

# Operational Programme Technical Assistance

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# INTRODUCTION

Council Regulation (EC) 1083/2006 concerning the Structural Funds and the Cohesion Fund envisages major changes in the management and coordination system.

The basis for the focus and implementation of programmes financed from Community Funds is the National Strategic Reference Framework (NSRF), guaranteeing compliance with Economic and Social Cohesion Policy (ESC), Community Strategic Guidelines (CSG) and national structural development programmes. An emphasis is placed on the cohesion of the individual operational programmes with the objectives of the NSRF and other national and European strategic documents, with regard to the rising demands placed on comprehensiveness and synergy between interventions financed via various operational programmes and funds. Community regulations only lay down the basic framework for implementation systems; the specific configurations are based on national legislation and rules.

Compared with the 2004-2006 programming period, there is an increase in financial resources and the number of operational programmes. The implementation of several fold higher funds, the demanding programmes' focus on growth, knowledge economy, innovation and employment together with the Commission's increased interest in attaining strategic objectives will require sound organization, coordination, evaluation and monitoring of all processes.

The new conditions require a change of system structure for the implementation and coordination of structural interventions. It will be expedient to grant greater technical assistance to new operational programmes whose managing authorities are not sufficiently experienced in the implementation of programmes co-financed from EU funds. Regional approaches and cross-sectional issues such as knowledge economy, information society, sustainable development, equal opportunities, environment and the like will also be taken into account.

The basis for the proposed coordination and management of the Economic and Social Cohesion (ESC) policy is the current system that has been running for only a relatively short time and faced a number of problems. The system proposed for the 2007-2013 period should resolve, or at least minimize, these problems.

It has become evident that coordination in the defined areas of activities carried out within the scope of structural interventions is essential for efficient and timely drawings of EU funds.

**Operational Programme Technical Assistance (OPTA) is supplemented by the financial allocation from the Regional Competitiveness and Employment Objective, and it can, as a multi-objective programme, finance activities in the whole CR, including the territory of Capital City of Prague.**

# **1. CURRENT SITUATION WITHIN TA**

## **1.1. EVALUATION OF BASELINE DOCUMENTS**

The baseline documents for the preparation of the operational programme are the National Development Plan (NDP) and NSRF. Compliance is ensured with the Community Strategic Guidelines (CSG), the National Reform Programme and the Sustainable Development Strategy.

The coordinating role of the Ministry for Regional Development (MRD) and its competence to hold negotiations with the European Commission is defined under Section 11(1e) of Act No 248/2000 on the support of regional development, as amended. The Ministry for Regional Development ensures international cooperation in support of regional development, as well as cooperation with the European Communities in Economic and Social Cohesion, including coordination of the factual content of subvention instruments and the related design of their fulfilment process. Under Government Resolution No 159 of 4 March 1998, the general coordinating role in Economic and Social Cohesion (in relation to the Structural Funds) is delegated to the MRD. Under Government Resolution No 245 of 2 March 2005, the MRD is the principal coordinator for preparations for the 2007-2013 programming period. Concurrently, the MRD will also act as the administrator of the single monitoring system for 2014 – 2020 period, on the preparation of which pursuant to Government Resolution No 1301/2009 it shall submit to the Government information including the proposal for the ensurance thereof.

Under Government Resolution No 198 of 22<sup>nd</sup> February 2006, the MRD was appointed as a central coordinator of the National Cohesion Policy Framework for the drawing of resources from the Structural Funds and the Cohesion Fund in the 2007-2013 period (hereinafter EC funds), and the Ministry of Finance was appointed to ensure the activities of the Paying and Certifying Authority (PCA) and the Audit Authority (AA). The Ministry for Regional Development is also responsible for providing a uniform central information system for the management, monitoring and evaluation of programmes and projects at all levels of administration of programmes financed from EU funds.

The proposed competence of the coordinating and methodological authority is based on the text of the EU Regulations for the 2007-2013 programming period. The range of entities contributing to the implementation of the OPTA is laid down in Government Resolution No 175/2006, under which the competent ministries and regional councils of NUTS II cohesion regions were designated to prepare and implement operational programmes within the scope of the 2007-2013 programming period.

The designated operational programme managing authorities are: the Ministry for Regional Development, the Ministry of Industry and Trade, the Ministry of Labour and Social Affairs, the Ministry of Education, Youth and Sports, the Ministry of the Environment, the Ministry of Transport, and the Regional Councils of NUTS II cohesion regions.

## **1.2. BASIC DOCUMENTS AND LEGISLATION**

### **1.2.1. Czech National Strategic Documents**

- National Development Plan/NSRF of the CR 2007-2013
- Economic Growth Strategy of the CR
- Sustainable Development Strategy of the CR
- Regional Development Strategy of the CR
- National Lisbon Programme 2005-2008 (National Reform Programme of the CR)

### **1.2.2. EU Legislative Documents**

- Community Strategic Guidelines for Cohesion, 2007-2013
- Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF) and repealing Regulation (EC) No 1260/1999 ('General Regulation')
- Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999
- Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the ESF and repealing Regulation (EC) No 1784/1999
- Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of the Council Regulation (EC) No 1083/2006 laying down general provisions on the ERDF, the ESF and the CF and of Regulation (EC) 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund ('Implementing Regulation')

### **1.2.3. Czech National Legislative and Methodological Documents**

- Act No 248/2000 Coll., on support of regional development, as amended
- Act No 128/2000 Coll., on municipalities (general constitution), as amended
- Act. No 129/2000 Coll. on regions (regional constitution), as amended
- Act No 131/2000 Coll. on the Capital City of Prague, as amended
- Act No 137/2006 Coll., on public procurement, as amended

- Act No 320/2001 Coll., on financial control in public administration, amending certain laws (Financial Control Act), as amended
- Decree of the Ministry of Finance No 416/2004 Coll. implementing Act No 320/2001 on financial control in public administration, and amending certain laws
- Act No 218/2000 Coll. on budgetary rules, amending certain related laws (Budgetary Rules), as amended
- Act. No 219/2000 Coll. on Czech Republic assets and its acting in legal relationships
- Act No 250/2000 Coll. on the budgetary rules of district councils, as amended
- Decree of the Ministry of Finance No 560/2006 Coll. on the participation of the national budget on assets reproduction programmes' financing
- Act No 100/2001 Coll., on environmental impact assessments and amending certain related laws (Environmental Impact Assessment Act), as amended
- Concept of the control system in the CR focusing on financial control
- Methodology for the preparation of programming documents for the 2007-2013 period, MRD, February 2006
- Methodology for financial flows and control of programmes co-financed from ERDF, ESF, CF and the European Fisheries Fund (EFF) for the 2007-2013 programming period
- Manual for audit of management and control systems of operational programmes co-financed in the programming period 2007-2013 from the European Regional Development Fund, European Social Fund, Cohesion Fund and European Fisheries Fund.

### 1.3. ANALYSIS

The analytical work was based on **evaluation of the 2004-2006 period**. Based on the analysis of the evaluation studies' results conducted by Community Support Framework (CSF) a set of problem areas was identified particularly in the course of the operational programmes' implementation in the 2004-2006 period. The main problem areas were identified in the implementation system, including the demand side, i.e. applicants. In evaluation of CSF projects, great attention was paid to examining external and internal factors affecting implementation. Significant influences were analyzed and characterized in detail in several evaluation plan projects.

The principal identified areas from independent evaluation studies were summarized in the document 'Proposed general measures to improve drawing of resources from the SF and recommendations for the programming period 2007-2013' with suggestions of specific solutions.

In the programming period 2004-2006 the area of TA at the level of CSF was included in priority 5 of Joint Regional Operational Programme (JROP), which provided and still provides funds for management, implementation, monitoring and control of CSF. Technical Assistance at the level of individual operational programmes was allocated and differentiated in the programming period 2004-2006 by priority in five operational programmes.

Technical Assistance for CSF implemented under Section 5.2 of JROP included and includes activities supporting coordination at the level of CSF in the programming period 2004-2006.

Activities underlie the actions in view for the following period. These are particularly activities at the level of the Monitoring Committee and Advisory Committee of CSF, the securing of Structural Funds Monitoring System, the creation of methodologies and procedures, strengthening of the administrative capacities, securing the communication strategy, processing of studies and analyses to monitor the impact of the programmes, improving the methods of evaluation and exchange of information on practical procedures in the area of implementation of EU funds, elaboration of analyses, case studies, and drafting of programming documentation for the programming period 2007-2013.

The structure and functions of CSF in the system of implementation of the structural interventions at the national level in Objective 1 are described in Chapter 6 of the document 'Community Support Framework' for the period 2004-2006, approved by the EC with the agreement of the CR. The Cohesion Fund, support of the implementation of Single Programming Documents (SPDs) for Prague and Community Initiatives in the CSF system for the programming period 2004-2006 are not included. Monitoring, reporting and aggregate information on the EU funds were provided by the CSF Department for all EU objectives. This was done in the same way for all the Objectives by PCA and AA, which are within the competence of MF.

Implementation of the assistance programmes from EU funds began gradually in May 2004.



Problem areas at the level of the managing authorities and identified obstacles to smooth implementation are directly proportional to insufficiently applied central coordination in the programming period 2004-2006.

Main problem areas in the period 2004-2006 identified in the evaluation, to which attention should be paid in the programming period 2007-2013, are:

- staffing within the implementation structures of operational programmes;
- competences of the national coordinator (for the period 2007-2013 NCA) and binding effect of published methodologies;
- monitoring system and its links to other information systems;
- unrealistic configuration of projects' indicators at the national level, there occur overestimated target values that are difficult to achieve;
- non-transparency and discrimination in the selection of projects in all programmes;
- unrealistic setting and keeping the deadlines in implementation processes;
- absorption capacity including monitoring and evaluation;
- ambiguity and lack of clarity of programming documentation (in particular manuals for applicants), lack of information on the status of a project.

One of the most serious problems identified in the last period is insufficient harmonization of Czech and European legislation and the necessity to solve contradictions between Czech legislation and EC regulations by guidelines. Certain problems were identified in Act No 218/2000 Coll., on budgetary rules. The implementation structures were built in sequence and at the beginning of the programming period 2004-2006 in the area of financial flows by two parallel systems. European and Czech financial flows were each subject to a different regime. The harmonization of the two parallel systems had an impact on the financial management system, the implementation structures and the monitoring system.

Furthermore the "partnership" principle is not treated in the Czech legislation, respectively in relation to Act No 137/2006 Coll., on public procurement.

Another important area was the configuration of the implementation structure in a programme when more institutions participate in the course of implementation. Mutual communication and cooperation between subjects in resolving problematic areas is subsequently very complicated.

The complexity of the implementation structures manifests itself in the difficult fulfilment of all conditions set out in the EC regulation on drawing from EU funds, further in the implementation of the programme, especially in problems with timetables in administration of the evaluation and project selection. The MA is responsible for the configuration of the implementation structure, the detailed description of administrative processes and the configuration of the management and control systems in the whole of the implementation structure. It has been discovered that an unclear implementation structure increases demands for personnel capacity, quantity of published documentation,

conducted controls, professional and technical consultations, expert trainings and other.

The drawing of resources was and is also affected by the configuration of the Structural Funds Monitoring System (SFMS), which had to be significantly fine-tuned between 2004 and 2005 and new functions had to be introduced in order to monitor the implementation. Likewise, technical problems appeared with data entry into the individual subsystems (MONIT, SAP, ISOP) and their transfer to the central SFMS. Faultless functioning of the monitoring systems is a necessary condition to assure continuousness in the certification of expenditures. Insufficient functioning of SFMS prohibited comparison of the projects and programmes quality.

Another significant aspect is the administrative capacity and readiness of the implementation institutions. Insufficient staffing causes delays, which are reflected in individual processes related to drawing of funds for the programmes. Thus insufficient staffing overloads the officers in activities related to the programmes' management.

The readiness to draw from funds and the number of successful projects are much influenced by affective securing of the absorption capacity and the elimination of inexperience of some types of beneficiaries, such as non-profit organizations, small communities or businessmen that were manifested in preparation of projects and participation in the operational programmes. The absorption capacity is also influenced by the degree of awareness of applicants and their ability to find their bearings in the relatively dense information network on Economic and Social Cohesion policy.

Overall analysis of OPTA was divided into following areas:

- Ø **Management and coordination**
- Ø **Monitoring**
- Ø **Administrative and absorption capacity**
- Ø **Publicity**

### **1.3.1. Management and Coordination**

One of important factors that always affect effective and proper drawing from EU funds is to ensure unified management and coordination programmes. This factor was underestimated in the programming period 2004-2006. Owing to the absence of a sufficiently strong coordination mechanism there were numerous and heterogeneous entities providing methodical support, coordination and evaluation of programmes' implementation and at the same time securing the communication with the EC.

As a result of these and other causes, the disunity of the programmes' implementation occurred and much time was needed to resolve common system problems, including heterogeneous system and methodical management in the area of financial flows, auditing and control, and securing the national co-financing. To establish a strong coordination body necessarily

depends on a creation of base of professionals - experts on EU funds who ensure this coordination. In the programming period 2004-2006 it was not possible to retain most of the trained and experienced system experts in their positions in a long term.

#### SWOT analysis – management and coordination

<b>Strengths</b>
<ul style="list-style-type: none"> <li>• central technical assistance for the function of coordinator</li> <li>• functioning working and advisory bodies</li> <li>• building NCA on the basis of activities and experience of the central coordinator in the period 2004-2006</li> <li>• MoF playing the role of PCA and AA</li> </ul>
<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• great number of operational programmes</li> <li>• heterogeneous implementation structure</li> <li>• insufficient awareness of EU policies</li> </ul>
<b>Opportunities</b>
<ul style="list-style-type: none"> <li>• considerable amount of funds</li> <li>• possibility of increasing administrative and absorption capacity</li> </ul>
<b>Threats and risks</b>
<ul style="list-style-type: none"> <li>• heterogeneous implementation environment</li> <li>• ambiguous systemic management</li> <li>• total allocation for period 2007-2013 not drawn</li> </ul>

### **1.3.2. Monitoring**

In the period 2004-2006 the central monitoring system did not provide sufficient efficiency of the monitoring system as the means of coordination and sufficient data connection to other information systems. Missing or invalid data in MSSF were found in presence layer, disunited data of operational programmes, insufficient training of employees in the implementation structure, data duplicity in information systems were found. Information on the intensity of drawing, especially with regard to observing n+2 rule, was incomplete, various implementation subjects did not insert necessary data into the system correctly, in the appropriate structure and form, or they inserted them without observing deadlines.

Monitoring system for programming period 2004-2006 has been composed of three basic parts that mutually support one another and their process connection provides complexity and transparency of the monitoring system.

ad 1) Information system MSSF-CENTRAL with the central database operated by MRD has been determined to ensure activities of managing authorities, PCA, CSF during financial and material monitoring of programs and projects, including its connection to MoF systems. This system serves for development planning, data gathering about material and financial monitoring of programmes and projects, records on programmes, monitoring of indicators' values in particular programmes and press releases formulation.

ad 2) Information system MONIT, ISOP, SAP, IS – SC-OPPI has been established to ensure activities of intermediate bodies during projects administration within one programme. In these information systems a project is monitored during the whole period of its project cycle. Managing authority of the operational programme ensures fulfilment of the requirements for data range and structure for IS MSSF-CENTRAL within all stated information systems.

ad 3) Software instrument for a beneficiary to fill project applications and applications for payments (ELZA, Benefit) according to managing authorities decisions (ensured by the MA of the operational programme).

With the view of more precise data interpretation gained from different information systems and for minimizing data transfers between systems ad 1) and ad 2) "Increase in Efficiency of Monitoring" project has been created for MRD that recommended to use for intermediate bodies one information system, which would ensure a unified data structure gained from all IB, respectively from all programmes.

Establishing of central monitoring system is based on EC requirement for monitoring system existence (General Regulation, section 48 paragraph 1) to ensure, from 1<sup>st</sup> January 2007, a uniform central information system for conduct, monitoring and assessment of programmes and projects in programming period 2007-2013.

The concept of transferring binding data required by NAC and EC from IB monitoring systems into the central monitoring system for a transitory period has been defined by Government Resolution No 1397/2006.

EC has declared a requirement to create a unified monitoring system that would ensure uniform, comparable and actual data within structural policy.

**SWOT analysis – Monitoring**

<b>Strengths</b>
<ul style="list-style-type: none"> <li>• Utilization of experience with monitoring system from the last programming period 2004-2006</li> <li>• minimum demands for retraining of users</li> </ul>
<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• ensuring of data transfer and quality among individual levels of monitoring system</li> <li>• delays and inaccuracies in data as a result of transfers among individual levels of monitoring system</li> </ul>
<b>Opportunities</b>
<ul style="list-style-type: none"> <li>• adjustment of unified central monitoring system</li> <li>• increase in efficiency of the whole monitoring system of support from funds</li> </ul>
<b>Threats and risks</b>
<ul style="list-style-type: none"> <li>• risk of a delay in a public tender for a new unified monitoring system</li> <li>• non-actual, inaccurate data in MSC2007</li> <li>• failure in quality and actual data gathering for evaluation and conduct monitoring by course of the General and Implementing Regulation</li> </ul>

### **1.3.3. Administrative and Absorption Capacity**

Human resources are an important factor for the success of implementation of the structural policy.

Sufficient and functional administrative capacity is an essential factor in drawing from EU funds. In the programming period 2004-2006 the CR adopted in the area of ESC policy certain measures to increase the administrative capacity. By the Government Resolution No 809 of 6 August 2003 on 'Report on Staffing' the Government approved an increase in the capacity by 660 workers and Government Resolution No 810 of 6 August 2003 approved a further increase in their number. Further staff shortages were identified during the implementation process and a further partial increase of 98 staff took place in 2006 in connection with the concretization of problems of insufficient drawing.

The main identified problems that resulted from the analysis and negative evaluation by the EC include:

- slow modernization of processes and low effectiveness of management;
- insufficient legislative measures;
- ineffective development of public administration especially in regions;
- large differences in skills of staff at different levels of public administration;
- insufficient and not motivating training of staff especially at the regional level;
- low level of knowledge of using modern technologies at the public administration level;
- insufficient staffing at the level of implementation structure of operational programmes;
- demanding work corresponding to the level of multinational financial and advisory corporations;
- frequent turnover of employees

In the course of period 2004-2006 mechanisms and systems to use the means of technical assistance including salaries refundment for entitled employees, who deal with conduct, implementation, monitoring, assessment and control of EU funds were established.

Period 2007-2013 is more demanding in light of financial volumes growth and the programme periods 2004-2006 and 2007-2013 concourses. Employees ensuring programmes of period 2004-2006 will be fluently transferred into implementation structures of operational programmes 2007-2013 according to particular programmes' characters.

In a questionnaire survey, actual numbers of employees for period 2004-2006 and assumption of gross estimation of personnel demand in order to ensure all operational programmes in the period 2007-2013 including intermediate bodies were detected, numbers have been updated and specified.

Pursuant to these findings a governmental strategy on personnel capacity has been elaborated. Nowadays, measures on stabilisation of administrative capacities were adopted by the approval of Government Resolution No 818/2007. Administrative capacity assuring will be permanently monitored and evaluated by particular subjects of state and public administration.

## **SWOT analysis - Administrative and Absorption Capacity**

<b>Strengths</b>
<ul style="list-style-type: none"> <li>• improvement of qualifications of employees, with the possibility of professional growth</li> <li>• interest of the CR government in solving problems of administrative and absorption capacity</li> <li>• great interest of potential applicants and general public in EU funds</li> </ul>
<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• insufficient securing of qualified employees on all levels of administrative and absorption capacity</li> <li>• high professional and working load of employees entrusted with activities in EU funds</li> <li>• central coordination and conduct during with employees education is for the time being in the stage of initial adjustment</li> </ul>
<b>Opportunities</b>
<ul style="list-style-type: none"> <li>• improving conditions of staff working in EU funds</li> <li>• raising funds to improve conditions owing to successfully implemented projects</li> </ul>
<b>Threats and risks</b>
<ul style="list-style-type: none"> <li>• outflow of employees to European institutions and private sector</li> <li>• high administrative severity of all procedures connected with EU funds</li> </ul>

### **1.3.4. Publicity**

Supply of accurate information on possibilities to utilize EU funds is a crucial condition for successful implementation of ESC policy in the CR. The importance of securing quality information on programmes and their results stems from the evaluation and other studies compiled at the level of CSF in 2004-2006. CSF technical assistance projects in the area publicity include above all: Awareness of the Czech public of the Structural Funds, Methodology of communication in implementation of EU funds in the programming period 2007-2013, and Analysis and evaluation of weaknesses in the system of implementation of the Structural Funds and risks of failures.

Communication and promotional activities in 2004-2006 were realized in concurrence of the communication strategy of CSF, i.e. the Communication Action Plan.

They monitored and fulfilled the following objectives:

- to raise public awareness of opportunities resulting from common effort of the Member States and the EU and thus to contribute to create a positive image of the EU;
- to create a coherent image of the EU regional and structural policy and of opportunities and benefits that result from this assistance for Member State in a long-term perspective .

To this end appropriate communication activities including subsidy areas of the Objective 1 ESC policy, were implemented throughout the whole programming period.

The instruments of information and promotional measures were:

- internet: [www.strukturalni-fondy.cz](http://www.strukturalni-fondy.cz), application of a database search engine, email box, discussion forum, archive of documents and the like;
- info-line about the EU – free telephone line with specialists on EU funds;
- poster and leaflet advertising campaign (EU Funds – A Chance for the Development of the CR);
- promotional items with EU and CSF logo and contacts;
- cooperation with mass media (media presentation of EU funds using examples of successful projects, TV clip, advertising, PR articles);
- opinion polls;
- information bulletin/newsletter;
- information publications – EC Funds guidebook, Glossary, fundamental principles of projects' preparation, strategic documentation and the like;
- digital media with basic strategic documents;
- seminars, workshops, conferences, competitions, participation in trade fairs and exhibitions (conference 'Structural Funds Today and Tomorrow', seminars 'Accounting for Eligible Expenditure', 'Horizontal priorities of EU funds', and the like);
- Logo of CSF and unified graphic design of the communication tools.

The communication strategy involved different target groups, namely the public, public administration bodies, managing bodies of operational programmes, and people with potential to submit projects.

Communication activities focused on:

- publishing specialized publications (technical/methodical guidebook, documentation, and the like);



- use of web pages and on-line communication tools (extranet – forum, mailing list, FAQ...);
- seminars and training activities (CSF horizontal priorities, cross-section activities related to functions of managing bodies: evaluation, technical assistance, policy of information and publicity, and the like).

The evaluation of publicity was part of Progress Reports in the area of Economic and Social Cohesion, Progress Reports on Community Support Framework, and Annual Reports on Community Support Framework.

The most frequent and identified problems are in the area of information and publicity:

- amount of information on subsidies differed particularly in terms of scope and quality at the level of individual Regions and entities. Lack of clarity, heterogeneity, inconsistent and even out of date terminology;
- insufficient awareness on approved applications and successful projects and examples of best practices;
- publicity of individual operational programmes especially in regions inconveniently focused on beneficiaries with insufficient fulfilment of communication plans;
- diversity of provided information at different levels of the implementation structure.

