on the O disc. Gradual modification of files for individual calls will be done, which is under the responsibility of individual financial and project managers.</p> <p>The drafted proposal for the structure of the paper file will be used starting with projects under the 8th call.</p>
<p>We recommend to reconsider the approach to public contracts in case the contracting entity receives one bid only; if in such a case the beneficiary withdrew the public procurement and</p>	<p>a) The obligation to withdraw a public contract in case of the receipt of one bid only.</p>	<p>Accomplished</p>	<p>January 2011 –through the adoption of Anti-corruption Strategy of MoH</p>

<p>announced a new one, it would contribute to better transparency of the process of the award of public contracts and perhaps also to a lower purchase price. In case the contracting entity received again the bid from one supplier only, the public procurement procedure would take place in a standard manner. This procedure is common in some other operational programmes (e.g. OP Environment).</p>	<p>b) To set up a system which makes it possible to continue with the public procurement procedure in case of one bid only, i.e. potential exceptions to the Order of the Minister, which is too strict and does not facilitate the possibility suggested in the recommendation – i.e. to continue in a public procurement procedure in case of repeated public contract or in other special cases.</p>	<p>31.7.2011</p>	<p>On 8.8.2011 the meeting of senior officials approved the Procedure for the control of the Order of Minister No 11/2011 Anti-Corruption Strategy for directly managed organisations, on this procedure was sent to beneficiaries and published on www.mzcr.cz website under the tab Documents for public contracts. Simultaneously, the IB and MA were informed about this document by the person responsible.</p>
<p>We recommend to consider the practice of stating the technical qualification prerequisites in the form of a reference to the financial volume of past contracts in order to avoid excessive concentration in the sector. The qualification defined in financial terms results in the putting up of major barriers to the entry in the sector and in forming monopolistic and oligopolistic structures composed of established players.</p>	<p>a) To set out general rules for the application of technical qualification prerequisites – setting out of recommended limits of the volume of reference contracts and the amount of turnover with respect to the object of the contract.</p>	<p>31.7.2011</p>	<p>On 8.8.2011 the meeting of senior officials approved the Procedure for the control of the Order of Minister No 11/2011 Anti-Corruption Strategy for directly managed organisations, on this procedure was sent to beneficiaries and published on www.mzcr.cz website under the tab Documents for public contracts. Simultaneously, the IB and MA were informed about this document by the person responsible.</p>
<p>For the sake of better comparability and check of items, we recommend to obligate the bidders in the next calls to identify the devices in line with the relevant standards of fit-out so that each item is easily identifiable and comparable in the budget, contract documents, bids and the contract. Unambiguous identification should consist in the consistent description of the item in line with the standard as well as the stated number of pieces.</p>	<p>a) To introduce a clear requirement that the names (of devices) of items shall be the same as the names used in the standards for fit-out. The same names shall be used in the project budget and the contract documents, draft contract, concluded contract and ideally also in the invoice. The specific type of a device with its name shall be a mandatory component of the contract, hand-over protocol and invoice.</p>	<p>By the announcement of the next call</p>	
	<p>b) To consistently check the observance of this rule at individual stages of the project (e.g. at the stage of submission of the application, evaluation of the notification of changes, evaluation of contract documents etc.).</p>	<p>By the announcement of the next call</p>	

<p>The quality of elaboration of the checked contract documents created by the beneficiaries varies a lot, mainly as concerns the details of technical parameters. In this context we recommend that the Ministry of Health develops a uniform methodology for the creation of contract documents in tenders for the purchase of medical devices. This methodology should among other things contain the principles governing the setting up of a team responsible for the creation of contract documents (the team should be composed of medical doctors, a biomedical engineer, a clinical engineer, an IT expert, an economist, an expert at trade in medical devices and a trade law expert) so that the professional aspects of the purchase as well as necessary check are guaranteed through the participation of multiple independent professions. Moreover, the principles governing the creation of contract documents should prevent the emergence of a situation in which the parameters are set in a way to fit one supplier only. Since the quality of checked bids varied a lot and the technical parameters of devices included in the bid were not always adequately described, the methodology should also include the standards for the elaboration of technical description of items included in the bid.</p>	<p>a) To elaborate a uniform methodology for technical specification in public procurement procedures.</p>	<p>31.12.2011 New deadline set at 31.3.2012</p>	<p>Ad a) and b) On 8.8.2011 the Meeting of senior officials approved the document with the summary of corrective measures, implemented by the European Funds Department within the reinforced risk management, within which provided to the Meeting of senior officials was also the summary of recommendations from KPMG audit (this Action Plan) stressing the need to address the corrective measure ensuing from this recommendation in a comprehensive manner across the MoH. The Director General in charge of the directly managed organisations was request to consider the beneficial nature of this methodology for the health care sector. He considered this methodology beneficial. Currently, the drafting of this methodology was commenced.</p> <p>Beyond the scope of this recommendations, on 15.8.the MoH started to conduct the Analysis of the market with medical devices and equipment based on the results of public procurement procedures published on the Public Procurement Information system since the beginning of 2008, which can be used by the MoH as one of the input sources when drafting the methodology. The analysis has already been conducted. Its output was presented at the Meeting of senior officials on 7.11.2011.</p>
	<p>b) The elaborate recommendations for the creation of contract documents concerning the principles of their creation, namely in the form of recommendations of the MoH for directly managed organisations and through its application also for the other beneficiaries.</p>	<p>31.12.2011 New deadline set at 31.3.2012</p>	