## SWOT analysis of publicity

<b>Strengths</b>
<ul style="list-style-type: none"> <li>• more than half the population of the CR knows the term “Structural Funds” at least by hearsay</li> <li>• high accessibility of the Internet for CR citizens and the possibility of using this means of information for EU funds</li> <li>• well-established and used sources of information on EU funds from period 2004-2006, visual identity of selected programmes 2004-2006</li> </ul>
<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• too extensive and lack of clarity of current information on EU funds directed from implementation structures to beneficiaries</li> <li>• Czech public opinion of practice of providing and using of EU funds resources is relatively sceptical and even critical</li> <li>• Czech public opinion of public bodies that administer programmes using EU funds is rather negative in terms of roles’ fulfilment in process of providing EU funds, including information and promotional activities</li> </ul>

### **Opportunities**

- EU assistance channelled to the CR is an interesting theme for the Czech public
- a unified system of informing the public and representatives of public sphere on possibilities of drawing from EU funds based on coordinated and synergic communication activities at national and programme level
- the use of present experience and analyses outputs from period 2004-2006 for effective configuration of the communication system that will facilitate the transfer of necessary and required information to target groups
- the use of present sources of information from period 2004-2006 including visual identity of relevant programmes
- more intensive involvement of mass media in promotion of EU funds and implemented projects
- more intensive involvement of non-traditional forms of communication
- more effective distribution of information tools with emphasis on electronic forms
- more intensive use of case studies and model projects with emphasis on practicality of information for beneficiaries

### **Threats and risks**

- unsecured sufficient awareness on subsidy options of EU funds' programmes and consequent risk to necessary absorption capacity of the CR
- disunity of information on EU funds at individual levels of implementation structures, disunited visual identity of EU funds' programmes
- unsecured actual data for information and verification of its validity in several years perspective
- use of inappropriate communication tools in relation to content of information and its target group

## 1.4. OVERALL SWOT ANALYSIS OF OPTA

<b>Strengths</b>
<ul style="list-style-type: none"><li>• Experiences (working groups' outputs, monitoring documents, evaluating studies etc.) to simplify and make the implementing and monitoring system more efficient.</li><li>• Experience in creation and running of Structural Funds Monitoring System and data transmission to the EC</li><li>• Direct experience of MRD of carrying out programmes financed from EC funds (JROP, programmes CBC, Cohesion Fund), enabling better insight into implementation problems and is used to conceive cross-sectional measures and methodical procedures</li><li>• Experience of negotiation of NSRF and coordination of preparations of operational programmes 2007-2013 and configuration of new implementation structures</li><li>• Existence of baseline of important strategic documents and competences of MRD for area ESC and regional development</li><li>• Government authorization for ESC policy in relation to the EC</li><li>• Experience of MRD in agendas closely related to territorial development of the CR</li><li>• Experience of carrying out national programmes in support of economically disadvantaged regions and balancing disparities and support for housing construction</li><li>• Competences in area of Act on public procurement</li><li>• Competences in area of territorial development with link to regional competences</li><li>• Competences in area of national regional policy of the CR</li></ul>
<b>Weaknesses</b>
<ul style="list-style-type: none"><li>• Complicated architecture of implementation structure of NSRF (high number of operational programmes, non-uniform implementing structure)</li><li>• Insufficient level of central coordination of operational programmes in the programming period 2004-2006, up to now insufficient competencies of NCO</li><li>• Insufficient ensuring of data transfer and quality among individual levels of monitoring system</li><li>• Insufficient securing of qualified employees on all levels of administrative and absorption capacity</li><li>• High professional and working load of employees entrusted with activities in EU funds</li><li>• High turnover of labour in coordination and implementation structures and their large lack of experience</li></ul>

- Central coordination and management of staff training is only at primary stage of introduction
- Unfriendly present information about EU funds from the side of implementing structures to beneficiaries
- Insufficient information of general public about the practise connected with providing and utilisation of EU funds

### **Opportunities**

- Strengthened support for new managing authorities so that they might avoid mistakes and problems of the SF implementation initial period in the CR.
- Supply of relevant information, consulting and methodical support to all regions, their interconnection and connection to sectional programmes and central coordinator
- Creation of strong coordination, strategic, monitoring, evaluation and methodological centre to interconnect internal structures of the CR and EC
- Improving conditions of staff working at implementation of operational programme cofunded from EU funds
- Enlargement of the scope of informative and educational activities and improve their quality and practical application with emphasis on improving qualifications, knowledge and skills of implementation structures and simplify and extend informative and advisory services for presenters
- Creation of conditions for interventions with high added value and particular emphasis on innovation

### **Threats and risks**

- Coordination system will not be configured appropriately or will not be sufficiently strong (problem of competences, relations between central and regional authorities, and the like), implementation of Funds will not be sufficiently regulated and it will be difficult to fulfil the EC Regulation demands (reporting, monitoring, evaluation, and the like);
- Uniform methodical procedures will not be secured with the result of individual approach of OP managing bodies to resolve methodical problems resulting in uneven quality, considerable time and financial expenditures (repeated dealing with identical problems) and different results;
- Monitoring system will not be able to inform objectively and timely on the status of implementation of SF and CF and it will not be possible to ensure timely and adequate reaction to remedy undesirable situations;
- The sufficient number of qualified staff to process increased amount of financial resources of more operational programmes will not be secured;
- The sufficient number of projects will not be secured because of insufficient support of absorption capacity;
- The sufficient awareness on SF and CF will not be secured;
- Legal provisions enabling the drawing of national public co-financing from the state budget will not be modified so as to eliminate duplicities during

approving of funds and so that the regime would enable smooth drawing of CR funds.

## **1.5. BASIS OF SWOT ANALYSIS FOR FORMULATION OF OP STRATEGY**

Planimetric analysis and and SWOT analysis has concentrated from the point of view of global coordination and management of Economic and social cohesion policy to the 4 following areas, conditioning further effective function of the programmes co-financed from the EC funds in the CR:

- Management and coordination
- Monitoring
- Administrative a absorption capacity
- Publicity

The results of planimetric analysis were summarized to the SWOT analysis (accomplished for individual areas, as well as globally for the whole OP).

### **Management and coordination**

Among the strong features of the Management and coordination area belongs first of all the fact that in the past period were built coordination structures on national level, including the basic personal facility. Among the weak features belongs the fact, that the strong central coordination did not exist. This matter of fact can have negative impact for the 2007-2013 period, when the extent is comparatively higher and the structure of operational programmes is complicated. From challenges point of view among the key elements belongs first of all the possibility to support the central coordination structures of the CR (NAC, AA and PCA) and in this way to eliminate the possible threats from the point of view of the OP's implementation system and of the whole NSRF (for example the incohesive methodology, delays in drawing or not sufficient drawing of the funds etc.).

### **Monitoring**

Among the strong feautres in the Monitoring area belongs the fact that in 2004-2006 period monitoring system of structural funds was created and operated, including the transmission of data to the EC. On the other side, the weakness of the system seems to be the insufficient ensuring of transfer of data between the individual levels of monitoring system; it could prove to be substantially negative, upon the condition of great growth of agenda and number of projects (the main danger – the monitoring system will not be able to inform objectively and in time on the realisation of SF in the CR).

### **Administrative and absorption capacity**

On one side, it is possible to assess positively the built administrative and absorption capacity in the period 2004-2006. As weakness of the whole system can be considered insufficient securing of qualified staff in all levels of administration and absorption kapacity, their high professional and working load connected also with high staff turnover, insufficient remuneration in comparison to the private sector. The necessary condition – challenge is the

overall improvement of staff conditions, the staff stabilisation and ensuring of their training.

## **Publicity**

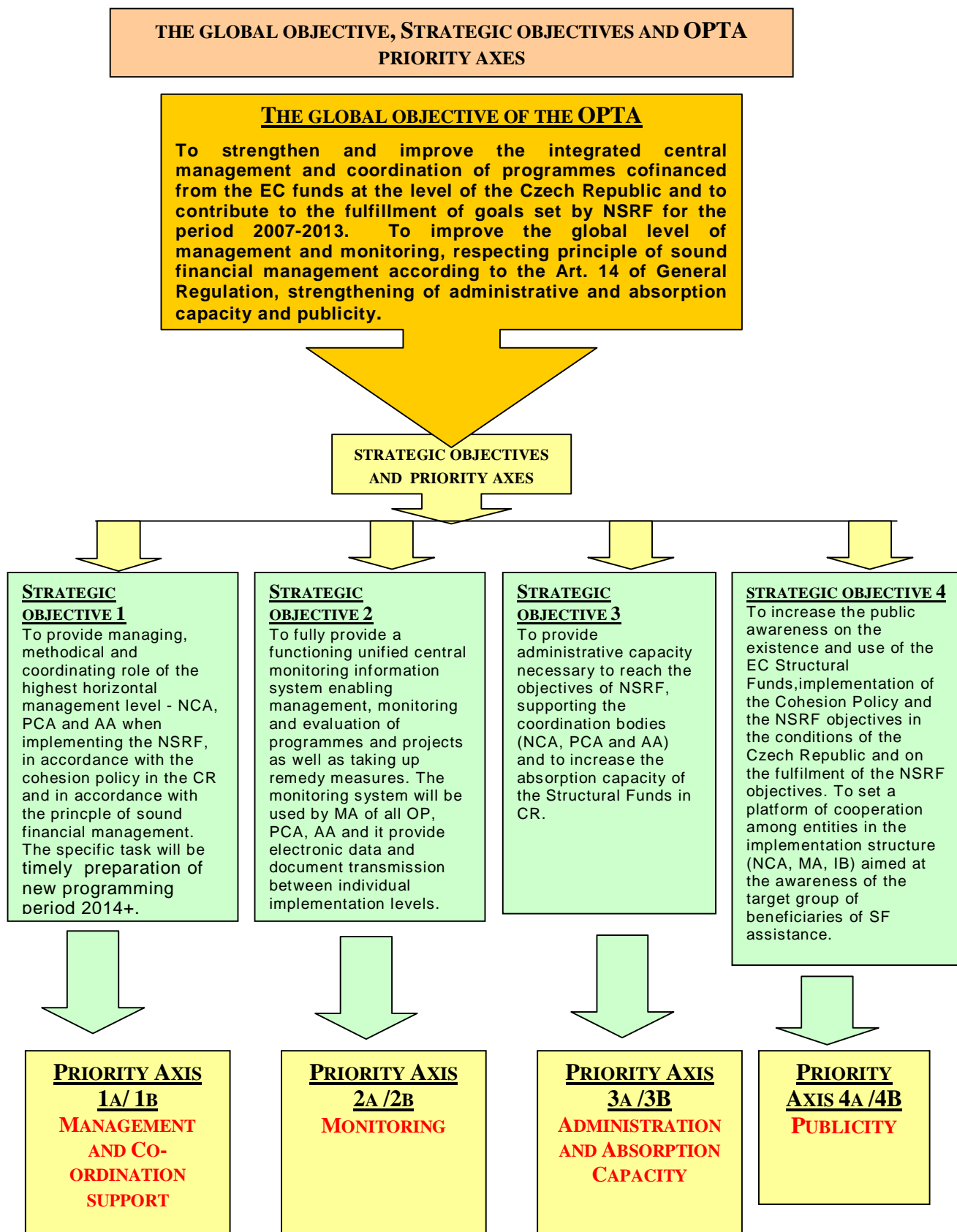
Among the strong features in the publicity area belongs the fact that in the period 2004-2006 the information sources offering information as regards the EC funds were established and used, so as the public awareness regarding the aid from SF was secured. On the other side, the basic weakness proved to be certain untransparency of current information for the beneficiaries regarding the EC funds. It is also necessary to improve the informing and opinion of public regarding the practice connected with the EC funds use. The main challenge in this context is better dissemination of information and training activities, including augmentation of their quality and practical application.

Based on evaluation of analysis and the SWOT analysis the following areas of the main problematic spheres have been identified. These problems are addressed in OPTA in the programming period 2007-2013:

1. The integrated management and coordination of the programmes co-financed from the EC funds have to be improved and strengthened, in observance of sound financial management principle according to the Art. 14 of the General Regulation;
2. The efficiency of the monitoring system have to be improved, regarding the monitoring system coordination role and its links to other information systems used in financial management, control and audit;
3. The administrative and absorption capacity for the implementation of NSRF has to substantially strengthened, in respect of the needs of integrated management, coordination and monitoring (in responsibility of MRD) and in respect of financial management, control and audits of systems and operations (in responsibility of MoF);
4. The quality of supplied information on the possibilities how to use the EC funds has to be improved, as a condition for the successful realisation of Community Economic and social cohesion policy in the CR.

These problems summarise the elimination of weaknesses and utilization of chances, while taking in account strong sides and eliminating the threats. The following strategy is oriented at solving following key problems.

## 2. THE STRATEGY





## 2.1. THE VISION AND GLOBAL OBJECTIVE OF THE PROGRAMME

Based on management system analysis and structural funds coordination in the Czech Republic the following vision has been defined:

### THE VISION

**CZECH REPUBLIC IS FULLY EXPLOITING THE STRUCTURAL FUNDS AID IN THE FRAMEWORK OF COHESION POLICY, IT REALISES EFFICIENT CENTRAL MANAGEMENT AND COORDINATION OF OPERATIONAL PROGRAMMES IN THE CZECH REPUBLIC, INCLUDING THE APPLICATION OF SOUND FINANCIAL MANAGEMENT.**

The operational programme Technical Assistance is designed to provide activities of NCA, an umbrella body for the Economic and social cohesion policy in the CR in 2007-2013, and for activities related to utilization of the EU funds resources requiring a uniform approach on the national level.

Out of identified problems of Structural Funds management and coordination, based on the analysis and the SWOT analysis the following objectives of the Operational Programme Technical Assistance have been set:

### THE GLOBAL OBJECTIVE OF THE OPTA

**To strengthen and improve the integrated central management and coordination of programmes co-financed from the EC funds at the level of the Czech Republic and to contribute to the fulfillment of goals set by NSRF for the period 2007-2013. To improve the global level of management and monitoring, respecting principle of sound financial management according to the Art. 14 of General Regulation, strengthening of administrative and absorption capacity and publicity.**

OPTA, as an integral part of all operational programmes, has to contribute, in framework of its orientation, to the effect of set goals of NSRF of the CR for programming period 2007-2013. In conformity to SWOT analysis, and in conformity to the conclusions of NSRF (in particular chapter 11 - Management and Co-ordination of Economic and Social Cohesion Policy), the main target of OPTA is strengthening and improvement of integrated central management and coordination of operational programmes in the CR.

## 2.2. STRATEGIC OBJECTIVES OF THE PROGRAMME

**Strategic objective 1:** Provide managing, methodical and coordinating role of the highest horizontal management level - NCA, PCA and AA when implementing the NSRF, in accordance with the cohesion policy in the CR and in accordance with the principle of sound financial management. The specific task will be timely preparation of new programming period 2014+.

The objective's target is to remove possible problems emerging from diversified implementation structure of numerous operational programmes.

Consequently, the objective is concerned also with building coordination subject ensuring unified methodical management of NSRF. This strategic objective is coming out of NSRF (in particular chapter 11.1 – 11.3, defining the coordination institutions, coordination mechanisms and activities of NCA, PCA and AA, emphasising the need of central coordination of operational programmes in CR, including the need to secure sound financial management (secured by relevant units of MoF)). It is a necessary step towards effective use of the EC funds in the period 2007-2013. The strategic objective is aimed at the institutions, providing the central coordination in the framework of NSRF – NCA, PCA and AA, with the goal to support their activities.

**Strategic objective 2:** Provide a fully functioning unified central monitoring information system enabling management, monitoring and evaluation of programmes and projects as well as taking up remedy measures. The monitoring system will be used by MA of all OP, PCA, AA and it provide electronic data and document transmission between individual implementation levels.

The objective is ensuring of timely transfer of high-quality, reconcilable and correct data. This strategic objective is coming out of NSRF (in particular chapter 11.4 Monitoring and Data Exchange), and it aims at support of functions of fully integrated unified monitoring system at all implementation levels, which will secure necessary data for management, monitoring and evaluation of programmes and projects including regular data collection from the level of beneficiaries, in order to follow-up the progress in realisation of projects. The monitoring system will secure the link to the information systems provided by MoF (for example IS VIOLA) and European Commission (SFC 2007).

**Strategic objective 3:** Provide administrative capacity necessary to reach the objectives of NSRF, supporting the coordination bodies (NCA, PCA and AA) and to increase the absorption capacity of the Structural Funds in CR.

This objective contributes to ensuring the high professional and high quality staff of administrative capacity for management of NSRF and support of administration capacity. In the framework of the objective the coordination and management for training at central level. Strategic objective No. 3 is coming out of NSRF, in particular chapter 11.5 Administrative Capacity 2007-2013. Insufficient administrative capacity has been identified as a substantial risk, which could lead, in case of its neglecting, to hampering realisation of NSRF and operational programmes in the period 2007-13. From this reason the strategic objective No. 3 is aimed at the strengthening of administration capacity of coordination bodies (NCA, PCA, AA) by means of improving the working conditions and also by support of strategic and methodical development of absorption capacity.

**Strategic objective 4:** Increase the public awareness on the existence and use of the EC Structural Funds, implementation of the Cohesion Policy and the NSRF objectives in the conditions of the Czech Republic and on the fulfilment of the NSRF objectives. To set a platform of cooperation among entities in the implementation structure (NCA, MA, IB) aimed at the awareness of the target group of beneficiaries of SF assistance.

In the framework of this objective the awareness and informing of Czech public on grants from Structural Funds and their impact on global objective of NSRF, e.g. the increase of the population's quality of life, will be improved. The strategic objective No. 4 is coming out of NSRF (in particular chapter 11.3), where the need to fulfill the goals connected with general information and publicity policy of the support from Structural Funds is stressed. The objective is oriented at the necessity to coordinate the activities supporting general information policy, the activities of MA in this area, and creation of the communication strategy on national level at the level of NSRF, in order to secure transparency and full awareness on granting aid from the Structural Funds.

For these objective to be achieved OPTA sources are necessary. These sources will be complementary to the particular programme sources as well as to national sources flowing to the same areas.

**In order to realize the mentioned objectives the following OPTA priority axes have been defined. The multi-objective OPTA Priority Axes are:**

Priority axes No	Priority axes name	Support objective
1a	Support of management and coordination	Convergence
1b	Support of management and coordination	Regional competitiveness and employment
2a	Monitoring	Convergence
2b	Monitoring	Regional competitiveness and employment
3a	Administrative and absorption capacity	Convergence
3b	Administrative and absorption capacity	Regional competitiveness and employment
4a	Publicity	Convergence
4b	Publicity	Regional competitiveness and employment

### **2.3. OBJECTIVES ACHIEVEMENT PROCESS**

The Operational Programme Technical Assistance is a tool enabling to provide implementation of the NSRF as defined in the document approved by the EC. Management and coordination of the Economic and social cohesion policy will be provided through OPTA.

The starting points to achieve the NSRF objectives are both NSRF objectives and priorities and operational programmes objectives and priorities. The implementation structure described in the NSRF requires the necessary task of a coordinating authority. Coordination on national level in the areas of programming, implementation, monitoring, programmes' evaluation, and delivering of strategic reports to EC is crucial for successful safeguarding of the structural operations implementation during the entire programming period 2007-2013. Upon government resolution No 198/2006, MRD has been entrusted to act as the National authority for coordination of the and Economic social cohesion policy and MoF as the Paying and Certifying Authority and the Audit Authority in the programming period 2007-2013.

Coordination of the Economic and social cohesion policy implementation has been standing on three basic pillars approved by the government:

- The coordinating and methodical role of the National Coordination Authority under the sponsorship of MRD and in the management of operational programmes through managing authorities;
- Provision of a uniform central information system for the programming period 2007-2013 under the sponsorship of MRD;
- The role of Paying and Certifying Authority and Audit Authority under the sponsorship of MoF.

In accordance with the General Regulation the NSRF implementation structure, consisting of basic institutions for NSRF management and coordination, has been set up:

- National Coordination Authority (NCA - MRD);
- Paying and Certifying Authority – National Fund (NF - MF);
- Audit Authority – Central Harmonisation Unit for Financial Control
- Monitoring Committee – Management and Coordinating Committee.

The National Coordination Authority is responsible for the overall management and coordination of the NSRF, being an official partner vis-a-vis the EC on behalf of the NSRF. The NCA activities are performed in line with Decision of the Minister for Regional Development No 215/2010 which defines the sections involved in the performance of NCA activities.

The NSRF Management and Coordination Department is responsible for a uniform methodical framework for the NSRF horizontal implementation areas, it coordinates all activities related to operational programmes implementation. The Operational Programme Technical Assistance serves to provide all activities related to NSRF implementation and that both in terms of tools defined by the NSRF in the implementation part and in terms of all coordination relations and links described in the NSRF, operational programmes and in implementing documents. The central coordination role includes Convergence Objectives, Regional Competitiveness and Employment and European Territorial Cooperation.

The coordination and methodical role of NCA covers the areas in accordance with Article 8, 25 of the General Regulation, Article 27 par.5 (b) and further Article 104 of the General Regulation.

The MoF National Fund serving as the Paying and Certifying Authority has been established to implement the assistance from EU funds. PCA operates in close cooperation with NCA.

The Ministry of Finance has been entrusted with the execution of Audit Authority for the EU funds – The Central Harmonisation Unit for Financial Control is functionally independent on managing authorities and on PCA. The Central Harmonisation Unit for Financial Control is centrally responsible for conducting audits in order to control the efficient functioning of the managing and controlling system of the implementation of EC funds support.

The Monitoring Committee for the NSRF is provided by the Management and Coordination Committee, established at the MRD on grounds of Act No 248/2000 Coll., on Support of Regional Development. The MCC role for the period of 2007-2013 was specified by Government Resolution No 245/2005. The Management and Coordination Committee is a coordinating mechanism on national level, in which particular implementation bodies including economic and social partners are involved. The National Coordination Authority supports the activity of MCC and assumes the role of secretariat. The MCC members are managing authorities of operational programmes and monitoring committees' chairmen, the MA OPTA director is a member on behalf of OPTA. The MMC activity is financed from OPTA. The details relating to the composition, impact of the organization and MCC activity is determined by its statute and the rules of procedure approved by government

In accordance with the statute the MCC especially:

- Negotiates and recommends financial and technical changes of approved operational programmes;
- negotiates and approves proposals and changes of procedural methods and rules for the implementation of the Economic and social cohesion policy ;
- approves and submits measures to government to improve efficiency of the NSRF and OP implementation;
- negotiates and approves proposals for financial and technical changes of the NSRF resulting from the Commission's decision<sup>1</sup>.

Coordination of particular operational programmes will be applied on the level of projects, supported activities and priority axes and operational programmes both in the form of operative consultations of respective managing authorities, managing authorities and monitoring committees representatives' regular meetings, and negotiating the documents related to implementation of the Economic and social cohesion policy and NSRF in the Management and Coordinating Committee and established working groups. The National

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<sup>1</sup> All approval procedures have to be in accordance with Czech legislation.

Coordinating Authority organizes and supervises this coordination, being responsible for its effective functioning.

The main areas in which an efficient coordination needs to be provided arise from the central coordination system which is a part of the NSRF.

The key areas include especially:

- A uniform setup of implementation structures with the emphasis on the areas of financial management, controls and audit;
- Preparation of methodical instructions that are respected by managing authorities of operational programmes, especially in the areas of implementation structures set up, monitoring, eligible expenditures, indicators and their fulfilment, requirements for the applicants, environment issues, competition and public procurements, integrated plans of urban development and territorial development strategies, PPP and concessions, public aid, awareness and publicity, evaluations, data collection and their electronic exchange, set up of monitoring committees and activities including set up of technical background for central coordination and application of methodologies, instructions and other needed documents;
- Provision of an uniform methodology for monitoring and reporting large projects (see Articles 39-41 of the general regulation) according to the EC requirements;
- Use and realisation of the SF monitoring system for monitoring of the realisation of the programmes and projects or drawing financial supports from the EU funds, processing annual and interim reports and providing other information for government, parliament and other institutions' decision making in adequate time and quality etc.;
- Technical and material provision of the monitoring system;
- Implementation system functioning evaluation and fulfilment of objectives, expenses efficiency evaluation, cross-sectional evaluation of social and economic interventions impact (horizontal policies, equal opportunities, sustainable development), development of the capacity for evaluation and coordination of operational programmes evaluation activities on national level;
- Set up of obligatory parameters and coordination of financial flows systems by means of the methodologies issued by MF;
- Support of controlling and audit activities;
- Provision of a unified contact place for providing information on the possibilities to get a support from the EU on the cohesion regions level;
- Building up an administrative capacity and improving professional level of personnel capacities
- Building up absorption capacity in the programmes coordinating and realisation activity;

- Provision of publicity and informedness on the Economic and social cohesion policy for the public;
- Preparation of the programming period of 2014+.