<p>The contract documents should always state detailed information on the specific medical purpose for which the respective medical device is intended. Together with this purpose also stated should be the specific medical interventions to be performed by the device, their frequency and the resulting realistic usage of the device in the context of past and foreseen mix of activities performed by the respective workplace. The statement of the purpose will facilitate the selection of a more suitable device and also more effective subsequent checks. Well described purpose stated in contract documents (together with the price limit that cannot be exceeded) can help prevent the purchase of devices with inadequate parameters at extortionate price.</p> <p>The support granted from EU Structural Funds frequently leads to the situation when the beneficiary with an approved budget states the maximum price and asks the manufacturer to offer the best device available at this price. This essentially rational conduct is conducive to the purchase of overly advanced (therefore also overly expensive) devices.</p>	a) To stipulate that the medical purpose shall be stated in the contract documents.	Accomplished	January 2011 – accomplished by the adoption of Anti-Corruption Strategy of MoH
	b) To perform consistent check of the statement of the medical purpose in the framework of checks of contract documents.	Continuously	Being accomplished on a continuous basis
	c) The obligation to state the medical purpose in the technical specification annex already at the time of submission of the application for support – modification in the Handbook for applicants and beneficiaries.	By the announcement of a new call	
	d) To conduct the check of eligibility of the medical purpose already during the check of applications for support in the framework of expert evaluation with respect to the following criteria: 2.2 Need of the project, 3.2 Technical and technological feasibility of the project, 3.4 Consistency of the project with the set out indicators and objectives – modifications in the Handbook for evaluators, presentations at the Seminars for evaluators.	By the announcement of a new call	
KPMG recommends to consider the setting out of a financial limit for publicity in the future calls for IOP Intervention area 3.2 at the above referred to level.	a) To set out the financial limits for the item of publicity.	Accomplished	Starting with the 2 nd call, precise limits are set out by the Handbooks for Applicants and beneficiaries

<p>KPMG recommends to consider the setting out of a financial limit for management services in the future calls for IOP Intervention area 3.2 at the above referred to level.</p>	<p>a) To set out the financial limits for the item of project management and monitoring.</p>	<p>Accomplished</p>	<p>Starting with the 2nd call, precise limits are set out by the Handbooks for Applicants and beneficiaries</p>
<p>KPMG clearly recommends to apply the possibility of splitting the contracts pursuant to Section 98 of Act on public contracts for the purchase of medical technology in all the cases when the object of the contracts allows it. The conducted analysis indicates that in the prevailing majority of public procurement procedures implemented under the 1st call it was possible. This manner of the contract award will better contribute to the sound competition between the suppliers of medical technology and will help prevent the development of oligopolistic market structures and limit the tendency of strong players to divide the market between themselves by concluding cartel agreements. KPMG also recommends that in case the beneficiary in the framework of a grant project wishes to announce an above-the-threshold public contract for the purchase of medical technology without the possibility of contract splitting, this procedure is duly justified to the implementing authority. The MoH as the implementing authority should have the final say in the approval of such contracts.</p>	<p>a) To set the obligation of contract splitting pursuant to Section 98 in the relevant cases.</p>	<p>Accomplished</p>	<p>January 2011 – accomplished by the adoption of Anti-Corruption Strategy of MoH</p>
	<p>b) To consistently check the application of Section 98 and the manner of splitting the contracts. The obligation is stipulated in the Order of the Minister No 5/2011</p>	<p>Continuously</p>	<p>Starting with August 2011, the checklists for contract documents and the course of tenders started to be used, they include questions derived from the Anti-Corruption Strategy. Therefore a separate checklist is not used, which reduces the risk of omissions..</p>