The starting points to determine the particular central coordination areas were the following documents:

- The system of programming and implementation of the EU funds, legislatively anchored by the Community Strategic Guidelines;
- A real practise of operational programmes' central management in the period 2004-2006 as defined in the Community Support Framework document;
- Outputs and conclusions of evaluation studies evaluating internal and external implementation factors:
  - Ex-ante evaluation of programme documents of the updated NDP/NSRF, support of documents preparation and the process of negotiation;
  - Assessment of the NDP implementation impacts for the programming period 2007-2013 on the environment;
  - CSF implementation middle-term progression evaluation;
  - Quantitative assessment of assumed CSF/NSRF impacts by means of macro-economic model;
  - Priorities evaluation and statements of recommendations for making implementation measures in the area of support of the knowledge economy development for preparation of national programme documents for the period 2007-2013;
  - Needs assessment and processing of a proposal of system of management and coordination of structural interventions for the period 2007-2013 on the NSRF level;
  - Support of processing of indicators NDP/NSRF for the programming period 2007-2013;
  - Proposal of a new layout of development programmes and national and European supporting programmes coordination with regard to use of the EU financial means in the period 2007-2013;
  - Assessment of the efficiency of projects, programmes and strategies in the CR, transfer and application of foreign expert experiences for the support of making use of EU funds help in 2007-2013;
  - Coordination of NSRF and OP ex-ante evaluation;
  - Expertises, recommendations and proposals for set- up of support innovations and the knowledge economy in NSRF and OP;

- Assessment of the absorption capacity in the area of innovations and the knowledge economy and proposals of its support for the programming period 2007-2013;
- Administration, up dating and assessment of indicator set of the SF EU programmes in the programming period 2007-2013.
- Problematic areas, risks and irregular cases being solved that were a result of checks and audits;
- Practise and recommendation on the basis of international experiences exchange and EC recommendations for the programming 2007-2013.

The system of management and coordination, monitoring and assessment of the programming period 2007-2013 further comes out from evaluation of experiences and knowledge from the programming period 2004-2006 implementation. Set-up of the NCA role takes into account outputs and conclusions of evaluations, checks, audits and experience of the programming period 2004-2006, thoroughly respecting the competencies of Managing Authorities of Operational Programmes arising from their sphere of action in accordance with the ES legislation.

An integral part of the NCA management is responsibility for a unified monitoring system, its functionality on all management (project – priority axes – operational programme) and in all implementation phases (from a challenge announcement in an operational programme up to project sustainability). This activity is provided for the NCA by an expert department responsible for the running, monitoring system development in cooperation with managing authorities of operational programmes.

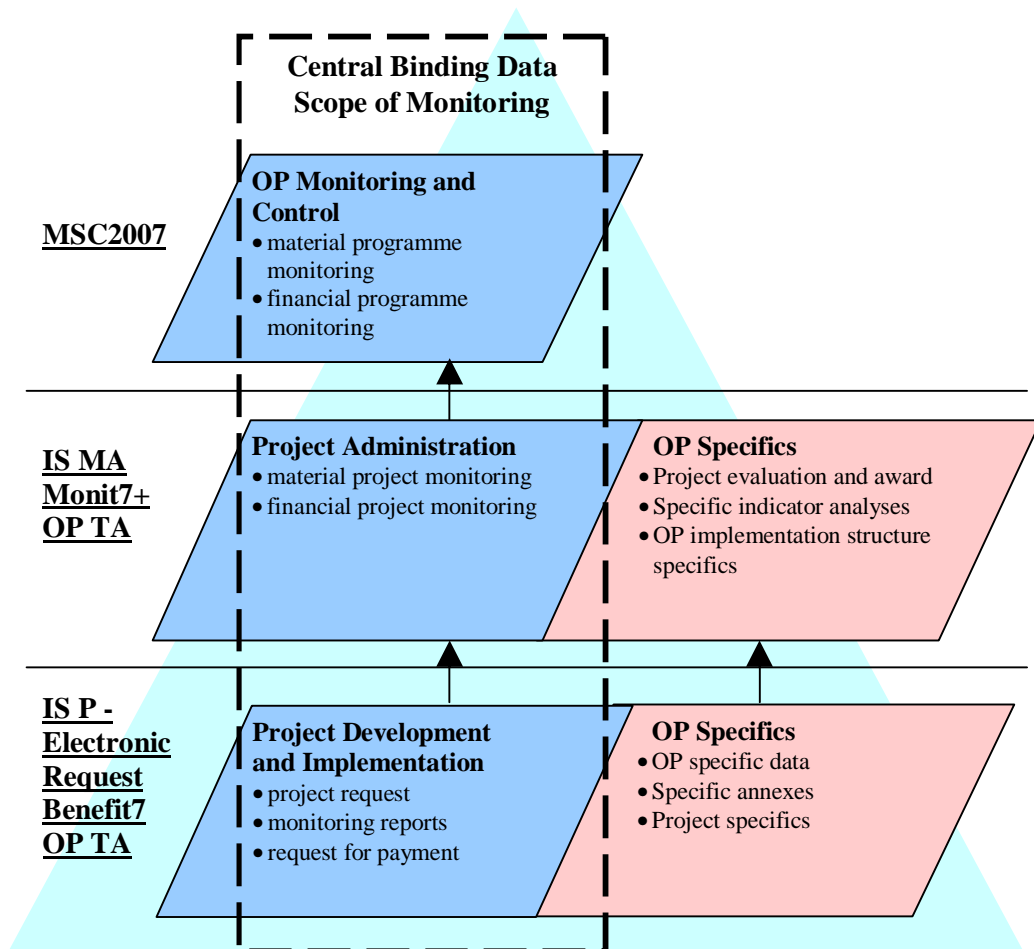
**Uniform integrated management and monitoring system** is a basic tool of management and implementation of the NSRF and operational programmes which will be provided through OPTA. This system is necessary for management, monitoring and programmes and projects assessment on all levels of programme administration aiming to enable monitoring of projects and operational programmes implementation both in terms of technical and time and financial performance. The monitoring system OPTA is a basic tool for communication with MoF and EC. Information System for Monitoring provides integrity of data stored in the system so that technically correct and timely data for support of management, monitoring and central level assessment might be available uniformly for all implementation entities.

The system has to comply with the EC, NCA requirements and central monitoring requirements through a uniform monitoring methodology which defines a central obligatory range of data, obligatory procedures and terms for operational programmes and projects monitoring on all implementation levels.

The monitoring system is designed as three-level whole of mutually communicating IS – central level, executive level and a beneficiary web account.



The OPTA information system structure is illustrated in the below diagram:



### Project Information System - Electronic Project Request Benefit7

Web application Benefit7 for all applicants and beneficiaries will be commissioned at the website:

[www.eu-zadost.cz](http://www.eu-zadost.cz)

[www.eu-zadost.eu](http://www.eu-zadost.eu)

[www.euzadost.cz](http://www.euzadost.cz)

[www.euzadost.eu](http://www.euzadost.eu)

In Stage I, the web application Benefit7 will serve the applicants to submit a support request. It includes a mandatory and binding scope of data. The full functionality including Stage II, that is e.g. the function for transmission of monitoring reports and the submittal of payment requests, is envisioned by the end of 2007.

## OPTA Management (MA) Information System – Monit7+ OPTA

The Ministry for Regional Development has set up IS MONIT7+ for the needs of MA OPTA. The application uses parallel levels of the structural fund monitoring system (central part – executive part – project administration – beneficiary level). The application meets the requirements for the provision of binding and mandatory data. IS compatibility is ensured based on the uniquely defined mandatory scope of data with the possibility of reflecting OPTA specifics.

The information system of MA OPTA is connected with the central level of MSC2007 from which it receives data, through automatic transmission, necessary to administer the specific OPTA projects. In return, IS MA OPTA delivers data to MSC2007 regarding the specific project implementation.

## MSC2007

MSC2007 system provides for central material and financial monitoring of all OPs and projects cofinanced using the EC funds, and the cash flow implementation and electronic data exchange with the subordinate levels of the information monitoring system, in particular the accounting system Viola SF/CF and the European Commission database SFC 2007.

MSC2007 will be set up as a managerial system to provide for data exchange with external IS via data XML batch-based interfaces. Data is mostly exchanged in both ways (duplex). The following information systems are involved: MA, IB, beneficiaries, IS VIOLA, IS ISPROFIN, IS DIS, IS CEDR, IS IRIS.

The electronic data exchange with EK SFC 2007 database is provided through data transmission from MSC2007 in the scope of the general regulation and the implementing regulation.

The management activity must be involved when the programmes 2004-2006 are being completed and in parallel, the appropriate number of personnel must be dedicated for the implementation of 24 programmes in the period 2007-2013.

The activity of two fiscal periods will be supported; the period 2004-2006 will be implemented by 2009, and in parallel the period 2007-2013 will be implemented by 2015. To ensure the functionality of the management authority, the Ministry for Regional Development submitted the document “Framework setup parameters of the operational programme implementation structure model in compliance with the definition of the EC general regulation for the programming period 2007-2013” which provides recommendations for the operational programmes implementation structures’ setup process with the basic proposal for the management organization chart.

The NCA conducts methodical guidance in the horizontal implementation areas, specifically the methodical support for administrative capacity, including the application of the education and training system for positions across the NSRF implementation structure. OPTA will allow creating a uniform education and implementation evaluation system for human resources.

The starting point to determine the number of personnel paid under OPTA funds is the need for exact definition of functional positions of the personnel involved in the horizontal level of NSRF implementation. It includes both direct and indirect involvement of the personnel who participate in the NSRF implementation. The direct involvement means any position linked with the process of management, coordination, publicity, a specialized activity of the monitoring system, or the financial engineering and education system tools (MA OPTA, NCA, PCA departments).

The indirect involvement applies to expert activities associated with the EU cohesion policy and its elaboration to the conditions of regional cross-section and branch policies in connection with the NSRF implementation in the programming period 2007-2013.

To provide the administrative capacity for using the EU fund resources in the period 2007-2013, the Government adopted the Government Decree No 818/2007, the "Stabilization and motivation system for the public administration staff involved in the system of using the EU budget resources and strengthening of the administrative capacity". The document is based on the prerequisite that the public administration staff is trained for several years to ensure due and quality performance of duties, including language training. The document is aimed to reduce the undesirable drift of experienced staff, in particular to the private sector. By Government Resolution No 1332/2009 the Methodology for remuneration of staff implementing the NSRF in 2007 – 2013 programming period was approved.

A uniform rule applies to all the staff paid under OPTA that their activity must form an inherent part of the implementation documents, operational manuals, and the implementing procedures used for NSRF.

To provide the administrative capacity for AA and AAS in the programming period 2007-2013, the Government approved the number of personnel, based on the Government Decree No 884/2007 dated August 13, to ensure the audit work when using the EU funds.

The experience from the period 2004-2006 shows that it is necessary to support and stabilize the structures involved in the implementation of development strategies and projects both in cities/towns (IPDC), and in particular, in smaller municipalities. For that reason, the support of regional structures forms an integral part of OPTA activities that is the public administration staff.

Some activities will include continuous monitoring and evaluation of the absorption capacity. In view of the results, recommendations will be implemented to improve the capacity. The activities related to the absorption capacity will be supported to develop knowledge and skills of the staff involved in the implementation of EU funds and public investment with the emphasis on PPP projects.

**The publicity**, ensured by the NCA, at the NSRF level to be supported by OPTA is aimed to support the communication strategies of EU funds at the national level as well as to provide the conditions necessary to implement the “Technical Assistance Operational Programme Communications Plan for 2007-2013” at the NSRF management level (CP OPTA). An activity interface will be set up for OPTA activities to prevent overlapping with technical assistance activities of each OP. The OPTA communications plan envisages the co-ordination and synergy of communication activities both at the national level and at the level of each OP. The communications co-ordination activities are directly based on the NSRF chapter “Economic and Social Cohesion Policy Management and Coordination” and based on the Government Decree No 620/2007, on the completion of NSRF - EC negotiations.

In compliance with NSRF, NCA will provide particularly the activities below:

- Performs tasks associated with the awareness and publicity at the level of the Economic and social cohesion policy;
- Prepares the Communication Action Plan with the emphasis on the Lisbon objectives and Göteborg priorities to provide transparent and complete information on the support from EU funds ;
- Provides an information unit for action planning and performance at the national level to support the promotion and awareness; and
- Coordinates activities of all management authorities in this area.

The programmes’ publicity requirement is also directly based on the general regulation Article 69, which imposes the duty on each member state to provide information regarding the operations and co-financed programmes and to ensure their promotion. A detailed description of the information and publicity requirements during the implementation of EU fund programmes is then provided in the implementing regulation, Articles 2 - 10.

The information and publicity measures are part of all OPs, the programme’s technical assistance section, for the use of EU funds in the period 2007-2013. In overall, the publicity activities are set up to reflect the NSRF strategy.

The OPTA communications plan envisages the co-ordination and synergy of communication activities both at the national level considering the NCA responsibility and at the level of each OP.

## **2.4. EX-ANTE EVALUATION**

The ex-ante OPTA evaluation was carried out according to the instructions listed in the Guidance for the preparation of programme documents in the period 2007-2013, and in compliance with the EC ex-ante evaluation guidelines. The ex-ante evaluation process is parallel to the creation of NSRF and OPs. The conclusions of ex-ante evaluation were used to improve the quality of the document. The final report on the OPTA ex-ante evaluation is an appendix to the programming document for the EC official submittal to negotiations.

The ex-ante evaluation of OPTA was elaborated in December 2006 in the framework of project Ex-ante Evaluation of NDP and NSRF for the programming period 2007-2013. Second evaluation has been realised in August 2007 and it follows up the previous mentioned evaluation.

Ex-ante evaluation of OPTA was elaborated by Berman Group, Ltd. The company was regularly tendered. The evaluator's independence according to the Art. 47 (3) General Regulation was secured. The evaluator was chosen on basis of public procurement procedure according to the Law No. 137/2006 Coll. on Public Procurement and internal procedures valid in MRD. Full text of final ex-ante evaluation report was published in compliance to the Art. 47, par 3 General Regulation.

**The following text represents authorised excerpt from the final ex-ante evaluation report of OPTA, which was elaborated in August 2007. The settlement of ex-ante evaluator's comments is stated in tabular form.**

### **1. Basis of OPTA**

The Operational Programme Technical Assistance directly comes out from multiple elaborated evaluation studies directed at the analysis of current problems with effective use of funds in the framework of Cohesion policy, as well as from the studies evaluating the key challenges in the new programming period. The elaborated analysis and evaluations cover the extensive problematics of SF implementation in the CR, including the evaluation of context and coherence with the Economic and social cohesion policy and other policies of the Czech Republic and the context and coherence with the legislative and institutional environment.

OPTA was prepared on the basis of solid data and materials, providing an open description and analysis of the current issues to implement the Cohesion Policy.

### **2. Structure and Orientation of OPTA**

OPTA has a correctly assessed global objective and it covers all important intervention area, even though in some cases the activities are not specified definitively or sufficiently in detail.

The specified priority axes are correct. In contrary to the logics of programming the set up of priority axes was determined immediately after the global objective. In the new version the strategic objectives concretize the global objective by allocation of the main area. The priority axes are connected to the strategic objectives.

The strategic objectives are oriented objectively correctly, even though it would be appropriate to verify, simplify and make unambiguous the relevant formulations.

The need of technical assistance has not been sufficiently emphasised among the strategic objectives oriented at building up of absorption capacity. In further parts of OPTA – area of intervention the support of absorption capacity is described reasonably.

In comparison to the preceding version the evaluation theme has been dissolved into the area support of management and coordination. Regarding the importance of evaluation, there was not much attention given to the theme.

**3. Partial comments and recommendations**

The operational programme defines 4 strategic objectives, which are fulfilled by two priority axes. Four intervention area are divided into thematic assistance area. The intervention area represent more accurably 4 priority axes (see the contents linkage to the four strategic objectives). Thematic area of assistance represent therefore the area of assistance.

In case of financial allocations (table 7.3.4) there is not stated the amount of financial resources determined for intervention area (which represent more accurably priority axes). Generally the specification of allocations is missing. The explication to the financial tables is missing as well.

Apart from partial formal corrections (explication of terminology: priority axis vs intervention area), according to the evaluator’s opinion it is necessary to modify the set of indicators, specify and sufficiently justify the allocations for individual area of assistance.

**Essential comments by the ex-ante evaluator and the response result:**

Number	Evaluator’s Comment	Response, incl. justification
1.	Lack of co-ordination among MAs and weak MA of CSF.	Accepted. Section 1.3., pg. 9, bullet point 2 deals with this issue as well as descriptive text in paragraphs below and chapter 1.3.1.  SWOT analysis has also been updated (eg. weaknesses in section on monitoring).

2.	Lack of conclusions in the orientation of administrative capacity , missing focus on administrative capacity	Accepted. Section 1.3 Analysis was re-drafted, conclusions are eg. in bullet-points at pg. 9 and paragraphs bellow, including focus on administrative capacity.
3.	Insufficiently formulated opportunities and threats	Accepted. Opportunities and Threats re-formulated, hierarchy added to SWOT by splitting it according to main issues of OP TA and then summing up main findings in an overall SWOT summary.
4.	Lack of sufficient strategy	Accepted. Section 2 - Strategy was completed particularly by chapter 2.3. explaining how the strategy will be implemented and objectives achieved.
5.	Inadequately formulated global objective setup	Accepted. The objective was re-formulated including topics and following logic as required by the ex-ante evaluators.
6.	Incorrect logical structure of objectives and priority axes	Accepted. Strategic objectives follow the global objective and the explanation how they will be achieved is provided in section 2.3. Priority axes stem from the strategic objectives and their explanation.
7.	Evaluator's comment regarding the separate evaluations	Not accepted. The evaluation is a cross-section topic of all OPs and it is part of the management and co-ordination functions (one of tools <b>necessary</b> for management). Therefore the relevant priority axis (Management and co-ordination) and areas of interventions involve the evaluation issues as an inseparable part. If evaluations are dealt with in a separate area of intervention it may lead to disconnection between them and management of programmes.

8.	Insufficient focus on absorption capacity.	Accepted. The absorption capacity is incorporated into area of intervention 3.2, as well as into priority axes 3a/3b.
9.	Administrative capacity is focused on the Management authorities	Not incorporated. The Intermediates Bodies administrative and absorption capacity is addressed by each OP technical assistance. If dealt with by the OP TA, it would cause overlaps of interventions.
10.	Result indicators only measure the outputs	Accepted. The indicators were revised and processed under each of the priority axis.

## 2.5. PARTNERSHIP

The proposal for the Operational Programme Technical Assistance was based on the output of the project "Need assessment and preparation of a draft structural intervention control and co-ordination system for the period 2007-2013 at the National Strategic Reference Framework level" as implemented based on the tender according to the CSF Technical Assistance Procedure Manual.

The project outputs were presented in the meeting of the Horizontal Programming Working Group consisting of the representatives of departments, public administration, non-profit sector, regional authorities, departments involved in the implementation of the programming period 2004-2006, and the departments preparing for the implementation of the programming period 2007-2013. The working group members provided their comments on the initial draft OPTA interventions dated April 28, 2006. The areas of OPTA support were presented to EC, following the central co-ordination principles, in the presence of all relevant Czech partners on May 16, 2006 in the scope of working consultations with EC.

The partnership principle was fully observed during the OPTA preparation in accordance with Article 11 of the general regulation. The process of OPTA preparation was co-ordinated under MCC within the meaning of the provision of Section 18 of the Act No 248/2000 Coll., on regional development support, based on which all relevant partners of the working groups were included in the process of OPTA preparation. The multilevel amendment procedure with the participation of representats of central administration bodies participating on the implementation of Structural Funds has been organised. The following institutions participated in the meetings: representats of regions, Capital City of Prague, Regional Councils, managing authorities of OP, PCA, AA including the AAS at relevant MA OP and MRD.



In the course of 2006 and 2007, the discussions were held with the representatives of departmental and regional operational programmes to define the interface between the OPTA intervention pattern and technical assistance of the operational programmes:

- Operational Programme Technical Assistance was subject to the regular interdepartmental amendment procedure within May 12 - 25, 2006; The comments within the interdepartmental amendment procedure were dealt with on 1<sup>st</sup> June 2006;
- Another interdepartmental amendment procedure was participated by MA SOP and the regional authorities within 10<sup>th</sup> – 23<sup>rd</sup> October 2007;
- The last discussion related to this topic was held on 27<sup>th</sup> August 2007 – so-called technical discussion of the OPTA Monitoring Committee and consequently, OPTA was discussed with the regional authorities on 18<sup>th</sup> October 2007.

OPTA key partners:

- Ministry of Finance;
- Departments - MA thematic OP;
- Regional councils - MA ROP;
- Association of Regions of the CR, Regional Authorities;
- Capital city of Prague (related with the regional competitiveness and employment).

The main conclusions of discussions were the approval of OPTA priority axes and the prevention of OPTA overlapping, and focus on the horizontal topics.

Most of the comments were reflected in the programme preparation stage. Of the essential comments, the following should be noted:

Organization	Comment	Response
Moravian and Silesian Region	Building of “contact points“ interferes with the activities already pursued in the regions as part of SROP 3.3. Page 23 Par. 4 reads that “This network will be built with the maximum use of the existing agencies and mediation authorities, and regional entities, etc.“. This statement does not comply with the list of	Not accepted, horizontal activities are not implemented in the regions.

	final beneficiaries on page 24; add the regions and their daughter organizations.	
Moravian and Silesian Region	The regions will also need to initiate the preparation of the future programming period, add the regions and their daughter organizations to the list of final beneficiaries.	Not accepted, horizontal activities are not implemented in the regions.
Ministry of Health	In view of the need to coordinate the health activities overlapping more OPs as well as the regional level of ROP, it appears essential to coordinate and provide guidance for this area at the national level (in particular as related to the NSRF completion) of each department responsible for public health under the Act of Competency.	Not accepted. OPTA is designed as a national coordination tool (NCA – MRD, MF, MA OP/ROP). The coordination power not only rests with MH, but even with other cross-sectional departments (MC, MIT, MI) responsible for the specific area coordination under the Act of Competency.
Ministry of Finance (PCA)	Positive definition required, i.e. list the activities to be financed by OPTA and explanation that other activities will be included in the other OP's technical assistance priority axes.	Accepted.
South Moravian Region	List the regions as support as beneficiaries.	Not accepted, horizontal activities are not implemented in the regions.
Ministry of Finance (CHU)	Add the authorized audit entities to the list of beneficiaries.	Accepted, see the CHU opinion dated 14 <sup>th</sup> November 2007.  The units charged with the function of AAS are stated as the

		<p>beneficiaries of priority axes 3a/3b in intervention area</p> <p>Support of Administrative Structures, including the professional training.</p> <p>The institutions performing the function of AAS are the relevant units within ministries, charged with the function of MA, Regional Councils, and Magistrate of Capital City of Prague, according to the government resolutions No.760/2007 and No. 884/2004.</p>
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There is close link between the representatives of MA OP/ROP and OPTA. The cooperation is based on the material and area definition of interventions and the definition of target groups.

The OPTA evaluation will be participated by the relevant partners through their initiatives to focus the evaluation projects, and sharing of knowledge within the regular target group research (absorption capacity evaluation), and providing feedback to the working and final outputs from the respective evaluation projects. The partners will be involved in particular as members of the expert opponent teams for the OPTA project evaluation providing the professional supervision over the implementation of evaluation projects.

### 3. OPTA PRIORITY AXES

The Operational Programme Technical Assistance is a multi-objective operational programme. It is focused to support the activities of the Convergence Objective and of the Regional Competitiveness and Employment Objective. The specified programme activities that are system based and desirable to be implemented across the whole territory of the country, i.e. including the capital of Prague, are always broken down into two priority axes – for the Convergence objective and for the Regional Competitiveness and Employment objective.