Action Plan from the Evaluation of Impacts of Changes in IOP

Findings and recommendations of the evaluator	Intermediate Body of the Ministry of Interior		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
<p>1. All the findings (recommendations) stated in the final report from the evaluation: The major project for the development of the National Centre for Emergency Preparedness (NCEP) reports negative financial indicators and due to insufficient funds of the respective budgetary chapter of MoI for its operation the project sustainability is jeopardised.</p> <p>The cancellation of the project will lead to the risk of the failure to absorb the allocation and to fulfil the objectives and indicators, which can be eliminated through the transfer of funds. All the intervention areas still show adequate absorption capacity and there are several already prepared project outlines which fulfil the objectives and activities of intervention areas, with some of them also with respect to Smart Administration.</p>	<p>Proposed changes in the operational programme:</p> <p>1.1.Cancellation of activity c) in Intervention area 3.4. and the indicators linked to the activity c)</p> <p>1.2.Transfer of funds from activity c) to activity d) in Intervention area 3.4., including the increase in the target value of the indicator of activity d) and specification of the description of activity d)</p>	<p>1) Drafting the proposals and justification for MA- as at 1.7.2011</p> <p>2)Final version of proposal by 15.7.2011</p>	<p>1) The Programming Documents was modified and sent to the MA with the justification of changes.</p> <p>2) Final version was sent to the EC on 28.7.2011</p>
<p>2. Recommendations ensuing from the final report from the evaluation. Characteristics of potential projects 3 alternatives for the transfer of funds following the cancellation of NCEP project: Alternative 1: transfer of funds within Intervention area 3.4. Alternative 2:Transfer of a part of the funds (CZK 200 million) to IA 2.1. and leaving the rest of the funds in IA 3.4 Alternative 3: Transfer of a part of funds to IA 2.1. (CZK 200 million) and to IA 1.1.(CZK 300 million) and leaving the rest of the funds in IA 3.4.</p>	<p>In line with the recommendation of the evaluator, the alternative number 1 – transfer of funds within Intervention area 3.4 was opted for, bearing in mind the time demandingness and absorption capacity criteria.</p>	<p>By the MC meeting</p>	<p>Accomplished on 31.5.2011</p>

<p>3. Other recommendations proposed in order to solve the evaluated issues Recommendations concerning the reasons of delays in project implementation:</p> <p>3.1) inexperience of aid beneficiaries in Intervention areas 1.1. and 3.4. 3.2) internal processes and regulations 3.3) public contracts 3.4) administrative procedures</p>	<p>3.1.1) provision of advisory services</p> <p>3.1.2) ensuring the administrative capacity at the level of project and financial managers</p> <p>3.2.1) communication with the other party 3.2.2) seminars, workshops for beneficiaries</p> <p>3.3.1) seminars for beneficiaries on tenders</p> <p>3.3.2) SFD will hire a legal expert at public contracts</p> <p>3.4.1) optimisation of administrative capacity, stress on the observance of deadlines 3.4.2) cooperation between the IB and financial sections of the Ministry of Interior, cuts in the support and transfers to projects in the pipeline</p>	<p>30.4.2011</p> <p>31.5.2011</p> <p>Continuously</p> <p>Continuously</p> <p>Continuously</p> <p>31.7.2011</p> <p>30.6.2011</p> <p>Continuously</p>	<p>3.1.1) Accomplished in Intervention area 1.1. by the setting up of “centres of shared services”</p> <p>3.1.2) Restructuring of the PM and FM unit for the sake of more effective elaboration of the monitoring reports and applications for payment</p> <p>3.2.1) Bilateral meetings between the IB and the top management of the beneficiary proceed as necessary 3.2.2) Timetable of prepared and held seminars for applicants and beneficiaries on SFD website: beneficiaries IA 1.1.: 20.6.2011 beneficiaries IA 2.1.:5.4.2011 applicants IA 2.1: 14.7.2011 beneficiaries IA 2.1: 5.10.2011 beneficiaries IA 1.1: 15.11.2011</p> <p>3.3.1) Special seminars focused on public contracts were held - 6.4., 15.6.2011</p> <p>3.3.2) As of 1 Oct 2011 a new employee was hired - lawyer, 1 current employee – a lawyer originally working under AWA will become a full time employee</p> <p>3.4.1) The heads of SFD communicate intensively with PM and FM and supervise the effective controls of the monitoring report and applications for payment 3.4.2) Regular monitoring of FM in individual intervention areas is done</p>
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Action Plan from the Interim Analysis of Communication Needs of the Ministry of Interior in the Field of EU Structural Funds