Priority axis "A" includes the programme activities supported in the Convergence regions.

Priority axis "B" includes the programme activities supported in the Regional Competitiveness and Employment regions.

Since the activities described under the priority axis "A" and "B" are non-detachable in terms of the geographical position (i.e. in view of the objectives listed in Article 3 of the general regulation) and they have an impact on the whole territory of the Czech Republic, the description of both priority axes is identical.

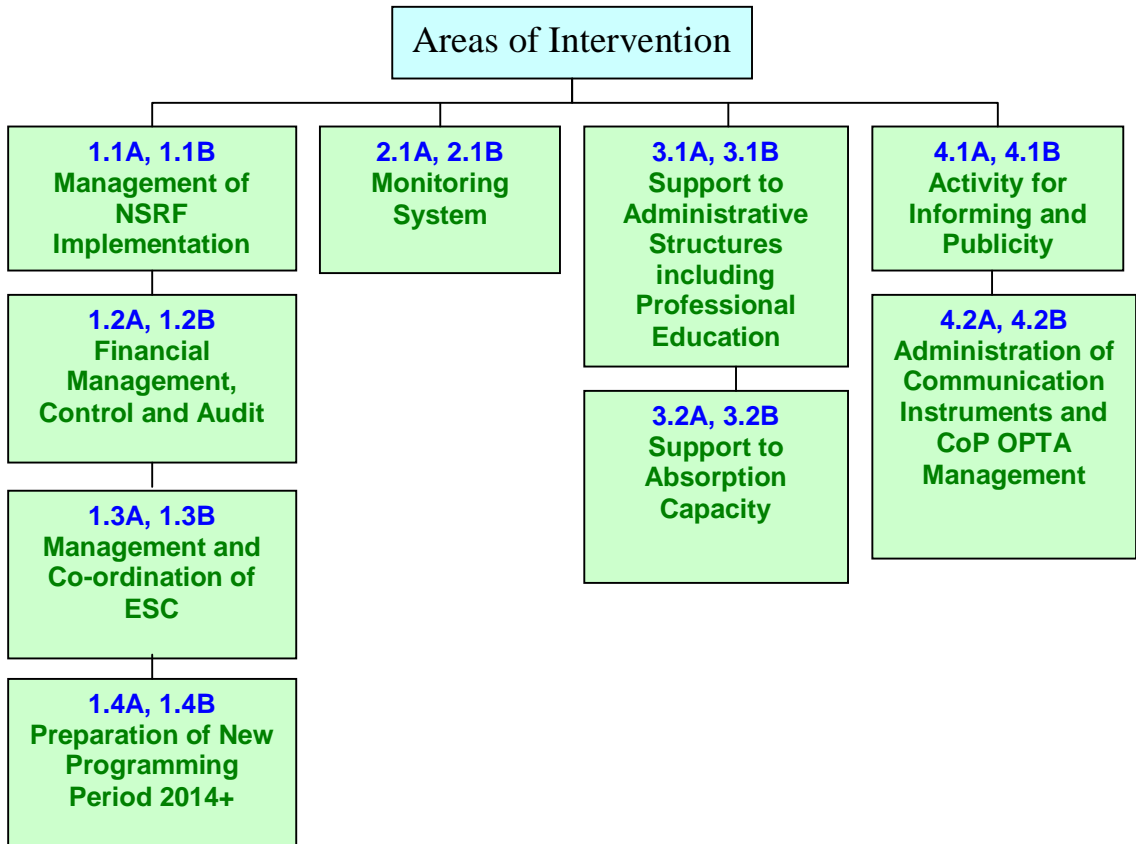
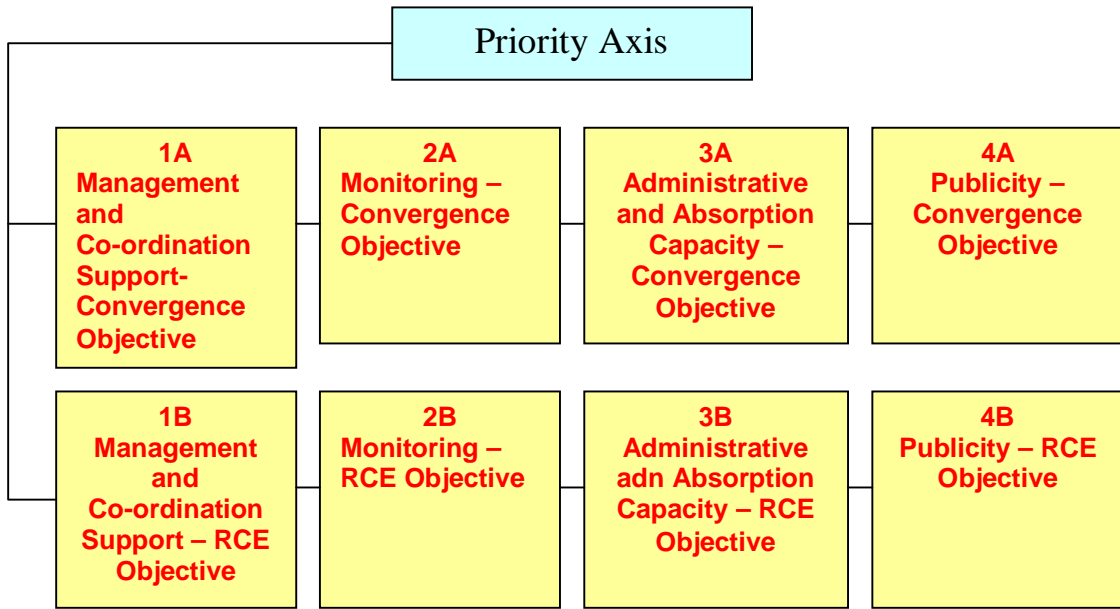
The Managing authority of the Technical Assistance operational programme will ensure the compliance with article 22 of the General Regulation 1083/2006 and for this purpose it will set up appropriate monitoring.

The Managing Authorities ensure that any State aid granted under this programme will comply with the procedural and material State aid rules applicable at the point of time when the public support is granted.

The granted assistance has to be in correspondence with the national and Community legislation (including the public support, public competition and public procurement rules, namely the law No. 137/2006 Coll., on public procurement in valid version). The support will fulfill the criteria of effective spending from the SF, respect public interest.

The separation of functions in beneficiary body between management, realisation, payment and control units is secured, so as the independence of the above mentioned functions is secured, in particular the functions mentioned in Art. 60 (a) and (b) of General Regulation, in order to prevent the conflict of interest (see chapter 4 Implementation Structure). The calculation of allocations for the objectives Convergence nad Regional Competitiveness and Employment is stated in chapter 6 Financial Provisions of OP.

# OP TA



## **System of monitoring indicators**

System of monitoring indicators of OPTA was similarly as in other operational programmes made for the purpose of monitoring and evaluation of the programme, as a tool for effective management of SF resources and evaluation of realisation of operational programme in regard of the set objectives. For each priority axis there are set output and result indicators, as comes out from Art 37 of General Regulation. Further, the following impact indicators are set. The indicator system is based on the National indicator list for the programming period 2007-2013. Indicator system of OPTA was build by bottom-up method.

The indicator system permits to measure the outputs and results of individual projects and at the same time of the whole programme. It serves as an important tool for evaluation of programme's objectives fulfilment in relation to the elaboration of annual reports and it forms necessary part of programme evaluations. Primary source for the evaluation of indicators is the information system, where the data from project applications, where the applicant is bound to fulfill the indicators and the data from the monitoring reports, where the beneficiary reports the fulfilment of indicators, are stored. The MA OPTA evaluates these data together with the data from evaluations, eventually other analysis, and presents the evaluation to the European Commission, Monitoring Committee of OPTA and NAC.

The assignment of the anticipated target indicator values was based on real numbers, eventually expert assessment of the individual beneficiaries. At the same time the experience with the realised activities in programming period 2004-2006 was taken in account, especially of Technical assistance for CSF, realised in measure 5.2 of JROP, regarding the multiple realised projects and their financial demands.

Similarly to the other operational programmes, in the framework of the evaluation indicator system will be evaluated. In case that the evaluation of indicator system discovers substantial distraction from the set priority axis objectives or there would be other deficiencies in realisation of the programme, the programme could be revised according to the Art 33 of General Regulation. In half of programming period (year 2010), the importance of distractions from the individual indicators of OPTA will be evaluated. Besides, while performing this evaluation, the effectivity of realisation of the SF assistance will be evaluated.

The value of the year 2007 is given as an input value, when it was possible to quantify the indicator input values of multiple indicators, coming out from the programming period 2004-2006 (in particular the Technical assistance for CSF). The assessed values for the year 2015 have been set as target values.

### **Indicator of Impact:**

Code Number	Indicator	Meas. unit	Source	Value 2007	Indicative objective 2015 – Convergence and indicative objective 2015 - Regional Competitiveness and Employment
48.27.00	Rate of the shortening of the administration procedure of the projects' administration	%	MA OP	100	80

**The rate of the shortening of the administration procedure of the projects' administration** – expresses a percentage rate of shortening of the length of projects' processing as opposed to the period of 2004-2006. This period starts when the application for the financial subsidy is received up to the issuing of the decision concerning awarding the grant, and receiving the request to reimburse the payment. The Lowering comes from the analysis of improvement of the managing system, and will be reached by strengthening and improving the administration capacity. By two years the lowering achieves 10 % and by the end of programming period 2007-2013 20 %.

### **3.1. PRIORITY AXIS 1A: MANAGEMENT AND CO-ORDINATION SUPPORT – CONVERGENCE OBJECTIVE**

### **3.2. PRIORITY AXIS 1B: MANAGEMENT AND CO-ORDINATION SUPPORT – REGIONAL COMPETITIVENESS AND EMPLOYMENT OBJECTIVE**

#### **Justification:**

Unlike the previous period, the programming period 2007-2013 is more demanding for the ESC policy co-ordination and management with respect to the increased number of operational programmes to the total of 24. The financial amount of EU funds will be considerably increased, the regional administrative structures will be set up to manage the programmes, and a higher number of new programmes will be initiated to prepare projects aimed for the growth, knowledge economy, innovation and employment. The basis for the proposal of the ESC management and co-ordination system for the period 2007-2013 is provided by the current system with the objective to prevent, or at least minimize the occurrence of the identified problems.

#### **Specific objectives of the priority axes 1a, 1b in terms of the strategic objective 1:**

SPECIFIC OBJECTIVE 1: Ensure that NSRF is consistently implemented across all implementation authorities in compliance with their defined powers using the management tools and provide for smooth and efficient use of the assistance in the period 2007-2013. Set up a uniform framework of the implementation environment for the OP control authorities to manage, implement, control, monitor, evaluate and audit of the operational programmes.

SPECIFIC OBJECTIVE 2: Provide processes and procedures associated with the financing and control of the operational programmes and audit work.

SPECIFIC OBJECTIVE 3: Provide uniform management and co-ordination of the institutions involved in the economic, social and territorial cohesion areas in the Czech Republic.

SPECIFIC OBJECTIVE 4: Ensure the preparation of strategic documents for the period 2014+. Based on the evaluation of the objective achievement in the programming period 2004-2006 and 2007-2013 and the social and economic development in the Czech Republic and in the EU member states, build a position of the Czech Republic to determine on the role, priority objectives of the structural funds, mutual funds' association and co-ordination or their association with other available financial instruments.



**Priority Axes 1a, 1b Indicators:**

**Output Indicators:**

<b>Code Number</b>	<b>Indicator</b>	<b>Unit of Measure</b>	<b>Source</b>	<b>2007 Value</b>	<b>Indicative objective 2015 – Convergence and indicative objective 2015 - Regional Competitiveness and Employment</b>
48.07.00	Number of prepared guidelines and technical information documents	Count	OPTA beneficiaries	14	36
48.03.00	Number of committee sessions (monitoring, advisory and control)	Count	OPTA beneficiaries	12	92
48.05.00	Number of conducted studies and elaborated reports (incl. evaluation studies and reports)	Count	OPTA beneficiaries	3	250
48.11.00	Number of held training courses, seminars, workshops, conferences etc.	Number	OPTA beneficiaries	0	130
48.24.00	Number of newly purchased ICT equipment	Number	OPTA beneficiaries	0	300
48.24.20	Number of purchased technical equipment, except for ICT	Number	OPTA beneficiaries	0	50

**Number of prepared guidelines and technical-informational documents –** The initial value shows the number of guidelines (methodologies) for the period 2007-2013 as developed within CSF in the period 2004-2006 (e.g. Cashflow Methodology, Eligible Expense Methodology). The target value represents the increase of new guidelines or the updates on the existing ones on the basis of increasing the number of the operational programmes, including regional ones.

**Number of committee sessions (monitoring, advisory and control) –** The target value shows the number of MC OPTA, Control and Co-ordination Committee and MCC working group sessions which will take place regularly. The input value means the number of previous MCC and its advisory team sessions.

**Study and report completion –** For the priority axis 1, the number of evaluation reports at the OPTA level, and in particular at the NSRF level. The input value represents the NSRF ex-ante evaluation, ex-ante evaluation co-ordination, OP ex-ante evaluation, and the evaluation of the indicator system 2004-2006. The result was fixed due to the experience from the last programme period.

**Number of held training courses, seminars, workshops, conferences and similar activities –** Only applicable to events intended to propagate the results of methodologies and evaluation studies and to support the incorporation of study results in OP. Baseline value is at zero. A result value was set on the basis of the planned number of evaluation studies and methodologies. One or two events will take place in each year.

**Number of newly purchased ICT equipment** means the total number of pieces of newly purchased ICT equipment for implementation structure staff.

**Number of purchased technical equipment, except for ICT** means a total number of pieces of newly purchased equipment, except for ICT for implementation structure staff.

**Indicative division of financial resources to priority axis 1a and 1b per the intervention area:**

Management of NSRF implementation – 64.28 %

Financial management, control and audit – 11.22 %

Management and coordination of ESC – 7.67 %

Preparation of new programming period 2014+ - 16.83 %

The biggest share is allocated to management and coordination of NSRF, grounded on ensurance of effective management of complex structure of operational programmes.

**Area of Intervention 1.1: Management of NSRF Implementation**

FOCUS:

The objective of the area is to support methodical and coordination tasks NCA within the intention of the approved NSRF (National Strategic Reference Framework) in the implementation portion which includes implementation fields Art. 9 of the General Regulation and Article 27, par. 5(b) of the General Regulation, including the Financial Regulation in the sense of Art 14 of General Regulation.

In response to the suggestions from the implementation of the Cohesion Policy, methodical implementation procedures, instructions and recommendations for managing authorities will be re-written. The activity of NCA (National Coordination Authority) will be based on management and coordination in relation to planning based on analysis and suggestions.

Preparation of specialised expert opinions, analysis, studies and methodologies will be an integral part of the NSRF management system and all of these will try to assess the functionality and efficiency of setting of management systems, controls, rules and procedures of implementation of the operational programmes. An output from these activities is a draft of an update and assessment of achieved objectives in the area of “implemented projects” – objectives of priority axes – objectives of operational programmes – priority objectives – objectives of NSRF. Prepared documents shall present important findings and valuable recommendations to guarantee correct and efficient system for drawdown of EU funds while keeping it as simple as possible.

To support the coordination of documents comprising valid rules for funding of projects supported from EU funds a document archive gathering these rules will be established

In addition to that, a platform for discussing current implementation topics on the level of managing authorities and on the level of working groups appointed by NCA.

Another important activity is searching for monitoring reports for MCC (Management and Coordination Committee) such as strategic, annual and other reports and ad hoc base materials required by EU, Czech government or possibly other relevant entities.

#### SUPPORTED ACTIVITIES:

- implementation of NSRF including preparation of methodologies and instruments for realization;
- preparation, implementation and monitoring measures to remedy findings from audit of readiness for drawdown on EU funds;
- making propositions to address problems concerning implementation of EU funds;
- preparation and support for drafting methodologies and methodological manuals;
- support for technical organization of working groups, talks with the EC, MA;

- instruments of management coordination – advisory committee, working groups SCC, coordination committees;
- evaluation of fulfilment of priorities elaborated in CSG and specified in NSRF and in Community policies (i.e, Environment, Competition, Public procurement), evaluation of broader benefits, effects of using EU funds;
- analysis of risks and evaluation of configuration of risk analysis in implementation structures of individual OP;
- evaluation and support for configuration of implementation and coordination mechanisms for interventions OP 2007-2013;
- preparation and updating of methodological documents necessary for activities of NCA and other entities in the implementation system;
- studies and consulting, seminars and workshops focusing on problematic areas identified in the process of monitoring implementation of EU funds;
- analysis of functioning and proposals for modification of monitoring system at the level of NCA;
- creation of monitoring outputs and reports;
- support for the development of financial instruments and their availability.

***Type of support:***

individual project

***Form of intervention:***

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

***Beneficiaries:***

- MRD – NCA
- OPTA MA

***Target groups:***

- Ministry for Regional Development and implementation structures of OP
- CRD - grant-funded organization of the Ministry for Regional Development

***Categories of area of intervention:***

Code	Area of intervention
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81	Mechanisms for improving programme design and monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes
85	Preparation, implementation, monitoring and inspection
86	Evaluation and studies; information and communication

## **Area of Intervention 1.2: Financial Management, Control and Audit**

### FOCUS:

The objective of the area is to provide methodical procedures, recommendations for financing and control of projects and implementation structures and for auditing of drawdown of money from EU funds.

### SUPPORTED ACTIVITIES:

- support of the activities of Paying and Certifying Authority;
- support of the activities of the Audit Authority including AAS (according to Government Resolution No 760/2007 and No 884/2007);
- preparation and subsequent support in creation of methodologies and instruments for development of financial management;
- analysis of the cash flow systems in implementation of EU funds;
- control and audit activities.

In this area of intervention, only horizontal activities will be funded. Other activities will be funded from technical assistance using operational programmes.

### ***Type of support:***

individual project

### ***Form of intervention:***

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

### ***Beneficiaries:***

- Paying and certifying Authority, Audit Authority – Ministry of Finance

- MRD – NCA

**Target groups:**

- MF (Paying and certifying Authority, Audit Authority) and AAS;
- CRD - grant-funded organization of the Ministry for Regional Development

**Category of area of intervention:**

Code	Area of intervention
85	Preparation, implementation, monitoring and inspection

### **Area of Intervention 1.3: Management and Coordination of ESC**

FOCUS: The objective of the area is to implement cohesion policy on the principle of partnership using instruments for preparation, processing and maintenance of shared analytical basis providing uniform information about the Czech Republic and information that will be used for preparation of strategic documents of the Czech Republic in the area of cohesion policy, regional policy and territorial planning. Using these documents which the Ministry for Regional Development is responsible for, ESC is managed and coordinated in the Czech Republic.

The Management and Coordination Committee (MCC) is the instrument for the broadest coordination of ESC in the Czech Republic. For the programming period of 2007-2013, the MCC fulfils the role of the monitoring committee of NSRF. The Management and Coordination Committee discusses strategic documents of the Czech Republic in the area of ESC. Such discussions are attended by economic and social partners. The partnership principle is implemented by means of this.

A coordination role in the area of ESC policy includes updating and revision of strategic documentation, evaluation of its impact, ensuring of complementarity of NSRF objectives with the National Programme for Reforms and cohesion of interventions, coordination of all institutions involved in implementation of the ESC policy, support to the legal environment for implementation of Community policies, international cooperation in the area of ESC policy and promotion of ESC policy of the Czech Republic within the EU, support to cooperation between regions within EU and within the Czech Republic.

Based on professionally focused analysis and evaluation of the current state of impact of Lisbon Strategy in the EU and of the current state of the impact of implementation of the ESC policy in the Czech Republic during the programming period 2004-2006, the Ministry for the Regional Development contributed to the preparation of the fourth report on economic and social cohesion called “Growing Regions, Growing Europe“.

Evaluation of the impact of ESC policy shall focus on fulfilment of Lisbon strategy objectives at the level of EU, NDP and NSRF on the level of the Czech Republic and on the system of policy management in programming periods 2004-2006 and 2007-2013.

SUPPORTED ACTIVITIES:

- analysis of the impacts of interventions of the programming period of 2004-2006 and their reflection in the period 2007-2013;
- analysis of the impact of interventions of the programming period of 2007-2013 into cohesion policy;
- revision and updating of the strategic documentation, evaluation of impacts of cohesion policy;
- ensuring complementarity between objectives of NSRF and NDP and interrelated interventions;
- coordination of all institutions involved with cohesion policy;
- support to the legal environment for implementation of cohesion policy;
- evaluation of impacts of cohesion policy with a focus on achievement of objectives Lisbon Strategy at the level of EU, NDP, CSF and NSRF at the level of the CR and system management cohesion policy in the programming period 2004-2006 and 2007-2013;
- a meeting of the MCC and its working bodies (Coordination Committees and working groups), activities of the secretariat of the MCC;
- processing of analysis, expert opinions and reports for meetings of the MCC and its working bodies;
- analysis, studies, methodologies for preparation of strategic documents of the Czech Republic in the area of cohesion policy, regional policy and territorial planning, which are used for management and coordination of ESC in the Czech Republic.

Activities are focused on technical assistance and organization of negotiations of the MCC and its working bodies on all levels and on increase of the efficiency of MCC's activity. This includes work meetings and also discussions with other partners involved in the management and coordination process of ESC on the state level.

This Area of intervention will be executed only by means of activities on the national level which shall not be funded from priority axis of technical assistance of OP.

**Type of support:**

individual project

**Form of intervention:**

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

**Beneficiaries:**

- MRD – NCA
- MRD – Autonomous Unit for Cross-cutting Activities

**Target groups:**

- Institutions involved in the management and coordination of ESC through their membership in MCC,
- CRD - grant-funded organization of the Ministry for Regional Development.

**Category of area of intervention:**

Code	Area of intervention
81	Mechanisms for improving programme design and monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes
86	Evaluation and studies; information and communication

**Area of Intervention 1.4: Preparation of New Programming Period 2014+**

FOCUS:

Technical assistance of the programme period of 2007-2013 includes also preparation for the programme period of 2014+. The preparation of the programme period of 2014+ will reflect the progress of implementation of the ESC policy in the programming period of 2007-2013. Its key inputs will include results of studies and analyses within implementation of the evaluation plan.

The objective of the area is to contribute to efficient utilisation of allocated funds and achievement of strategic objectives on the basis of assessment of the programming period of 2007-2013.



At the same time, the area intends to create a stable knowledge and information basis in the field of cohesion policy as a prerequisite for its coordination and implementation in the Czech Republic on the government level.

Activities mostly focus on the content solution of the future of cohesion policy of the EU and within its frame the cohesion policy of the Czech Republic. A significant part will be activities by means of which the First Action Programme for Implementation of the Territorial Agenda of EU will be implemented.

#### SUPPORTED ACTIVITIES:

- reflection of experience from the programming period of 2007-2013 into the preparation of the programming period of 2014+;
- prognoses of future economic and social development;
- preparation of strategic documentation;
- evaluation of the 4<sup>th</sup> cohesion report and contribution to its evaluation from the level of the Czech Republic;
- establishment of a working group for cohesion policy as a working body of the MCC;
- expert analyses, studies and consultancy regarding social and economic development of the Czech Republic and EU countries and EU as a unit, documents of the Czech Republic, of EU member states and the EU in the field of cohesion policy;
- detailing of the cohesion policy of the Czech Republic and its updating;
- professional conferences (including international ones), workshops, work meetings;
- gathering of inputs for the HERMIN macroeconomic model.

Activities are mostly focused on the future of the EU cohesion policy and the Czech cohesion policy within the scope of the EU cohesion policy.

This area of intervention will be executed only through activities on the national level which shall not be funded from priority axis of the OP technical assistance.

#### ***Type of support:***

individual project

#### ***Form of intervention:***

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

**Beneficiaries:**

- MRD - NCA
- MRD – European Affairs Department
- MRD - Autonomous Unit for Cross-cutting Activities

**Target groups:**

- Institutions involved in the management and coordination of ESC through their membership in the cohesion policy working group of MCC.

**Categories of Area of intervention:**

Code	Area of intervention
81	Mechanisms for improving programme design and monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes
86	Evaluation and studies; information and communication

### **3.3. PRIORITY AXIS 2A: MONITORING – CONVERGENCE OBJECTIVE**

### **3.4. PRIORITY AXIS 2B: MONITORING – REGIONAL COMPETITIVENESS AND EMPLOYMENT OBJECTIVE**

#### **Justification:**

In compliance with article No 66 of the General Regulation, the MA and the monitoring committee of each operational programme shall be responsible for the quality of provided assistance. Uniform monitoring system will be used as a tool for monitoring and management of programmes; this system will be utilised by MA and other entities participating in programme implementation.

A uniform monitoring system applicable to all implementation levels provides gathering of data necessary for management, monitoring and evaluation of programmes and projects for the purpose of management, monitoring, inspection and assessment of the executed interventions. This objective will be uniformly provided by means of a specific field of support in OPTA.

These activities will help to create a monitoring tool used in the process of assistance implementation; the tool will be administered by the Ministry for Regional Development in compliance with Government Resolution No 198/2006 and the tools will be operated in cooperation with managing authorities of operational programmes for the purpose of data collection in the necessary scope (monitoring). Concurrently, in line with Government Resolution No 1301/2009 it shall allow for the definition of needs and preparation of the monitoring system for programming period 2014+.

#### **Specific objectives of the priority axis 2a, 2b in relation to strategic objective 2:**

SPECIFIC OBJECTIVE: To provide relevant, comparable, accurate and current data within the monitoring system in order to provide support to efficient management, coordination, monitoring and evaluation of NSRF.

**Indicators of priority axis of 2a and 2b:**

**Result indicators:**

<b>Code Number</b>	<b>Indicator</b>	<b>Measuring unit</b>	<b>Source</b>	<b>Value 2007</b>	<b>Indicative objective 2015- Convergence and ind. objective 2015 – Regional competitiveness and employment rate</b>
48.07.00	Amount of prepared methodical, technical and information materials	amount	OPTA beneficiaries	2	63
48.11.00	Number of held training courses, seminars, workshops, conferences and similar activities	number	OPTA beneficiaries	40	185
48.23.00	Number of contracted programming hours	number	OPTA beneficiaries	0	15 125,6
48.24.00	Number of newly purchased ICT equipment	number	OPTA beneficiaries	0	40
48.21.00	Increase in HW capacity	GB	OPTA beneficiaries	0	97 100
48.24.30	Purchase of software	number	OPTA beneficiaries	0	173

**Amount of prepared methodical, technical and information materials** – the initial value represents the amount of methodologies in the area of monitoring for the period of 2007-2013 which were prepared within FCS during the period

of 2004-2006 (for example the Monitoring methodology, Rules for creation of indicators for monitoring and evaluation for the period of 2007-2013). The objective value represents increase in the amount of new methodologies and updates of the existing ones. On the basis of the plan of the responsible body.

**Number of held training courses, seminars, workshops, conferences and similar activities** – represents the amount of held trainings, workshops etc. related to the new monitoring system. The initial value represents the amount of held trainings by the end of October 2007. A result value comes from the experience that concerns the interest and needs of the implementation structure during the period of introducing of the new monitoring system and was arithmetically calculated.

### **Increase in HW capacity**

Total increase in the capacity of HW equipment for the support of the monitoring system for the whole programming period. Increase in the capacity of HW equipment is measured in gigabytes. It will concern predominantly large capacity equipment.

### **Number of contracted programming hours**

Total number of contracted programming hours to be delivered by the supplier for the development of the monitoring system.

### **Number of newly purchased ICT equipment**

Total number of pieces of newly purchased ICT equipment for implementation structure staff.

### **Purchase of software**

Total number of purchased user licenses for implementation structure staff. Purchase of technical support (upgrade and other software products).

### **Result indicators:**

<b>Code Number</b>	<b>Indicator</b>	<b>Measuring unit</b>	<b>Source</b>	<b>Value 2007</b>	<b>Indicative objective 2015- Convergence and ind. objective 2015 –Regional competitiveness and employment rate</b>
48.19.00	Number of	Number	OPTA	320	2 500

	trained persons - total		benefit -ciaries		
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**Number of trained persons - total – total number of persons at all levels of implementation entities who successfully completed a training course. Successful completion of the training course is confirmed by the issuance of a certificate, confirmation of attendance, etc.** The initial value represents the amount of people trained by the end of October 2007. The successful passing is confirmed by a certificate. A result value comes from the experience that concerns the interest and needs of the implementation structure during the period of introducing of the new monitoring system and was arithmetically calculated.

## Area of Intervention 2.1: Monitoring System

### FOCUS:

The objective for the support is to provide a fully functioning, operable and efficient monitoring system for the whole programme period of 2007-2013 and preparation and acquisition of the monitoring system of Structural Funds for programming period 2014+. The determination of the compulsory scope of data and binding procedures is the basic instruments providing a uniform character of the monitoring system.

<b>Monitoring system</b>						
<b>The scope of MRD (DMS)</b>	<b>Instrument for coordination</b>					
<table border="1"> <tr> <td>1. Guarantees functioning of the monitoring information system, which will be used by the Managing Authorities, PCA and AA.</td> </tr> <tr> <td>2. Issues instructions and methodology in the area of requirements for the monitoring system and their electronic exchange</td> </tr> <tr> <td>3. Information into the European database SFC2007 – guarantees exchange of information between the Managing Authorities and the EC.</td> </tr> </table>	1. Guarantees functioning of the monitoring information system, which will be used by the Managing Authorities, PCA and AA.	2. Issues instructions and methodology in the area of requirements for the monitoring system and their electronic exchange	3. Information into the European database SFC2007 – guarantees exchange of information between the Managing Authorities and the EC.	<table border="1"> <tr> <td>Monitoring working group</td> </tr> <tr> <td>Methodology of Monitoring SF and FS 2007-2013</td> </tr> </table>	Monitoring working group	Methodology of Monitoring SF and FS 2007-2013
1. Guarantees functioning of the monitoring information system, which will be used by the Managing Authorities, PCA and AA.						
2. Issues instructions and methodology in the area of requirements for the monitoring system and their electronic exchange						
3. Information into the European database SFC2007 – guarantees exchange of information between the Managing Authorities and the EC.						
Monitoring working group						
Methodology of Monitoring SF and FS 2007-2013						

## **Requirements for the Managing Authorities in the area of monitoring**

Transmission of data in accordance with the Methodology of Monitoring SF and FS 2007-2013
-------------------------------------------------------------------------------------------

Transmission of financial data from the MSC2007 into SFC2007 the EC
---------------------------------------------------------------------

Cooperation on the development of MM2007, data for the monitoring and the monitoring system
---------------------------------------------------------------------------------------------

### **Founded on**

Article 58, 60, 66 Council Regulation (EC) No 1083/2006
---------------------------------------------------------

Methodology of Monitoring SF and FS 2007-2013 Section 7 Council Regulation No 1828/2006
--------------------------------------------------------------------------------------------

The monitoring system will be optimized and updated continuously during the programming period in relation to changes influencing the implementation system of structural funds. For that reason there was created a platform for negotiating the current topics regarding the development of the monitoring system. Within this platform, there will be defined uniform instructions for central update of the system with the aim to unify and centralize the communication relations within the monitoring system on the level of managing authorities which shall enable efficient evaluation and management of the NSRF fulfilment.

The monitoring system will be developed and enhanced further by adding new functions which enable sophisticated approach to the management of the SF implementation system and electronic communication among entities involved in the implementation of the system of SF withdrawal. The Viola SF/CS accounting system, as an integral part of the overall monitoring and financial processes, will also be developed and enhanced further.

The monitoring system for programmes and projects co-funded from structural funds is intended for people from managing authorities of operational programmes, the Payment and certification authority and other entities within the implementation structure.

The system provides material and financial monitoring of programmes, global grants and projects, application of cash flows according to the Methodology of cash flows and electronic data exchange with other information systems of public administration, i.e. with information systems of the Ministry of Finance (the Viola SF/CF accounting system, Central registration of subsidies CEDR, the information system for programme funding ISPROFIN) and with the database of the European Commission SFC 2007.

The MRD is the guarantor of the monitoring system and this ministry is also the operator in cooperation with managing authorities of the operational programmes and the Centre for Regional Development of the Czech Republic

(CRD). MRD is also responsible for drafting the concept of single monitoring system for the next programming period.

Technical parameters which influence the topicality of the data in individual parts of the monitoring system:

Data communication between the central level of the system and the level of a managing authority is performed through automatic incremental transfers of XML doses (extensible mark-up language) according to the schedule approved by individual administrators of applications. In compliance with this schedule, frequencies of transfer are as follows:

- daily frequency of transfer – transfers from the information system of the managing authority to the central level (data in the central level are 24 hours old at the most);
- weekly frequency of transfer – exports of code books (master files) from the central level to the information system of the managing authority.

The group of the transferred data (in both directions) is defined by the following document - interface\_MSC2007\_x\_IS\_RO\_IS\_P – which is issued by the administrator of the central level of the monitoring system and which is distributed to the managing authorities. Distribution is performed twice a month (on the 10<sup>th</sup> and 20<sup>th</sup> day of the respective month) first as a draft and subsequently as a final version). The managing authorities always have 20, or 10 days to incorporate the required changes.

Data communication from central level of the system to the online application Benefit (code books) is performed once a week. Two directional communication between the information system of the managing authority and the online Benefit application is performed irregularly based on needs arising on the basis of announcement of a specific invitation, or acceptance of project applications.

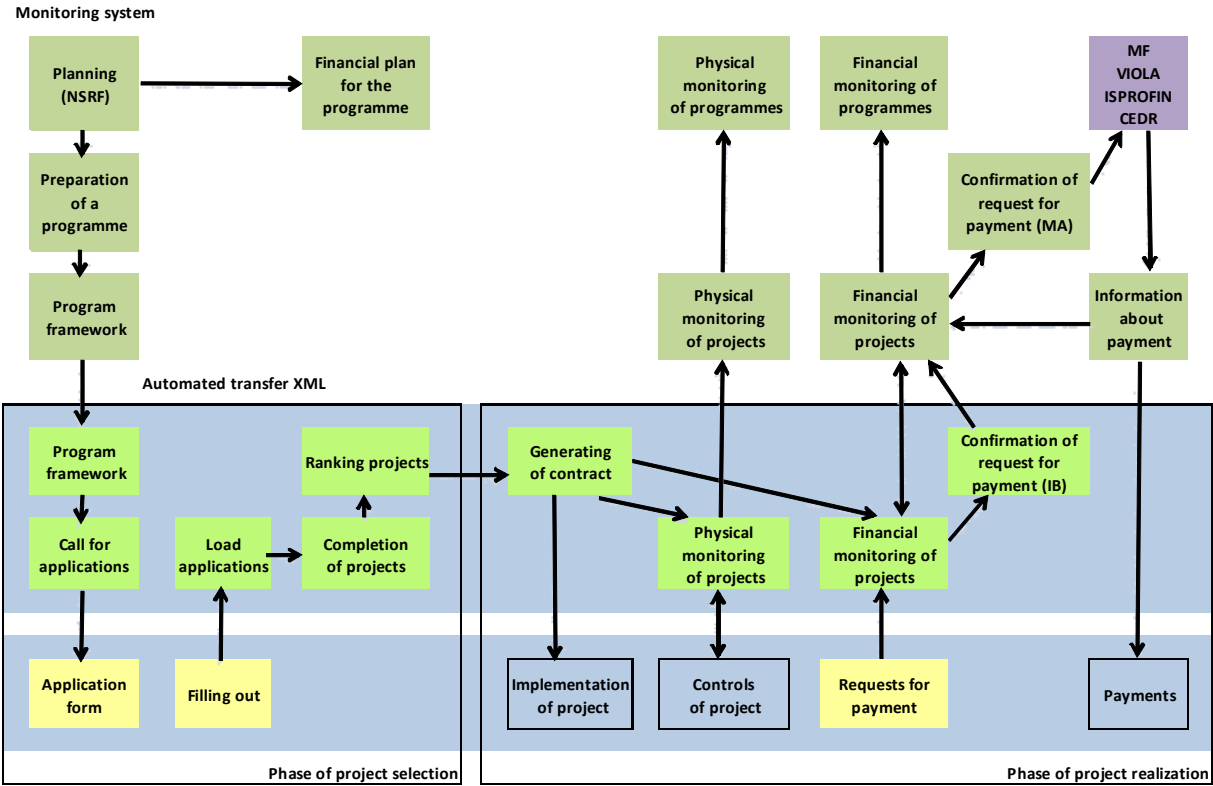
Data communication between the central level of the system and IS VIOLA (both directions) is performed every weekday. Data communication with other information systems (ISPROFIN, DIS, CEDR, IRIS, SFC2007) is performed when needed by these systems.

**The Methodology for Monitoring of Structural Funds Programmes and Cohesion Fund Programmes for the programme period of 2007-2013** is a basis for provision of comparable and accurate data for management support, for monitoring and evaluation. The Monitoring Methodology defines responsibilities, binding procedures and periods for monitoring, it determines binding rules and procedures for monitoring of structural fund programmes. The MRD – Department Of Monitoring System Administration shall bear responsibility for preparation and implementation of modifications of the Monitoring Methodology. All the concerned entities take the Monitoring Methodology into account in their own binding contractual and implementing documentation (operational manuals, handbooks etc.) and in the information system.



Managing authorities are competent to determine further specific requirements and procedures in the field of monitoring of individual operational programmes, which shall not be in contradiction with centrally binding rules and requirements determined by the Monitoring Methodology.

**Life cycle of a programme and a project in the monitoring system (management, funding, inspection, auditing):**



**The Working Group** for single monitoring system sponsored by the Department for the Monitoring System Administration of the Ministry for Regional Development is the basic coordination body in the field of monitoring system and methodology of monitoring. The Working Group for single monitoring system discusses proposals and requirements of users of the monitoring system, i.e. the National Coordination Authority as the central coordination body, managing authorities of operational programmes, the Paying and Certifying Authority and the Audit Authority of the MF, regarding modification of the system.

Conclusions of the Monitoring Working group are reflected in the monitoring methodology and also in the monitoring system.

**Indicative distribution of funds for the area of intervention of the Monitoring system:**

1. Operation and administration of the monitoring system during 2007-2015, indicative financial allocation of approx. EUR 21.8 million
2. Optimization of the monitoring system 2007-2013, indicative financial allocation of approx. EUR 17.5 million

3. **Application of the impact of the Monitoring Methodology in all sections of the monitoring system – uniform development of the monitoring system 2007-2015 indicative financial allocation of approx. EUR 8.3 million**
4. **Optimization of functions of the monitoring system – other phases of development 2007-2010 indicative financial allocation of approx. EUR 1.7 million**
5. **Preparation and acquisition of the monitoring system for programming period 2014 – 2020, indicative financial allocation of approx. EUR 9 million.**

#### SUPPORTED ACTIVITIES:

In relation to the requirement of Article 66 of the General Regulation and with provisions of Article No 39 of the Implementation Regulation regarding Monitoring of the Area of intervention shall focus namely on the following:

Ad 1)

- operation, administration and further development of the monitoring system;
- creation of communication interfaces and EC – SFC2007 databases (electronic data exchange between EC and the Czech Republic according to the technical documentation submitted by the EC)
- procurement of HW and SW components for operation of the monitoring system;
- realisation of OPTA (provision, installation, operation and connection of IT systems for management, monitoring, control and evaluation of OPTA operations);
- procurement of modern technical equipment for the purpose of efficient implementation;
- development of IT system Viola (accounting system), eventually of other IT systems.

Ad 2)

- assessment of efficiency of assistance implementation – optimization instruments (SPSS, statistical predictions, business intelligence);
- optimization and other functionalities of the monitoring system including connection to IS MF (e.g. Viola);
- purchase of HW and SW components for operation of the monitoring system (redundant workplaces, etc.)
- development and administration of data warehouse (DW);

Ad 3)

- application of the impact of the Monitoring Methodology into all sections of the monitoring system – uniform development of the monitoring system;

Ad 4)

- Update of monitoring system relating to the implementation system changes.

Ad. 5)

- Advisory services for the preparation, selection, delivery and testing of the monitoring system for programming period 2014 – 2020;
- Purchase of HW and SW equipment for the operation of the new monitoring system for programming period 2014 – 2020;
- Acquisition of the new monitoring system for programming period 2014+.

***Type of support:***

individual project

***Form of intervention:***

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

***Beneficiaries:***

- MRD – Department for Administration of Monitoring System
- CRD - grant-funded organization of the Ministry for Regional Development
- Paying and Certifying Authority, Audit Authority – Ministry of Finance.

***Target groups:***

- NCA
- Managing authorities of the OP
- MoF (Paying and Certifying Authority, Audit Authority)

***Category of area of intervention:***

Code	Area of intervention
85	Preparation, implementation, monitoring and inspection

### **3.5. PRIORITY AXIS 3A: ADMINISTRATIVE AND ABSORPTION CAPACITY – CONVERGENCE OBJECTIVE**

### **3.6. PRIORITY AXIS 3B: ADMINISTRATIVE AND ABSORPTION CAPACITY – REGIONAL COMPETITIVENESS AND EMPLOYMENT OBJECTIVE**

#### **Justification:**

The necessity of valid administrative structures to guarantee efficient use of the Structural Funds resources has been acknowledged and stipulated in the text of the National Strategic Reference Framework of the Czech Republic.

Sufficient administrative capacity is necessary in order to ensure not only the absorption capacity and application of formal procedures but also to spend financial resources in line with sound financial management principles.

The basis to guarantee sufficient administrative capacity is the following:

- Analysis of the MA's needs for operational programmes implementation
- Definition of functions and procedures
- Formulation of employees' profiles, jobs description
- Quality of the selection and recruitment of new employees.

The quality output of all functions within the implementation system of EU resources is closely related to the profile and stabilization of employees, who participate in preparation and functioning of this system.

Employees of public administration have to be systematically prepared several years for correct and quality execution of these activities, including learning of languages. Quality of the selection and recruitment of new employees that takes into account the best practice is an essential condition for quality human resources management. This system will be used at all implementation levels. The main objective of the improvement of the human resources management is to minimize the undesirable outflow of these well-educated and skilled employees into the private sector. This can be achieved primarily through the setting of such conditions that create the work in public administration competitive to the private sector.

The principles of ensuring administrative capacities are following:

- Attention will be paid to systemic strengthening of the absorption capacity, including also the analysis of needs, definition of requirements, description of work posts, independent recruitment procedures, motivation system, training of the staff and the stabilisation of the staff.
- A document called "Procedures to solve the administrative capacity to use the Structural Funds and Cohesion Fund resources during 2007-2013" was submitted to the Czech Government".
- Governmental Resolution No 818 of 18 July 2007 approving the above mentioned document is to be applied to the public administration dealing

with EU funds and its implementation will be monitored by the MRD and MF.

- Government Resolution No. 884 of 13 August 2007 ensuring the administrative capacity of the Audit Authority and the authorised audit bodies.

For the efficient management and implementation of the NSRF and the OPs, highly qualified staff is crucial. The experience acquired during the implementation of operational programmes implemented in the years 2004-2006 clearly indicates that human resources are critical for the functioning of the administrative entities forming the system for implementation of the co-financed programmes.

Qualified and efficient workforces responsible for the preparation, management, implementation, monitoring, evaluation, control, information and publicity of NSRF will ensure efficiency and stability of the structural funds implementation system.

### **Specific objectives of the priority axis No 3a, 3b in relation to the strategic objective No 3:**

SPECIFIC OBJECTIVE NO 1: To provide administrative capacity for coordination and implementation of NSRF objectives during the period of 2007-2013. To provide high quality administrative capacities of bodies participating in the system of management, inspection, funding and auditing within NSRF and to provide training to employees in the implementation structure as regards general horizontal topics which are required across the whole implementation structure of the SF.

SPECIFIC OBJECTIVE NO 2: The objective is to ensure smooth and efficient course of utilization of the assistance from the EU funds by supporting the preparation of projects and capacities for their processing, implementation and administration on the part of applicants, beneficiaries, intermediating entities and other implementation structures.

**Indicators of priority axis No 3a and 3b:**

**Outcome indicators:**

<b>Code Number</b>	<b>Indicator</b>	<b>Measuring unit</b>	<b>Source</b>	<b>Value 2007</b>	<b>Indicative objective 2015- Convergence and ind. objective 2015 –Regional competitiveness and employment rate</b>
48.31.00	Number of employees within the implementation structure	Number	OPTA beneficiaries	132,5	350
48.11.00	Number of held training courses, seminars, workshops, conferences and similar activities	number	OPTA beneficiaries	0	1 155
48.19.60	Number of conducted consultations and visits at beneficiaries	number	OPTA beneficiaries	0	500

**Number of employees within the implementation structure** – expresses the number of employees (part time job contracts are combined to create full time contracts). The initial values dates are from October 2007. The objective value is a rough estimate. As regards administrative structures funded from OPTA funds, such departments are supported whose work within the implementation structure of the SF is horizontal and which cannot take technical help from a different operational programme, except from the OPTA.

**Number of held training courses, seminars, workshops, conferences and similar activities** – shows the number of held trainings etc. for employees of the implementation structure and for potential applicants. An initial value is at zero because of the fact that no training has taken place so far. An objective value is set according to the number of persons employed in the implementation structure and according to the number of potential applicants and their needs.

**Number of conducted consultations and visits at beneficiaries** – means the total number of conducted consultations and other visits at beneficiaries for the purpose of providing the beneficiaries with methodological assistance

**Result indicators:**

Code Number	Indicator	Measure unit	Source	Value 2007	Indicative objective 2015- Convergence and ind. objective 2015 –Regional competitiveness and employment rate
48.31.01	Number of full time staff employed in the implementation structure	Number	OPTA beneficiaries	0	170
48.19.00	Number of trained persons-total	Number	OPTA beneficiaries	0	15 392
48.19.50	Number of trained persons (beneficiaries) – total	Number	OPTA beneficiaries	0	500

**Number of full time staff employed in the implementation structure employed** – shows the number of people employed in the implementation structure who are considered to be stable. An objective value was set from the experience of the previous programme period in regard to the planned improvement of the motivation of employees in the implementation structure.

**Number of trained persons - total** – shows the number of people who successfully passed training. The successful passing of training and acquiring of necessary expert knowledge is confirmed by a certificate, confirmation of attendance, etc. An objective value was set on the basis of the planned number of employees of the implementation structure, on the basis of the planned number of trainings and in regard to the supposed rate of fluctuation of employees and in regard to the diverse direction of particular trainings. 8 – 9 successfully finished trainings are planned for each employee.

**Number of trained persons (beneficiaries) – total** – means the total number of persons from among beneficiaries who successfully completed a training course/attended a methodological consultation. Successful completion of the activity, thus acquiring necessary expertise, is confirmed by the issuance of a certificate, confirmation of attendance, the minutes from the methodological consultation, etc.

### **Indicative division of financial resources to priority axis 3a and 3b per intervention area:**

Support of administrative structures including the professional training –92.75 %

Support of absorption capacity – 7.25 %

The biggest share is allocated to the support of administrative structures, grounded on the substantial growth of the SF resources and growth of the number of operational programmes.

### **Area of Intervention 3.1: Support to Administrative Structures Including Professional Education**

The goal of this area of intervention is to ensure highly-qualified staff to be responsible for the functions described in the hereafter paragraph, in the administrative bodies in charge of these functions. It will be achieved by :

- ensuring the necessary high qualified human resources and their stability throughout the programming period,
- ensuring the on-going improvement of this staff.

The objectives of area of intervention should be mainly delivered by means of improving the stability of employment, upgrading, on a day-to-day basis, the professional skills of the employees involved in the implementation of structural instruments, developing modern strategies for human resources management and enhancing the motivation of employees.