Recommendation of the evaluator	Intermediate Body of the Ministry of Interior		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
SA communication			
1. SA communication should meet the objective of increased satisfaction of citizens with the public administration and better perception (image) of public administration by the general public	1.1. Implementation of the “Quality of life” concept	31.12.2015	
2. SA communication should meet the objective of the increased transparency of public administration	2.1 Direct communication with citizens - web; events	31.12.2015	
	2.2 Introduction of particular persons	31.12.2015	
	2.3 Presentation of particular projects in order to lift the barriers	31.12.2015	
3. SA communication should inform the professional public on its impacts	3.1 Newsletter, seminars, workshops, one-to-one consultations, programming documents, methodologies, guidelines and handbooks	31.12.2015	
COMMUNICATION STRATEGY			
4. Communication activities should focus primarily on the target group of general public	4.1 To be delivered through advertisements, product placement, commercial supplements, media partnerships, media relations, press releases, meetings with journalists, updates of websites, exploitation of social networks, events, promotional merchandise	31.12.2015	
5. To attach sufficient importance to information provided to the professional public; to introduce them to SA projects so that they are aware of its consequences and are able to further disseminate this information	5.1 To be delivered through the newsletter, atlas of projects, workshops, one-to-one consultations	31.12.2015	
6. To present the SA projects in the broadest possible portfolio of media (ranging from television, through press up to social media)	6.1 To be delivered through advertisements, product placement, commercial supplements, media partnerships, media relations, press releases, meetings with journalists	31.12.2015	

7. To base the selection of suitable means of communication on the knowledge of what means are used by the respective target group	7.1 Development of partial communication plans for 2011 – 2015	31.12.2015	
8. To introduce primarily the common results of both the programmes (reduction in time spent at offices; support of investments in IT through education and training of clerks)	8.1 To be delivered through advertisements, product placement, commercial supplements, media partnerships, media relations, press releases, meetings with journalists, updates of websites, exploitation of social networks, events	31.12.2015	
9. To present the information on projects in a comprehensible manner; to give as many specific examples as possible. It is best served by the presentation of specific stories	9.1 To be delivered through commercial supplements, media relations, press releases, meetings with journalists, atlas of projects	31.12.2015	
10. In SA project communication the total volume of support should always be mentioned	10.1 To be delivered through advertisements, product placement, commercial supplements, media partnerships, media relations, press releases, meetings with journalists, events, newsletter, atlas of projects	31.12.2015	
“QUALITY OF LIFE CONCEPT “			
11. When developing a single concept, to proceed from the conclusion of the Evaluation of IOP communication and publicity activities – single image communication strategy, to which all the staff contribute; cooperation among all the Incom and Excom units; uniform communication	11.1 Involvement of all the InCom and ExCom unit, development of a single concept, agreement on single communication	31.12.2011	Provision of information to communication staff of IB
12. To exploit the “Quality of life“ concept as the fundamental unifying communication objective	12.1 Involvement of all the InCom and ExCom unit, development of a single concept, agreement on single communication	31.12.2011	Communication staff of IB is familiar with the concept and applies it in communication activities
RECOMMENDED TOOLS			
DIRECT COMMUNICATION			
13. To continue to perform the already established activities	13.1 To be delivered through technical seminars, one-to-one consultations, newsletter	31.12.2015	

14. At seminars to better respond to the participants' feedback (availability, specific examples, financial aspects, supporting documents)	14.1 To better focus the content of seminars	31.12.2011	Being accomplished on a continuous basis - feedback – satisfaction questionnaires at each seminar – majority of participants are satisfied with the seminars and with the content, the content is clearly defined in the invitation to the seminar
15. To focus on improved provision of seminars – regional coverage, capacity, parking places, services	15.1 To outsource the implementation of the seminar	31.12.2011	10.10.2011 A contract was concluded with Valero s.r.o. based on the tender
PUBLICATIONS			
16. To more intensively respond to the ongoing feedback concerning the Newsletter, especially with respect to its content, form of presented information and requirements	16.1 To create a mechanism for feedback	31.12.2011	It will be included in the new tender for supplier of the newsletter, invitation to tender shall be published approximately at the end of February 2012
	16.2 To continuously monitor the feedback in line with the proposed mechanism	31.12.2015	
17. To consider the scope of texts in the Newsletter which is sometimes overabundant	17.1 To modify the content and design of the Newsletter; updates	30.6.2012	

18. To consider the publishing of a technical publication that would present selected projects implemented under the SA and supported from the European funds	18.1 Publishing of the Atlas of projects	31.12.2013	
MEDIA			
19. To continue to use the free of charge space in periodicals for advertisements whenever possible	19.1 To be delivered through the establishment of relationships with journalists (media relations)	31.12.2015	
20. Special commercial supplement	20.1 Creation	30.6.2012	
	20.2 Creation of commercial supplements	31.12.2013	
JOURNALISTS			
21. To consider the selection of attractive topics for press releases	21.1 To be delivered through press releases	31.12.2015	
ONLINE COMMUNICATION			
22. To create a special microsite for the presentation of the Quality of Life concept	22.1 Creation of the microsite	31.12.2012	