#### **SUPPORTED ACTIVITIES:**

The supported activities within this area of intervention axis are closely related to the provision of activities specified in the priority axis 1 and 2. The administrative capacity ensuring the following functions will be supported by this area of intervention:

- coordination at the level of NSRF and coordination of the OPs' implementation
- financial management of the NSRF
- monitoring and evaluation of the NSRF and follow up of the cohesion policy issues
- certification expenditures,
- controls and audits under the responsibility of the Audit Authority and AAS
- management of the technical assistance OPTA



The types of expenditure categories under this area of intervention are the following:

- salaries supplements of a limited number of staff justified by the above mentioned functions and high level qualification
- salaries of a limited number of additional highly qualified staff
- initial and continuous training of this staff
- elaboration of work methodologies aiming at the functioning of these administrative entities
- administrative costs (reports, meetings, ...)
- expert fees
- functioning of the technical assistance OPTA (evaluation, personal costs, operation and interconnection of IT systems necessary for the realisation of OPTA)
- other staff related cost can be covered by the decision of the Managing Authority of the OP after having informed the Monitoring Committee

## **Methodology for implementing this area of intervention**

### **A. Expected needs**

The needs in staff are assessed by a study which defines the necessary staff of each concerned entity and proposes the appropriate administrative frame for each of them including its evolution in the future.

The situation and the needs of the concerned services were assessed and an organisational and human resources development plan was proposed for each service in order to improve its administrative capacity. The total staff requirements correspond with the distribution among the administrative entities as explained in the hereafter table.

<b>Activity</b>	<b>Indicative number of employees</b>
NCA (incl. MA OPTA and IB)	135
PCA	45
AA (incl. authorised audit bodies)	165
Central Contact Point AFCOS	5
Total	350

### **B. Human resources management**

Achieving the area of intervention's objectives will be possible thanks to putting in place a selection and motivation system based on best practice for the concerned administrative entities' employees. The functioning of this selection (recruitment ensuring a maximal qualitative level in connection with the settled job descriptions) and motivation (improvement of the human resources through attractive salaries and regular training) system will make possible the creation of an efficient corps of administrative employees. This will guarantee efficient and effective implementation of structural instruments. The best practice for

selection procedure and for the remuneration of staff will be identified by the above mentioned study.

### **C. Implementation of the administrative capacity action**

The final reports of the studies mentioned in the previous paragraphs have to be finalised and presented at the monitoring committee.

Taking into account the recommendations of the studies and the discussions at the monitoring committee, the managing authority will approve the administrative capacity development plan.

Each concerned administrative entity will submit to the managing authority a project to implement the relevant part of the plan. The managing authority will evaluate and approve each of these plans.

The above described methodology should be followed under the responsibility of the NCA by the managing authorities of each OP as a guidance for implementation of their administrative capacity action. A working group will be the platform for this work.

Each Managing Authority should specify how these commitments are to be addressed by each OP specifically (e.g. analysis of the MA's needs, definition of functions and procedures, formulation of employees' profile, jobs description, selection and recruitment of new employees, salaries, training, ...).

#### ***Type of support:***

individual project

#### ***Form of intervention:***

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

#### **Beneficiaries**

Beneficiaries of this area of intervention are the following responsible administrative units/entities:

coordination at the level of the NSRF and Ops	MRD - NCA
financial management of the NSRF, including harmonization of legislation and methodology	MoF - PCA
monitoring and evaluation of the NSRF and follow up of the cohesion policy issues	MRD - NCA, PCA, Department of monitoring system administration

Certification	MoF - PCA
controls and audit under the responsibility of the Audit Authority	MoF - AA, relevant bodies performing the function of AAS
management of the technical assistance programme	MRD - Unit of MA OP TA, functions of budget administrator and main accountant Intermediate Body
Harmonisation of methodological management of agenda related to irregularities, concept of legislative framework in response to financial control, incl. financial control of financial resources from EU funds	Central Contact Point of AFCOS

The functions of budget administrator and main accountant are in correspondence to the Commission Regulation (EC, EUROATOM) No. 2342 of 23 December 2002, laying down detailed rules for the implementation of Council Regulation (EC, EUROATOM) No. 1605/2002, on the Financial Regulation applicable to the general budget of the EC, and in compliance to the regulation to the law of financial control No. 416/2004 Coll., in different departments of MRD, than the organisational unit of OPTA, so as the independence of mentioned functions is secured.

**Target groups:**

- State administration bodies and organisations reporting to them involved in the implementation of NSRF
- MA OP
- Regions and municipalities

**Category of area of intervention:**

Code	Area of intervention
81	Mechanisms for improving programme design and monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes
86	Evaluation and studies; information and communication

## **Area of Intervention 3.2: Support to Absorption Capacity**

### FOCUS:

Activities will focus on increasing the absorption capacity, general professional and information consultancy services, professional specific training, finding and promoting of the best solutions, creation of networks. All of these activities share the intention to create better local conditions for utilization of structural funds.

To support the absorption capacity on the side of implementation structures, methodical and professional consultancy in horizontal topics will be provided to employees of these structures (public support, funding, public procurement etc.).

The activities will comprise continuous monitoring and evaluation of the absorption capacity (interest/lack of interest in certain areas of subsidies, development trends, specific groups etc.) and based on results appropriate measures will be recommended.

Absorption capacity in horizontal topics will be supported as well including searching and assistance in project preparation and support to cohesion of ROPs with thematic OPs.

About 7.25 % of allocation within the priority axis No 3 is to be allocated for this support.

### SUPPORTED ACTIVITIES:

1. Coordination and methodical management of increase in absorption capacity. In this area of intervention only horizontal activities will be funded. Other activities will be paid from priority axis of technical assistance of operational programmes;
2. Preparation of studies for increase in absorption capacity of specific groups of beneficiaries and territories (small businesses, endangered regions, non-profit sector etc.);
3. Support of absorption capacity projects in the framework of OPTA (consultancy and informing of programme beneficiaries).

### ***Type of operation:***

individual project

### ***Form of intervention:***

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

### ***Beneficiaries:***

- MRD – NCA, MA OPTA

**Target groups:**

- MRD
- CRD – grant-funded organization of the Ministry for Regional Development.
- Central institutions of state administration and organizations managed by them
- Regions, municipalities, municipality associations, generally beneficial associations
- Physical and legal persons

**Category of area of intervention:**

Code	Area of intervention
81	Mechanisms for improving programme design and monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes
85	Preparation, implementation, monitoring and inspection
86	Evaluation and studies; information and communication

**3.7. PRIORITY AXIS 4A: PUBLICITY – CONVERGENCE OBJECTIVE**

**3.8. PRIORITY AXIS 4B: PUBLICITY – REGIONAL COMPETITIVENESS AND EMPLOYMENT OBJECTIVE**

**Justification:**

The starting point for informing publicity is the EC Regulation 1083/2007, from which the duty of a member state and Managing Authority of each operational programme follows to provide information of operations and co-financed programmes and to assure their publicity. The information is determined for the citizens of the European Union and beneficiaries with the objective to accentuate the role of Community and to assure the transparency of aid from funds.

The objective of this axis is the co-ordination of all the activities associated with assuring the timely, comprehensive and precise information on implementation of Cohesion Policy in the CR, NSRF and operational programmes in such a way that the requirements on information are assured in time and under effective exerting financial means. For the total co-ordination the platform for co-operation between the subjects in implementation structure will be set and the main co-ordination instrument is the working group for informing and publicity of EU funds, where all the Managing Authorities are represented.

In accordance with Resolution of the Government of the CR No 1068/2007, which imposes upon the Minister for Regional Development the obligation to ensure the implementation of the project Single system for the provision of

information to the general public and public administration representatives on the possibilities of drawing the EU funds, it is also necessary to ensure timely awareness of the general public of the preparation of programming period 2014+.

On the level of operational programme, the Managing Authority is responsible for complying with the above mentioned duties.

The resources from OPTA will be utilized for meeting requirements on knowledge ability on the national level, for the support of implementation of Communication Plans on the level of operational programmes in horizontal topics and for assuring methodical support, co-ordination and effective implementation of communication activities while implementing EU funds in the CR.

The framework of activities in the area of information and publicity financed from OPTA is elaborated in the NSRF Communication Plan.

The Operational Programme of Technical Assistance contributes to achieving the NSRF Communication Plan. For specific communication activities concerning completing the Communication Plan of another operational programme, MA OP will utilize priority axis of technical assistance of their operational programmes.

Within intervention area, the partnership principle is applied. Into the implementation of the Communication Plan, the respective partners are involved in a wide scope, e.g. in the activities like seminars, consultation or co-operation with media.

OPTA Managing Authority (MA OPTA) involves respective partners into informative and publicity measures providing to beneficiaries clear and detailed information in the sense of the Article 5 of the Regulation No 1828/2006.

**Specific objectives of 4a, 4b priority axis in connection to strategic objective 4:**

SPECIFIC OBJECTIVE NO 1: Creation and implementation of a unified system of informing the public of EU funds, implementation of Cohesion Policy in the CR, implementation of NSRF and operational programmes. The specific objective of publicity priority axis is connected with CoP OPTA global objective for the NSRF management level for years 2007-2013. A specific objective is to assure that the assistance provided from EU funds, concentrated in the operational programmes based on NSRF for the period 2007-2013, is transparent for the given target groups. With respect to the preparation of programming period 2014+, it is necessary to also ensure its publicity which is consistent with the annual OPTA CoP.

SPECIFIC OBJECTIVE NO 2: Development, administration and technical means for information instruments for the support of communication and implementation of NSRF, providing methodical, expert, technical and consultation support of implementation of communication instruments serving for co-ordination and management of communication strategies of operational programmes and

providing information and methodical support for subjects involved into the programme implementation.

**Indicators of 4a a 4b priority axis:**

**Indicators of output:**

<b>Code Number</b>	<b>Indicator</b>	<b>Measuring unit</b>	<b>Source</b>	<b>Value 2007</b>	<b>Indicative objective 2015 – Convergence and ind. objective 2015 – Regional competitiveness and Employment</b>
48.09.00	Number of arranged information and promotion activities	Number	OPTA beneficiaries	0	15
48.07.00	Number of elaborated methodical technically-informative materials	Number	OPTA beneficiaries	0	25

**Number of arranged information and promotion activities** – expresses the number of complete communication campaigns, in connection to meeting of NSRF Monitoring Committee. An objective value was set on the basis of the number of meetings of the NSRF Monitoring Committee.

**Number of created methodical and technically-informative materials** – expresses the number of informative and promotion materials, e.g. periodicals, non-periodicals, audiovisual products, internet portal to EU funds etc. An initial value is at zero in regard to the fact that no materials have been worked out so far. An objective value is set on the basis of the experience from the previous period.

**Indicators of result:**

<b>Code Number</b>	<b>Indicator</b>	<b>Measure unit</b>	<b>Source</b>	<b>Value 2007 in</b>	<b>Indicative objective 2015 – Convergence</b>
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				thousand	and ind. objective 2015 – Regional competitiveness and Employment In thousand
48.10.00	Number of visits to internet pages	Number	OPTA beneficiaries	0	920
48.13.00	Number of downloading electronic documents	Number	OPTA beneficiaries	0	231

**Number of visits to website (website hits)** – means the foreseen number of all unique users<sup>2</sup> of the supported website, including the search engine hits. The indicative target value was estimated based on the to date demand for information on this website, taking into account the needs of potential applicants and the general public throughout the 2007-2013 programming period, and it means the foreseen sum total of annual numbers of visitors on the portal in 2007-2015 period.

**Number of downloads of electronic documents** – means the foreseen number of downloaded electronic documents in a calendar year. It concerns files of the following types - pdf, doc, zip – which were downloaded). The indicative target value was estimated based on the to date demand for information on this supported website, taking into account the needs of potential applicants and the general public throughout the 2007-2013 programming period, and it means the foreseen sum total of annual numbers of downloaded electronic documents on the portal in 2007-2015 period.

**Indicative division of financial resources to priority axis 4a and 4b per intervention area:**

Activities for informing and publicity – 96.81 %

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<sup>2</sup> Unique user  
Each (unique) PC  
Best corresponds to single user

Page view  
User's contact with web page

EXAMPLE: If <http://www.strukturalni-fondy.cz/> is visited from the same PC 10 times, this will represent 10 PAGE VIEWS, nevertheless only 1 unique access.



Administration of communication and management tools of OPTA – 3.19 %

The biggest share is allocated to the activities for informing and publicity, grounded on the common activities of individual MA of operational programmes.

### **Area of Intervention 4.1: Activity for Informing and Publicity**

#### FOCUS:

Implementation of CoP OPTA on the NSRF level will try to create a favourable informative environment for the implementation of individual operational programmes, to add and to support information and communication activities of OP and to contribute to support the increase of CR absorption capacity.

From OPTA, the communication activities on the level of NSRF and OPTA communication plan and horizontal topics of other operational programmes will be paid, contributing to achieving NSRF communication plan. Specific activities contributing to completing individual OP communication plan will be paid from the priority axis technical assistance of these operational programmes. Responsible for the performance of co-ordination in this area is the NCA – and the main co-ordination instrument is working group for publicity and informing about EU funds.

Within this intervention area also regional and local government is supported which can utilize the topical information through the common [www.strukturalni-fondy.cz](http://www.strukturalni-fondy.cz) information portal and through other horizontal communication activities (issue of periodicals, videoconferences, spots, etc.). In co-operation with Managing Authorities, based on their participation in the working group for informing and publicity of EU funds, the communication channels towards regional and local government will be created.

#### SUPPORTED ACTIVITIES:

- informative and publicity activities;
- activities focused on mass media presenting especially successfully implemented projects (particular results of EU funds programmes) – contact point for media in the area of funds, preparation of briefings and reports, topic of EU funds brought to media and individual programmes in the CR, preparation and implementation of complete communication campaigns, activities in PR field;
- activities connected with creating the unified platform for the communication with public (e.g. issue of periodicals, non-periodicals, creation of audiovisual products, administration and development of official internet portal to EU funds);
- partnership and network in the area of communication – activities focusing on exchange of experience, good practice and spreading information to programmes from EU funds;

- preparation and implementation of communication campaign of MRD and ongoing PR activities;
- support of common communication activities of MA;
- multi-medial broadcast, spots, video-conferences;
- development, administration of unified internet presentation: [www.strukturalni-fondy.cz](http://www.strukturalni-fondy.cz);
- organizing seminars, conferences;
- co-operation with Euro-centers (information places established by the Office of the Government of the CR with the objective to inform the public of EU);
- issue of manuals for beneficiaries pursuant the individual types of beneficiaries;
- support of CoP OPTA implementation focused on beneficiaries support;
- workshops serving for exchange of experience between beneficiaries;
- co-operation with municipalities and regions on their communication activities.

This area will be covered especially by following projects:

- assuring of general awareness and knowledge of EU funds
  - implementation of projects in period 2007-2015;.

***Type of operation:***

individual project

***Form of Intervention:***

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

***Beneficiaries:***

- MRD – NCA
- Paying and Certifying Authority, Auditing Authority – MoF

**Target groups:**

- MRD
- CRD – grant-funded organization of the Ministry for Regional Development
- OP Managing Authorities
- MF
- regions and municipalities

**Categories of Intervention Area:**

Code	Area of Intervention
86	Evaluation and studies; information and communication

**Area of Intervention 4.2: Administration of Communication Instruments and CoP OPTA Management**

In this area the instruments for management and co-ordination of communication activities of Communication Plan of NSRF and Communication Plans of Operational Programmes will be supported.

SUPPORTED ACTIVITIES:

- monitoring and evaluation of CoP OPTA implementation on the level of NSRF as well as OP in accordance with the requirements of Implementation Regulation (ordering surveys, creation of analyses and studies of awareness and knowledge of fund issue in the CR);
- co-ordination and management of communication strategy of operational programmes (creation, updating and revision of communication plan on the level of NSRF and OP during programming period, methodical aid for the area of communication and knowledge ability, support of CoP OP) implementation;
- support of implementation and co-ordination of Communication Plan(s), monitoring and evaluation (database, video-conference - online communication instruments etc.);
- information and methodical support of subjects involved into the programme of implementation for achieving the appropriate publicity of projects from the side of beneficiaries;
- acquisition of modern presentation services (publicity);
- assuring of methodical, expert and consultation support for the implementation of Communication Plans on the NSRF and OP level.

This area will be covered especially by following projects:

- administration of communication instruments for CoP OPTA management
  - implementation of projects in the period 2007-2015;

***Type of operation:***

individual project

***Form of intervention:***

Non-repayable financial assistance (subsidy); contribution of ERDF 85 %; state budget 15 %. Rate of co-financing is calculated from eligible public expenditure.

***Beneficiaries:***

- MRD – NCA
- Paying and Certifying Authority, Audit Authority – MoF

***Target Groups:***

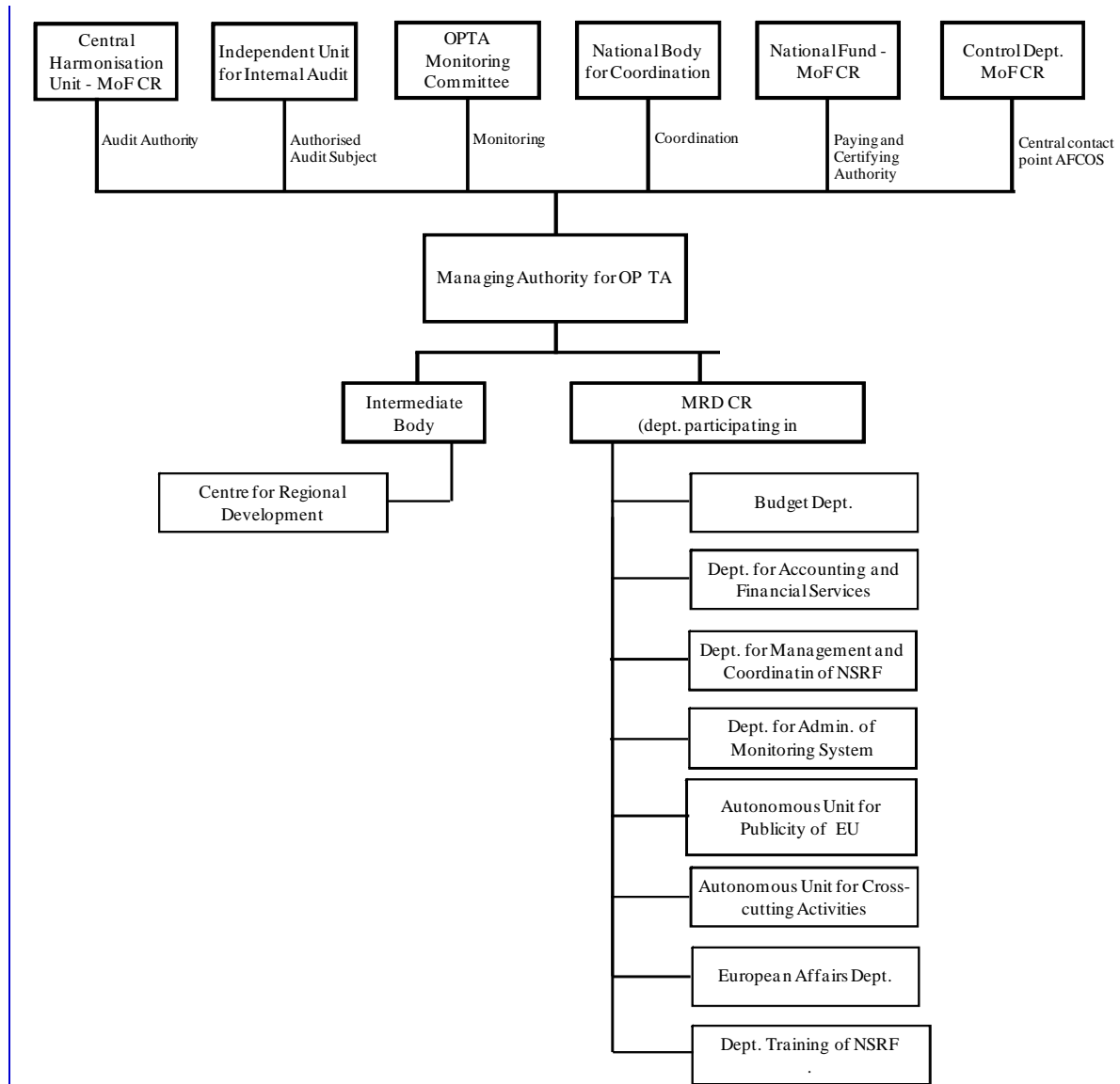
- MRD
- Managing Authorities of OP
- CRD – grant-funded organization of the Ministry for Regional Development
- central authorities of state administration and organization established by them

***Categories of Area of Intervention:***

Code	Area of Intervention
85	Preparation, implementation, monitoring and inspection
86	Evaluation and studies; information and communication

# 4. IMPLEMENTATION MEASURE OF OP

## 4.1. IMPLEMENTATION STRUCTURE



## **Managing Authority**

The Managing Authority of OPTA is according to the Government Decree No 175/2006 the Ministry for Regional Development, Staroměstské nám. No. 6, 11015 Prague 1. Based on the Decree of the Minister No 169/2008 the department of Managing Authority of the Operational Programme TA, was authorised by the execution of function of Managing Authority for OPTA.

The Managing Authority is responsible for the correct and effective programme management (primary management and control system) as well as implementation of the OPTA assistance in accordance with EU regulations and national legislation. Based on OPTA procedures guidance (Operational Manual) are distinctly separated different staff activities connected with the administration of OPTA, so as eventual conflict of interest is prevented.

The Managing Authority manages the whole programme and has a full responsibility for all procedures during its implementation. Based on the Art. 59 of the Regulation 1083/2006 (General Regulation), MA may delegate a part of its tasks to Intermediate Body. In such a case, the following principles shall be preserved:

- The delegation is possible only by a legally binding act;
- Only one level of delegation is acceptable.

The MA for OPTA ensures the programme realisation in compliance with the procedures in the Operational Manual.

Internal Audit and Authorised Audit Entity Department (IAAAED) executes the function of the Authorised Audit Subject for OPTA. The Authorised Audit Subject for OPTA is not involved in the implementation of OPTA.

The Managing Authority is in accordance with the Art. 60 of the General Regulation responsible first of all for:

- Assuring that the operations for financing are selected based on the criteria for the Operational Programme, in accordance with the national legislation and legislation of EC for the whole implementation period;
- Verification, if the co-financed products and services were provided and if the expenses of the operations stated by beneficiaries are really used in accordance with the EU legislation and national legislation. The verification of the individual operations/projects on the spot may be performed based on the sampling method. The method has to comply with the Commission Regulation (EC) No 1828/2006 (Implementing Regulation) of EC pursuant the Article 60 lit. b) of the General Regulation and Article 13 of Implementing Regulation;
- Provision of system for recording and maintaining accounting records in the electronic form for each operation of the Operational Programme and

collecting data on implementation necessary for financial management, monitoring, evaluation, audit and evaluation;

- Assuring that the beneficiary and other subjects involved in the implementation maintain a separated accounting system or a corresponding accounting code for all the transactions associated with the operation without breaching national accounting regulations;
- Evaluation of operational programme pursuant the Art. 48 par. 3 of the General Regulation and Art. No 47 of General Regulation;
- Determining procedures for assuring that all the documents concerning the expenses and audits necessary as appropriate aid for audit are maintained in accordance with the requirements of the Art. 90 of the General Regulation;
- Submitting information to the PCA for the certification in accordance with the requirements stated in the Methodology of Certification of Expenses for Programming Period 2007-2013;
- Assuring the function and activities of Monitoring Committee - providing documents for verifying the quality of implementation of the Operational Programme in view of achieving its targets;
- Elaboration of annual and final reports on implementation and after the approval by the Monitoring Committee their submitting to the EC;
- Assuring the compliance with requirements on publicity and provision of information set by the Art. 69 of General Regulation.

The Managing Authority shall submit to the EC in accord. with the Art. 71 (1) of the General Regulation before submitting the first application for ongoing payment or within twelve months after the OPTA approval the description of the management and control system covering the organization and procedures of the Managing Authority, its Intermediate Body, Paying and Certifying Authority, Audit Authority and Authorised Audit Subject. The annual and final implementation reports are sent in copy to AA.

The management and control procedures are described in OPTA Operational Manual. Other MRD departments participate in the management and control of OPTA. The division of management, payment and control functions is secured (see the scheme Implementation Structure of OPTA).

#### **4.1.1 Financial Units**

In respect of financial flows through the state budget (SB) and separation of management, control and payment functions, MRD and MoF Financial Units are involved in the scope of OPTA implementation structure, further also the financial units of other MA involved in the implementation of OPTA in relation of ensuring the function of AAS. The organizational involvement of those departments corresponds to payment and accounting function in relation to the state budget (see the scheme Implementation Structure of OPTA, chapter 4).

The Financial Unit of MRD is in the financial section, formed by Budget Department and Department for Accounting and Financial Services. The

independency of connected functions is assured by including the departments into another MRD section than MA OPTA is involved.

#### **Financial Unit:**

- Participates on the methodical management of financial flows of the OPTA in compliance to the legislation of EC and CR;
- Provides interim **payment of costs of the project** from the SB resources for pre-financing of expenses to be covered by EU funds and SB resources determined for national co-financing. (In detail see the chapter 6.2 Financial Flows System);
- Performs the precise and complete registration of payments to beneficiaries from SB resources;
- Announces MA the required data of performed payments to beneficiaries according to its register (especially data regarding beneficiaries, paid amounts, day of payment to the beneficiary);
- **While performing individual activities associated with payments to the beneficiaries**, it proceeds in accordance with internal written work procedures (manuals);
- Accounts for accounting cases in its accounting unit.

Detailed procedures are stated in the Methodology of Financial Flows and Control of Programmes co-financed from Structural Funds, Cohesion Fund and European Fisheries Fund for programming period 2007-2013, elaborated by MoF. The functions of the financial units are ensured for OPTA needs by respective units of MRD and MoF as beneficiaries of OPTA assistance.

#### **4.1.2 Intermediate Body**

The Managing Authority may delegate a part of its tasks to the IB. Only one level of delegation is possible. The Intermediate Body cannot delegate the tasks to another subject.

The Intermediate Body of OPTA for all priority axes is based on the Minister for Regional Development Decision No. 349/2006 the Centre for Regional Development. According to internal set of rules and methodical guidance No. 17 of CRD the responsibilities of individual CRD units participating in the function of IB is separated, so as the conflict of interest is prevented.

The delegation of tasks to Intermediate Body, i.e. state grant organization of MRD, is stated in the organization establishment deed.

The IB will ensure performance of all the tasks related to the receipt, evaluation, selection and realisation of projects within the given intervention area, in particular:

- Receipt of applications and their evidence in the MONIT7+;
- Contacts with the applicants for the aid and providing such applicants with the necessary information;
- Administrative checks of applications from formal point of view and checks of eligibility, in compliance to the conditions set to the applicants,



- Project evaluation;
- Preparation of documents for Tender Committee of OPTA;
- Project realisation monitoring, including administrative-approval procedures of project realisation;
- On the spot verifications of individual projects (Article 13 of Implementation Regulation No 1828/2006);
- Preparation of source documents for monitoring reports (annual and final reports);
- Check of observance of conditions of Law No. 137/2006 Coll., on Public Procurement;
- Timely entering of full and correct data in MONIT7+;
- Information and assistance to the Managing Authority during verification and evaluation the performance of the activities delegated to the IB;
- Provision of information on the detected suspicions of irregularities;
- Participates in public administrative control activities performed by Control Department and submits all necessary documents and assistance required by the controllers;
- Keeps and updates records in the beneficiaries' files and archives the documents according to the OM;
- Other tasks according to the MA instructions.

The detailed description of IB tasks will be included in the OPTA Operational Manual and the documentation of the IB (CRD).

#### **4.1.3 Beneficiary**

- The Ministry for Regional Development (NCA, MA OPTA and further professional departments with horizontal activities directly participating in the implementation of NSRF objectives);
- Centre for Regional Development – state grant organization of MRD;
- The Ministry of Finance (PCA, AA and Central Contact Point of AFCOS);
- Ministries, Regional Councils, Capital City of Prague, responsible for assuring the Authorised Audit Subjects (AAS) according to the Government Decree No 884/2007 and No 760/2007 in respect of assurance of Audit Authority and Authorised Audit Subjects function.

#### **4.1.4 Paying and Certifying Authority**

The Paying and Certifying Authority is designated by the government. The National Fund of MoF was designated to act as PCA for EU funds by the decision of the Minister of Finance, issued based on the government decree No

198/2006. No Intermediate Body was determined for the performance of some or all the tasks of PCA as enabled by the Art. 59 par. 2 of the General Regulation. PCA performs in the CR besides certification also paying function.

PCA performs only batch payments to the providers of EC funds assistance, in correspondence to the summary applications (refundation of amounts corresponding to the summary expenditures) or performs the payments in relation to the European Commission.

PCA performs especially the following activities:

- It administers the resources from EU funds on the accounts established in CNB (Czech National Bank);
- It elaborates and submits applications for interim payments and payments of final balance to EC for all the programmes based on the statement of expenses submitted to MA (the first application for interim payment will be sent by PCA to EC only after sending the description of managing and control system se per the Art. 71 of General Regulation);
- **Accepts payments from EC;**
- **Based on the performed control of the correctness of the summarised applications submitted to the MA, it transfers the means from EU budget to the revenue accounts of administrators of individual SB chapters** within 5 workdays from receipt of the summarised application;
- It accounts about accounting cases for PCA resources in the scope of MoF accounting unit;
- It maintains the system of financial reporting for PCA resources;
- It certifies the exerted expenses and it elaborates the certificate of exerted expenses, sent together with the application for interim payment or payment of final balance to the EC; it hands over to the AA the copy of the application and certificate in writing as well as electronically;
- For the purpose of certification it verifies the proper functioning of the management and control system on all the levels of implementation incl. the checks on the spot;
- In creates and updates the methodical documents for performing the certification of expenses from EU funds, connected financial flows and the control of funds from EU budget;
- It returns the expenses, affected by irregularities, including the interest on them to the EC, if it has not been decided about their reallocation in accordance with EC rules in the scope of the programme, in which the irregularity had occurred;
- It returns the not used funds to EC;
- Based on the estimates elaborated by MA it submits for all MA summary of updated estimates of applications for payments to EC for the current and following budgetary year by 30. April each year;

- It ensures the conception and methodology of development IS VIOLA for the support of PCA function incl. the data communication with MSC2007;
- It evaluates drawing the allocation of funds from EU budget, and monitors fulfilling of the rule N + 2 (N + 3);
- It submits to the AA manuals of PCA procedures.

#### **4.1.5 Audit Authority**

The Ministry of Finance (MoF) was designated, based on the Government Decree No 198/2006 as Audit Authority (AA) in accord. with the Art. 59 of the General Regulation 1083/2006. Based on the decision of the Ministry of Finance, the dept. Central Harmonization Unit for Financial Control was authorised by the function's execution.

Based on the Government Decree No 760/2007 on execution of function of AA and authorised audit subjects (AAS) pursuant the Art. 62, par. 3 of the General Regulation 1083/2006 and in accordance with the Decree of the Minister for Regional Development No 109/2007 the Independent Department for Internal Audit (IDIA) (subsequently the Internal Audit and Authorised Audit Entity Department (IAAAED)) of MRD was authorised by the function of audit authority (AAS) for OPTA.

It will perform the tasks in accord. with the Art. 62 par. 1 lit. a) and b) of the General Regulation 1083/2006. A detailed description of AA and AAS activities is stated in in Chapter 6 - Control and Audit System.

In accordance with the requirements of the relevant EC legislation and legal regulations of CR, AA performs especially the following activities:

- the audit of compliance of OP management and control systems;
- before submitting the first application for interim payment and within 12 month after the approval of the respective operational programme at the latest, it submits to EC the report on the programme presenting the results of the evaluation of management and control systems as set per the Art. 71 par. 2 including the standpoint concerning their accordance with the respective provisions of the legal regulations of EC; this activity is not delegated to any other audit subject;
- it monitors the elimination of the found drawbacks;
- it submits to EC the audit strategy, including Authorised Audit Subjects (AAS) within 9 months after the approval of the respective programme;
- it submits to EC annually the updated audit strategy, sampling method for audits of operations and orientational audit planning, assuring the performance of audits in the main subjects and even audit split in the whole programming period;
- it ensures the system audit in its responsibility for the effective functioning of management and control systems of OP as per the Art. 62 par. 1 lit. a) of General Regulation;

- it submits annually to EC a consolidated plan of audits of means provided from EU funds;
- it checks quarterly the performance of consolidated plan of audits and informs PCA about this performance;
- it ensures that PCA will receive for the purpose of certification the results of all the audits performed by AA or based on its authorisation;
- the performance of audit in its powers on a suitable sample of operations to verify expenses on the statements of expenditure for EC in the sense of the Art. 62 par. 1 lit. b) of General Regulation;
- it leads methodically the Authorised Audit s involved into audits in the powers of the Audit Authority for all OP;
- it supervises the quality of audits performed by Authorised Audit Subjects in power of Audit Authority for OP co-financed by EU funds;
- it participates in the creation and updating of methodical instructions for the performance of audit in its power for OP co-financed from EU funds;
- in the period from 2008 to 2015 it submits annually to the EC an annual control report with audit findings of the audits performed in the preceding year in accordance with the strategy of OP audit, as well as the drawbacks established in their management and control systems. The information concerning the audits performed after 1<sup>st</sup> July 2015 will be included in the final audit report which is the base for the closure declaration;
- it issues annually for the EC the standpoint, if the functioning of the management and control systems provides the appropriate guarantee that the statements of expenses submitted to the EC are correct and that the associated transactions are legal and fair;
- it participates in the audit missions of the EC as for verifying aspects of management and control system, following from annual control report;
- it submits the declaration of partial closure in which it evaluates the legitimacy and eligibility of concerned expenses as per the Art. 88 of General Regulation;
- by 31<sup>st</sup> March 2017 at the latest it submits to the EC the closure declaration evaluating the validity of the application for payment of the final balance and legitimacy and fairness of the associated transactions included into the final statement of expenses;
- it co-operates with the EC while co-ordinating plans of audits and audit methods and exchanges with it the results of the performed audits;
- it assures application of internationally acknowledged audit standards during audit activity;
- it performs the analysis of the notified irregularities for the purposes of elaborating the closure declaration or partial closure declaration;
- it elaborates annually the report on results of financial controls concerning programmes for government of the CR.

The Audit Authority is responsible for assuring the above mentioned activities and it may authorise by selected activities the Authorised Audit Subjects of OP (AAS= Authorised Audit Subject) while preserving its own liability. Based on residual risk, the Audit Authority may perform the audits of systems and audits on sample of operations in the whole implementation structure as per the Art.

62 par. 1 lit. a), b) of the General Regulation. In PCA case, only the Audit Authority will perform the audit of the system pursuant Art. 62 par. 1 lit. a) of General Regulation. For these purposes, the Audit Authority has access to relevant information systems of OP in relation to drawing of the OP.

Only one level of authorisation to perform the above mentioned activities is acceptable (i.e. the Authorised Audit Subject cannot authorise another subject by its activities). The authorisation is stated in the Government Decree No 760/2007 (in case of Sector Operational Programmes) or it will be performed based on the contract of audit performance according to the Administrative Code or Civil Code. The appointed employees of Internal Audit departments, are working pursuant EC regulations and are authorised to perform these activities, unlike other employees of IA departments, who perform internal audit only in accordance with the Act No 320/2001 Coll., of Financial Control.

#### **4.1.7 Central Contact Point of AFCOS**

In accordance with Government Resolution No 1010 of 5 September 2007, with effect from 1 January 2008, the position of the Central Contact Point of the Anti-Fraud Co-ordination Structure (AFCOS) in the Czech Republic changed, by its transfer from the Supreme Public Prosecutor's Office to the Ministry of Finance – Central Harmonisation Unit for Financial Control Department. By delimitation of the Central Harmonisation Unit for Financial Control Department in keeping with the conclusions of the Meeting of senior officers of the MoF No 43/2007 of 11 December 2007, with effect from 1 January 2008, two separate departments were set up, namely the Control Department, into which the Central Contact Point of AFCOS was incorporated, and the Audit Authority – Central Harmonisation Unit Department.

The position and tasks of the Central Contact Point of AFCOS network are derived from the National strategy for the protection of Community's financial interests approved by Government Resolution No 535 of 14 May 2008 and also from the Methodology of financial flows and control of programmes co-financed from the Structural Funds, the Cohesion Fund and the European Fisheries Fund for 2007-2013 programming period.

Central Contact Point of AFCOS network:

- ensures the tasks ensuing from the harmonisation of the methodological management of the agenda related to irregularities in cooperation with the following departments: Audit Authority – Central harmonisation Unit, National Funds, International Relations and the autonomous Central Financial and Contracting Unit ;
- elaborates the national strategy for the protection of financial interests of EC and other donors;

- on behalf of the MoF coordinates and leads the meetings with individual EC General Directorates during the discussions on methodology with respect to addressing irregularities and matters of combating fraudulent practices;
- drafts respective methodological documents for the purpose of reporting irregularities;
- cooperates in legal aspects associated with irregularities;
- cooperates in the harmonisation and drafting the legislative framework with respect to the Community legislation in the field of financial control of EU funds and elaborates recommendations on the application of the Czech and Community legislation in this field.

## 5. CONTROL AND AUDIT SYSTEM

Ministry of Finance as central administrative office for the financial control in accordance with the respective provisions of the Act No 2/1969 Coll., of Establishment of Ministeries and Other Central Offices of State Administration of the CR, as amended; it manages controls methodically, co-ordinates and assures the performance of the control and audit within operational programme. The basic starting point for issue of partial methodical instructions consulted with the respective EC bodies, are applicable legal regulations of EC and CR.

### INTERNAL CONTROL SYSTEM

All the bodies participating in the implementation of the operational programme have introduced the necessary management and control system, in accordance with the national legislation and capable to discover in time the administrative, system or intentional mistakes/irregularities and creating conditions for the prevention of irregularities. The function of management control is clearly separated from the function of internal audit.

#### Management Control

The Management Control is ensured by responsible managers and represents a part of internal management of all the subjects involved in the implementation of the operational programme, i.e. ex-ante control during the preparation of operations before their approval, ongoing control during the operations up to their final settlement and settlement of accounts and the ex-post control of selected operations, for evaluation of achieved results and correctness of management.

Regarding the principles of the effective control system, during the programme implementation is assured that:

- all the subjects involved into the programme management and control have clearly defined particular functions within the whole implementation system as well as in the scope of each subject separately;
- the principle of separation of payment, management and control functions for individual subjects involved into the programme implementation as well as within individual subjects is observed;
- there are unambiguous procedures set to assure the correctness as well as eligibility of expenses stated in the programme scope;
- reliable accounting systems, systems of monitoring and systems of financial reporting are introduced;
- system of submitting the reports on implementation of the programme and projects as well as monitoring is introduced;
- measures for performing the audit of functioning of the management and control system are accepted;
- systems are introduced and procedures assuring source documents for audit (audit trail) set;

- the procedures for notification and monitoring of irregularities and recovery of irregularly paid sums are set.

An Operational Manual, a part of which is the chapter concerning the internal control system containing detailed descriptions of work procedures for the performed activities, is elaborated for each level of management and programme implementation.

### **Internal audit**

The IA department is functionally independent and organizationally separated from managing and executive structures and is subordinated to the respective head of the public administration body. In its activity it proceeds in accordance with the Act No 320/2001 Coll., of Financial Control in Public Administration and of Change of Some Acts (Act of Financial Control).

The internal audit departments will regularly verify the internal control system. Their activity will involve, among others, the verification of meeting basic requirements on the internal control system. An important part will be also submitting recommendations to improve the quality of internal control system, to prevent or to mitigate the risks, to take measures to remedy the established drawbacks and consultation activity. A unified access to the audit on all the levels of implementation and reporting of audit conclusions will be a source document for risk management on the level of Managing Authority.

The reports on audits regularly performed on individual levels of Inter-mediate Body will be submitted to the respective head of public administration, AA and IA department on the level of Managing Authority, i.e. IAAAED (Internal Audit and Authorised Audit Entity Department) having also the function of Authorised Audit Subject (AAS), pursuant the Art. 62, par. 3 of General Regulation.

### **CONTROL IN RESPONSIBILITY OF MANAGING AUTHORITY (PRIMARY SYSTEM)**

The Managing Authority in accord with the Art. 60 of the General Regulation and Art. 13 of Implementation Regulation is responsible for management and implementation of operational programme in accordance with the principle of the proper financial management; it shall especially ensure that on all the level the managing functions are separated from payment and control functions. It simultaneously ensures that applicants/beneficiaries are informed about special conditions of the program, especially in view of the OPTA structure and corresponding responsibilities on individual levels.

The implementation structure is closely specified in the OPTA Operational Manual.

The Managing Authority performs, in accordance with the Art. 13, par. 2 of Implementing Regulation the verification of the administrative, financial, technical or also material aspects of operations. The Managing Authority delegates a part of its tasks during verification to the IB (CRD), however, it is not relieved from the responsibility for control execution.



Parts of verification are the following procedures:

- administrative verification of each application for payment submitted by the beneficiary;
- verification of individual operations on the spot.

MA/IB sets the plans for verification on the spot on the sample of operations based on the risk analysis; the eligibility of costs and observing the rules of tenders is accentuated. The sampling method will be reviewed every year.

During the ex-post controls it is verified, if audit recommendations were respected.

### **AUDIT IN POWERS OF AUDIT AUTHORITY (SECONDARY SYSTEM AND CENTRAL SYSTEM)**

AA is responsible for audit execution in accordance with the Art. 62 of the general regulations on all the levels of the implementation of financial resources of the operational program. Audit Authority is in compliance with the requirements of EC legislation functionally independent on MA and PCA. Within the shared responsibility of CR and EC for the proper administration, management and control of OP Audit Authority:

- assures performing audits for the purpose of verification of effective functioning of the OP management and control system (hereinafter referred to “audit of system”);
- assures performing audits of operations on a suitable sample for verifying stated expenses within OP (hereinafter referred to as “audit of operations”);
- will submit to the EC within nine months after OP approval:
  - audit strategy, a part of which is the IA department as entity authorised to perform audits of the system and audits of operations (hereinafter referred to as “AAS”);
  - method of samples collection for audits of operations;
  - rough planning of system audits and audit of operations for performance of these audits in main subjects and their even split in the whole programming period.
- by 31<sup>st</sup> Dec. annually from 2008 to 2015:
  - submits to the EC the annual control report stating the results of audits of systems and audits of operations performed during the preceding period of twelve months ending on 30<sup>th</sup> June of the given year in accordance with the audit strategy of OP, as well as the drawbacks established in the management and control systems of OP. The first report will be presented by 31<sup>st</sup> December 2008, it will include the period from 1<sup>st</sup> January 2007 to 30<sup>th</sup> June 2008. The information concerning the audits performed after the 1<sup>st</sup> July 2015 shall be included in the final control report, which is the base for the closure declaration of OP;

- based on the controls as well as audits for which it is responsible it issues the standpoint to the fact if the management and control system of OP functions effectively and in this way it provides the appropriate assurance that the statements of expenses presented to the EC are correct and that the associated transactions are legal and fair;
  - in cases when the Art. 88 of general regulation is applicable, it submits the declaration of partial closure, in which it evaluates the legality and eligibility of concerned expenses;
  - by 31<sup>st</sup> March 2017 it will submit to the EC the closure declaration in which it evaluates the validity of the application for payment of the final balance and legality as well as eligibility of associated transactions included into the final statement of expenses, which is supported by the final control report.
- it charges AAS, as secondary audit system, in accordance with the Art. 62, par. 1 of the General Regulation, by the execution of audit of systems and operations on a suitable sample of operations for the verification of stated expenses. Audit Authority:
    - assures that this subject has a proper functional independency;
    - assures that audit standards are respected during audit activity;
    - will obtain the reports on audits of systems and audits of operations performed by AAS and it will ensure the unified approach to these reports on relevant levels of implementation; audit conclusions of AA and AAS are the base for the risk management on MA and PCA level.
  - pursuant the Art. 73, par. 1 of the General Regulation, the European Commission and AA exchange the results of performed audits pursuant the Art. 62 par. 1 of General Regulation;
  - reports on audits performed by EC auditors are handed over to AAS through the Audit Authority with the objective to ensure the ex-post control of taken measures to conclusions stated in the report.

AA verifies and evaluates in the scope of the central system verifies the functionality of the primary and secondary system in accordance with the international standards with estimate of residual risk. The residual risk expresses the extent of uncertainty as a consequence of the failure to introduce effective measures for proper functioning of the primary and secondary system.

Audit Authority performs with the exception of the audits performed by the Authorised Audit Subjects the additional audits according to the Art. 62, par 1 (a) of the General Regulation No. 1083/2006, with the aim to verify the effective function of management and control system (additional system audits) and on suitable sample of operations the verification of the submitted expenditures (additional audits of operations) in the whole implementation structure of OPTA.

The performance of audit according to the Art. 62 par 1 (a) and (b) of the General Regulation No. 1083/2006 is effected according to the statute of AO also at the beneficiary of OPTA – PCA.

Audit according to the Art 62 par 1 (a) and (b) of the General Regulation No. 1083/2006 at the level of AO will be performed by independent external provider of audit services.

An important part of AA and AAS tasks is also to submit recommendations to improve the quality of OP management and control system, to prevent or to mitigate the risks, to accept measures for the remedy of established drawbacks and consultation activities.

Closer details and recommendations to ensure functioning of the management and control system of OP in the responsibility of MA, or its Inter-mediating subject, PCA, AA and AAS are stated in:

- Implementing Regulation;
- recommendations included in EC instructions;
- Methodology of financial flows and control of programmes co-financed from the Structural Funds, Cohesion Fund and European Fisheries Fund for programming period 2007 – 2013, issued by MoF;
- Manual for audit of managing and control systems of operational programs co-financed in the programming period 2007 to 2013 from European Regional Development Fund, European Social Fund, Cohesion Fund and European Fisheries Fund, issued by MoF.

## **AUDIT EXECUTED BY THE AUTHORISED AUDIT SUBJECT BASED ON AA AUTHORISATION (SECONDARY SYSTEM)**

For OPTA the Authorised Audit Subject (AAS) is the Internal Audit and Authorised Audit Entity Department (IAAAED). Independency of AAS (IAAAED) is ensured in the valid Organizational Scheme of MRD by subordinating IDIA directly to the minister. AAS (IAAAED) is in its activity directly liable to Audit Authority.

The organizational split of IAAAED assuring activities of IA and AAS including organigram is described in detail in the Manual for IAAAED activities. The activity of the internal audit is performed separately from AAS activity within IAAAED.

AAS (IAAAED) proceeds while performing the audit of systems and operations in accordance with:

- Council Regulation (EC) No 1083/2006 of 11st July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of cancellation of Regulation (EC) No 1260/1999;
- Commission Implementing Regulation (EC) No 1828/2006 of 8th December 2006, for Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the

European Social Fund and the Cohesion Fund and Regulation of European Parliament and Council (EC) No 1080/2006 on European Regional Development Fund;

- Resolution of the Government No 760/2007 of assuring the performance of AA functions and authorised AA subjects;
- Decision of Minister for Regional Development No 109/2007 of Organizational Assuring the Audit Subject at the Ministry for Regional Development CR;
- internationally acknowledged audit standards in accord with the Art. 62 of Council Regulation (EC) No 1083/2006;
- Manual for audit of managing and control mechanisms of operational programs issued by AA;
- recommended methodical instructions/documents of AA;
- statute of Authorised Audit Subject of Audit Authority;
- Manual for the audit of the system and operations of the managing and control system of SF for performing the process of OPTA audit.

AAS (IAAAED) performs in correspondence to the above mentioned documents according to the Art. 62 par 1 (a) and 1 (b) of the General Regulation at the level of MA and IB of OPTA following main activities:

- audits of the system for the purpose of the independent and objective verification (review and evaluation) of effective functioning of OPTA management and control system;
- audit of operations on a suitable sample for verification of stated expenses.

AAS executes the audit for the verification of the submitted expenditure on the suitable sample of operations, according to the statute of AAS also at the level of OPTA beneficiaries, with the exception of AA and PCA.

Authorised Audit Entity (IAAAED) is authorised to perform in accordance with the above mentioned documents following main activities:

- to provide the consultations with the aim to introduce effective management and control system of OPTA;
- to require from MA OPTA any information, excerpts/recordings, incl. control records and audit reports from any external subject performing audit at MA OPTA, which may be utilized by AAS (IAAAED) during the performance of audit examination;
- to access the module of OPTA (Monit7+ a MSC) information system and to utilize it for monitoring the follow-up procedures;
- to rely appropriately on reports of internal audits performed by IA of IB in OPTA;
- to participate (authorised auditors of AS and/or AA auditors) in audits performed by European Commission which verify, if management and control systems of OPTA are functioning during the implementation period of this OP financed from EU funds effectively.

## **CONTROLS CARRIED OUT BY SUPREME AUDIT OFFICE**

The Supreme Audit Office is entitled to carry out the independent control activity as specified in relevant provisions of the Act No 166/1993 Coll., on Supreme Audit Office as subsequently amended.

## **AUDIT ACTIVITIES CARRIED OUT BY EUROPEAN COMMISSION AUTHORITIES AND EUROPEAN COURT OF AUDITORS**

The European Commission shall verify that within the particular operational programme all management and control systems were introduced and are effective in compliance with Art. 72 par. 1 of the General Regulation. The EC carries out the verification on basis of annual control reports and statement of AA to these reports and on basis of findings from its own audits.

The European Court of Auditors carries out separate and independent controls on basis of its authority and responsibility.

## **EUROPEAN ANTI-FRAUD OFFICE (OLAF)**

For purpose to combat the fraud, corruption and any other illegal activity prejudicial to the financial interests of the European Community the OLAF may within its authority (in compliance with the European Parliament and Council (EC) Decision No 1073/1999 from 25<sup>th</sup> of May 1999 and in compliance with other general regulations for protection of the EC financial interests) carry out within the OPTA implementation structure the administrative investigation. The administrative investigation means inspections, controls and and other measures realised by the OLAF staff.

## **IRREGULARITIES**

All bodies engaged in implementation of the operational programme are obliged to notify to MA all suspicions of irregularities. The Managing Authority (MA) will examine the suspicions and the ones justified on basis of control / audit findings will be submitted to relevant authorities for launching of administrative or judicial proceeding. The notifications of control authorities, AA and AAS must be always considered as justified. Further, the control authority notifies within 15 days of the following month such justified suspicions to the subjects engaged in the notification on the outer level of notification (AFCOS).

In case of delegation of some of the control authorities to the Intermediating Body (IB), IB co-operates with MA in prevention, identification and notification of irregularities.

## **ELIGIBILITY OF EXPENDITURES**

General rules for the eligibility of the expenditures are specified particularly in Art. 56 of the General Regulation:

- The expenditures are eligible for contribution from the funds, if they were really paid between the 1<sup>st</sup> January 2007 and 31<sup>st</sup> December 2015. The operations may not be terminated before the eligibility starting day;
- The expenditures are eligible for contribution from funds only if they have arisen from operations, which were decided by MA OPTA or person authorised by him in compliance with the selection criteria approved by the Monitoring Committee;
- The rules for the eligibility of expenditures are determined at the level of member states excl. exceptions specified by special regulations for each particular fund. They apply to all public expenditures reported within the operational programme. On basis of Art. 56 par. 2 of the General Regulation the depreciations, overhead costs and in-kind contributions may be controlled differently.

In compliance with Art. 54 par. 4 of the General Regulation the “Rules of eligibility of expenditures for programs co-financed from the Structural Funds and Cohesion fund for the programming period 2007-2013” were prepared at level of CR. The Rules were approved by the Government Decision No 61/2007. The Rules incl. its amendments form basic framework for the eligibility of expenditures of the operational programmes financed from the EU funds. The recommending explanation to the Rules is included in “Methodology instructions for eligible expenditures of programmes co-financed from the Structural Funds and Cohesion Fund for the programming period 2007-2013”.

The eligible expenditures from OPTA are spent in compliance with the programme objectives, are linked to the project realisation, are in compliance with European and national legislative, are spent in compliance with the principle of economy, purposefulness and effectiveness, and are properly documented by the accounting documents.

## **SELECTION OF PROJECTS**

The control authority is responsible for transparent, objective and effective system of the project selection to ensure the quality of the realised projects in compliance with the programme objectives. The criteria for the project selection in individual areas of assistance are subject to the approval by the Monitoring Committee. The Managing Authority ensures that the proposed criteria are clear, objective and measurable and that they are applied in all project applications.

The selection of the projects will be realised on basis of announced invitation. The announcement of the invitation for the submission of projects for particular assistance area is ensured by the MA on basis of rules determined by the

OPTA Operational Manual. The MA ensures issuing of the Instructions for applicants and recipients.

The project selection is realised in three assessment stages:

- Check of formal requirements of the projects;
- Assessment of project acceptability;
- Assessment of factual and financial quality of the project.

The criteria for the project selection form the annex to the OPTA Operational Manual.

The reception of the projects, verification of formal requirements, acceptability control and assessment of factual and financial quality of the project is ensured by IB (with the exception of projects implemented by the CRD and administered by the OPTA MA).

Check of the formal requirements represents administrative verification of the project. In case of formal incompliance the applicant will be invited for supplementation of missing documents or for the correction of data. The assessment takes the form of YES (fulfilled)/NO (non-fulfilled).

The project acceptability assesses, whether the submitted project is relevant within the particular aid area. The project acceptability criteria are assessed by answers YES (fulfilled)/NO (non-fulfilled). In case of non-fulfilment of the acceptability criteria (even in case of one criterion) the applicant is invited to supplementation or reworking of the application within specified deadline regarding the announced invitation. If the request for reworking/supplementation of the application is not reflected, the applicant is excluded from further assessment

The projects, which passed the formal check and acceptability check, are subject of the assessment of factual and financial quality of the projects. The assessment is based on set of questions with answers YES (fulfilled)/NO (non-fulfilled). The set of questions differs acc. to the assistance area type.

Then the Intermediating Body will submit to the MA the materials documenting the results of the project assessment and will recommend to the MA the projects, which should be supported on basis of the previous assessments. The MA staff will prepare the basis material for meeting of OPTA Selection Commission on basis of documents from IB. The meeting of OPTA Selection Commission recommends / does not recommend the projects for financing. The fact that the project is recommended / is not recommended by the OPTA Selection Commission will be communicated to applicant by MA, and there must be justification in case of the project was not recommended.

## 6. FINANCIAL PROVISIONS OF OP

The allocation for the programme is in compliance with art. 46 par. 1a of the General Regulation while adhering to the total limit for the technical assistance at level of 4 % of total amount assigned within both Convergence and RCE Objective. Further, the coordination with individual operational programmes must be ensured to adhere to the par. 3 art. 46 of the General Regulation.

In compliance with the requirement for mono-funding of operational programmes the OPTA will be co-financed from ERDF. In compliance with art. 53 par. 1 b) of the General Regulation the contribution from ERDF is calculated in relation to total eligible public expenditure. According to the General Regulation the contribution from the funds is max. 85 % of total eligible public expenditure; minimal limit for co-financing from the national public resources is 15 % of total eligible public expenditure.

The indicative financial plan determines the frame for financing of OPTA. The OPTA financial plan for programming period 2007-2013 is based on NSRF financial plan determining the allocation of the funds from SF to individual operational programmes for period 2007-2013. The OPTA covers cca 0.7 % of all financial resources allocated for the CR within the Convergence Objective from the SF for period 2007-2013 and about cca 0.7 % of financial resources allocated for the CR within the Regional Competitiveness and Employment Objective.

The allocation for OPTA in the Convergence objective is 191 767 501 EUR for the realisation of 4 priority axes, in the Regional Competitiveness and Employment objective 3 106 811 EUR, also for the realisation of 4 priority axes. Altogether the allocation for Operational Programme Technical Assistance amounts to 194 874 312 EUR.

The assistance will be realised in the framework of 8 priority axes, when 2 priority axes have always "mirror" characteristics and cover complete territory of the CR (objective Convergence as well as the objective Regional Competitiveness and Employment). The activities of these "united" priority axis cannot be divided, they are of systemic nature as they have impact on the whole territory of CR pro rata.

Based on the performed analysis and approved by relevant partners participating in the preparation and subsequent realisation of OPTA, the resources of OPTA were divided as follows:

- The biggest part – approximately 40,15 % of allocation in the framework of both objectives was allocated for the priority axis 3a/3b - Administrative and Absorption Capacity. It represents the most serious problem connected with the realization of ESC policy in CR, which can be solved only by allocation of a substantial amount of funds, corresponding to the envisaged personal capacity of coordination institutions participating on NSRF.



- The substantial part of OPTA funds was allocated to the priority axis 4a/4b – in total cca 22.58 % of funds for the programme. The need is grounded by necessity of realisation of unified system of informing the public regarding the EC funds and the ESC policy in the CR, as well as by the need to secure the information tools to support the communication and implementation of NSRF and the future Cohesion policy.
- Nondisputable is also the need related to the monitoring, where the means will be allocated for the ensurance of fully functional and effective monitoring system in the period 2007-2013, including the ensuring of linkage of this IT system to other IT systems of MoF (for example Viola) and for the preparation and acquisition of the monitoring system for programming period 2014+;. Consequently, for the priority axis 2a/2b was allocated cca 25.43 % of total OPTA allocation.
- The remaining part of the allocation – cca 11.84 % of total allocation – was set for priority axis 1a/1b, oriented at the improvement and strengthening of the unified management and coordination of programmes co-financed from EC funds on the level of NSRF, e.g. the coordination institutions (NAC, PCA, AA); the resources will be set for the purchase of services connected with the preparation of unified methodical procedures, for training, seminars or committee meetings etc.

## **6.1. FINANCIAL MANAGEMENT**

The system of financial flows is described by Methodology of financial flows and control of programmes co-financed from the Structural Funds, Cohesion Fund and European Fisheries Fund for programming period 2007-2013, issued by the Ministry of Finance. The Ministry of Finance (MoF) administers the financial resources provided by EC for financing of programmes from EU funds.

The SF resources will be sent by EC to the PCA account. Within the PCA the financial resources from EU budget are methodically managed by Dept. of Financial Management and Payments, which also realises the transfers of resources from the EC budget to the state budget (SB).

The system of financial flows from the EC budget is based on principle of pre-financing of expenditures, which are to be covered by resources from the EC budget from relevant SB chapter. PCA subsequently ensures the reimbursement of the resources to the SB. The share of national financing from SB resources are released to the recipients in the same way as the resources from the SB, released for pre-financing of expenditures, which are to be covered by resources from EC budget, in compliance with Act No 218/2000 Coll., on budgetary rules and in compliance with MoF Decree No 560/2006 Coll., on participation of state budget on financing of assets reproduction.

After reception of summary application for payment the Payment and Certification Authority will carry out the payment of the SF resources into the state budget chapter.

## **6.2. FINANCIAL-FLOWS SYSTEM**

The payments for recipients are realised by means of ex-post payment:

- Financial department of the recipient continuously pays the project expenditures on basis of accounting documents. After termination of the project/stage the recipient issues the application for payment, which is submitted for verification and approval to MA, resp. Intermediate Body;
- The MA on basis of the approved applications for payment issues the Summary application for payment from PCA account into relevant chapter of the state budget;
- The Payment and Certification Authority checks the submitted Summary applications, its accounting (decisive date for determination of exchange rate from CZK to EUR is date of PCA booking) and settles the resources to relevant chapter of the state budget;
- After the certification the Payment and Certification Authority requests the European Commission for supplementation of resources on its account;
- The European Commission will approve the request and sends the resources to the PCA account.

## 6.3. OPTA FINANCIAL FRAME FOR PERIOD 2007-2013

### 6.3.1. OPTA Indicative Financial Plan acc. to Priority Axis (EUR, current)

PA No	Priority Axis Name	Fund	Community Contribution	National Resources	Indicative allocation of national resources		Total resources	Co-financing Rate	Information	
					National public resources	National private sources			EIB	Other resources
					a	b(=c+d)				
1a	Management and coordination assistance – Convergence Objective	ERDF	22 723 291	4 009 994	4 009 994		26 733 285	85 %		
1b	Management and coordination assistance – RCE Objective	ERDF	352 744	62 249	62 249		414 993	85 %		
2a	Monitoring – Convergence Objective	ERDF	48 767 022	8 605 946	8 605 946		57 372 968	85 %		
2b	Monitoring – RCE Objective	ERDF	789 613	139 344	139 344		928 957	85 %		
3a	Administration and absorption capacity – Convergence Objective	ERDF	76 979 048	13 584 536	13 584 536		90 563 584	85 %		
3b	Administration and absorption capacity – RCE Objective	ERDF	1 253 284	221 169	221 169		1 474 453	85 %		
4a	Publicity – Convergence Objective	ERDF	43 298 140	7 640 849	7 640 849		50 938 989	85 %		
4b	Publicity – RCE Objective	ERDF	711 170	125 501	125 501		836 671	85 %		
<b>Total OPTA (Converg. and RCE Objective)</b>			<b>194 874 312</b>	<b>34 389 588</b>	<b>34 389 588</b>		<b>229 263 900</b>	<b>85,0 %</b>		
<b>Of which: Convergence Objective</b>			<b>191 767 501</b>	<b>33 841 325</b>	<b>33 841 325</b>		<b>225 608 826</b>	<b>85,0 %</b>		
<b>RCE Objective</b>			<b>3 106 811</b>	<b>548 263</b>	<b>548 263</b>		<b>3 655 074</b>	<b>85,0 %</b>		

Note. Co-financing rate relates to the public resources; private resources are indicated in column "Other sources".

### 6.3.2. Pro rata Formula

<i>PO No</i>	<i>Objective</i>	<i>Pro-rata in %</i>
<b>1a+2a+3a+4a</b>	<b>Convergence</b>	98.41
<b>1b+2b+3b+4b</b>	<b>Regional Competitiveness and Employment</b>	1.59

Determination of total allocation of OPTA reflected the adhering to the same percent share of total allocation for the CR assigned for the Convergence Objective and for the RCE Objective.

In the frame of total allocation of NSRF (26 303 mil. EUR) is for the objective Convergence set 25 884 mil. EUR (98.41%) and for objective Regional Competitiveness and Employment 419 mil. EUR (1.59%). In compliance to this reality the OPTA funds for both objectives were calculated in the same share. The total OPTA allocation amounting to 194 874 312 EUR (100 %) is divided for the objective Convergence in amount of 191 767 501 EUR (cca 98.41 %) and for objective Regional Competitiveness and Employment in amount of 3 106 811 EUR (cca 1.59 %).

The level of contribution for the RCE Objective was agreed during the partner meetings with the Capital City of Prague Municipality and was determined at level of 1.59 % of total allocated resources for the programme. Within this specified limit the activities on whole territory, incl. the Capital City of Prague, may be supported.

The allocation for the program, resp. shares of the Convergence and the RCE Objectives will ensure the fulfilment of Art. 22 of the General Regulation on non-transferability of the appropriations allocated between individual objectives.

All projects submitted within the OPTA programme will be financed pro-rata from both objectives, resp. priority axis, to ensure the compliance with Art. 54 par. 3 lit. a) of the General Regulation.

Both priority axis ("a" and "b") will be realized by means of common projects which system national characteristics.

### 6.3.3. Indicative Financial Plan OPTA of EC Contribution in Individual Years (EUR, current)

Year	ERDF Convergence Objective	ERDF RCE Objective	Total
	1	2	3=1+2
2007	30 253 392	531 062	30 784 454
2008	31 741 516	541 683	32 283 199
2009	33 236 144	552 516	33 788 660
2010	34 800 663	563 567	35 364 230
2011	5 102 921	69 725	5 172 646
2012	37 925 439	586 335	38 511 774
2013	18 707 426	261 923	18 969 349
<b>Total 2007-2013</b>	<b>191 767 501</b>	<b>3 106 811</b>	<b>194 874 312</b>

### 6.3.4. Indicative Plan of Usage of Contribution Acc. to Category of OPTA Expenditures (EUR, current prices)

Priority Theme		Financing Form		Territory	
Code	Amount	Code	Amount	Code	Amount
81	111 078 357	00	194 874 312	01	194 874 312
85	52 616 065				
86	31 179 890				
<b>Total</b>	<b>194 874 312</b>	<b>Total</b>	<b>194 874 312</b>	<b>Total</b>	<b>194 874 312</b>

#### EARMARKING

With regard to the characteristic of the OP TA as a supporting programme for the fulfilment of the NSRF, there are not fulfilled goals of the integrated main directions for the growth and employment 2005-2008 as it laid down by the Council Decision 2005/600/EC.

## **7. MONITORING**

### **7.1. MONITORING OF OPTA**

Monitoring is a basic instrument in achieving efficient settings and subsequently implementing the OPTA and projects realized within the scope of this programme.

Monitoring is used to collect data and present summary information on the current stage of the implementation process.

Monitoring of the implementation of the OPTA will take place on three levels:

- financial monitoring, the task of which will be to collect data and information concerning financial expenditure;
- physical monitoring, which will monitor the physical focus of the project from the technical, physical and analytical aspects;
- procedural monitoring facilitating real-time monitoring of progress in the implementation of projects.

The MA of the programme is generally responsible for the OP monitoring and thus is responsible for correct, effective, systemic and early monitoring in compliance with the NCA Management and Monitoring methodology.

### **7.2. MONITORING COMMITTEE**

The Monitoring Committee is set up in accordance with Article 63 of the General Regulation. The aim of the Monitoring Committee is to ensure the effectiveness and quality of the aid granted. Under Commission rules, the monitoring phase must be kept separate from the management of the programme.

The composition of the Monitoring Committee will be based on the partnership principle and on the principle of equal opportunities. The members of the Monitoring Committee and their replacements are appointed and dismissed by the Minister for Regional Development in accordance with the Statute of the Monitoring Committee OP TA.

Members of Monitoring Committee will be representants of the following institutions: MMR, CRD, MF (PCA and AA), EC, OP ROP, Office of the Government and Regional Association of the CR. The number of members of the Monitoring Committee will increase also by representants of the private sector in the future.

The central task of the Monitoring Committee is monitoring, approval of selection criteria of the programme, evaluation of implementation OP TA, verification of effective expenditure and correctness of the implementation programme and projects supported by EU funds.

The Monitoring Committee will satisfy itself as to the effectiveness and quality of the implementation of the operational programme, in accordance with the following provisions:

- it will consider and approve the criteria for selecting operations financed within six months of the approval of the operational programme and approve any revision of those criteria in accordance with programming needs;
- it will periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the managing authority;
- it will examine the results of implementation, particularly the achievement of the targets set for each priority, and the evaluations referred to in Article 48(3);
- it will consider and approve the annual and final reports on implementation referred to in Article 67;
- it will be informed of the annual control report, or of the part of the report referring to the operational programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;
- it may propose to the Managing Authority any revision or examination of the operational programme likely to make possible the attainment of the Funds' objectives referred to in Article 3 or to improve its management, including its financial management;
- it will consider and approve any proposal to amend the content of the Commission decision on the contribution from the Funds;
- approves activity plans and programmes of its meetings;
- it will discuss documents submitted by the secretariat of the Monitoring Committee;
- approve Rules of procedures of Monitoring Committee of OP TA, eventually its further changes.

### **7.3. STRUCTURAL FUND MONITORING SYSTEM**

The monitoring system of the EU Structural Funds will be used for monitoring; its task is to ensure the uniform, summary and central monitoring of aid granted by the EU. The system also gathers information about implemented projects and the fulfilment of indicators.

The system will be able to supply requested outputs for the European Commission's requirements; there are also plans to present some of the results on the Internet. The aim of the central monitoring system is to provide central monitoring of aid mediated from the EU. The accounting system of the manager of the MRD budget heading – IRAP IS – is also integrated into this central monitoring system.

The monitoring system will ensure the following activities:

- monitoring of the drawdown of resources from the Structural Funds,
- monitoring of the drawdown of resources within the scope of national co-financing,
- management, monitoring, evaluation and coordination of programmes,
- communication with the Commission and the provision of data in the Commission's SFC monitoring system,
- evaluation, control and regular monitoring of project implementation,
- connections to the relevant systems of state administration,
- the fulfilment of monitoring indicators
- monitoring of the drawdown of the share of the annual programme budget in accordance with the programme budget valid for the relevant calendar year.

## **7.4. ANNUAL AND FINAL REPORTS**

The Managing Authority ensures the production, discussion and approval of reports by the Monitoring Committee and their subsequent submission to the Commission.

In accordance with Article 67 of the General Regulation, the Managing Authority (after approval has been granted by the Monitoring Committee) will send the Commission an annual report and final report on the implementation of the OP. The Managing Authority will submit the annual reports by 30<sup>th</sup> June of each year, starting in 2008. The final report on the implementation of the OP will be submitted to the Commission by 31<sup>st</sup> March 2017.

All the annual reports and the final report on the implementation of the OP will contain the following information:

- progress achieved in the implementation of the OP and priorities in relation to their specific, verifiable objectives, expressed quantitatively by means of indicators at the level of the relevant priority;
- the financial implementation of the OP, specifying expenditure included in payment requests sent to the Managing Authority, the corresponding contribution from public resources, the total payments received from the Commission and a quantitative expression of financial indicators;



- an indicative breakdown of allocated financial resources by category, in accordance with the detailed rules of application adopted by the Commission;
- information about serious problems concerning compliance with the Community's legal regulations that occur during the implementation of the OP, and about aid areas adopted to address them.

Every year, when the annual report on implementation referred to in Article 67 of the General Regulation is submitted, the Commission and the Managing Authority will examine the progress made in implementing the OP, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation. Any aspects of the operation of the management and control system raised in the last annual control.

## 8. OPTA EVALUATION

Evaluation of the OPTA will be executed in accordance with obligations defined in Articles 47 to 49 of the General Regulation, in accordance with methodical instructions of the European Commission and in accordance with methodical instructions of the OPTA. The OP MA is responsible for the evaluation.

In accordance with Article 47 par. 1 of the General Regulation, the evaluation objective is:

- Increased quality and effectiveness of assistance provided from the EU Funds and its consistency with objectives of the EU and the CR;
- Improvement of strategy and effectiveness of the operational programme implementation;
- Review of specific structural problems of the CR and sustainable development in relation toward the operational programme subject.

The National Development Plan, The National Strategic Reference Framework, recommendations issued by EC in the form of working documents and EC guidelines are starting point for carrying out the ex-ante, mid-term and ex-post evaluation.

### 8.1. TYPES OF EVALUATION

In accordance with Article 47 par. 2 of the General Regulation, this concerns:

- **strategic (conceptual) evaluation** in order to evaluate the development of the programme in relation to EC and CR priorities;
- **operative evaluation** to support monitoring.

In terms of the programme implementation period, programme evaluation may be divided in accordance with Articles 48 and 49 of the General Regulation into:

- **ex-ante evaluation** – before approval of the operational programme, implement by MA in according to Article 37 lit. 1b;
- **on going evaluation (continuous)** – may be performed by the member state (or MA) or the European Commission in the course of programme implementation;
- **ex-post evaluation** – performed by the European Commission in cooperation with the member state and MA after conclusion of the programme.

## **8.2. ORGANIZATIONAL BACKUP OF EVALUATIONS**

Obligations of the OPTA evaluation are as follows:

- Compilation, realization, update, and assessment of the OP evaluation plan in relation to the evaluation plan for the NSRF created by the NCA;
- Provision of all the main evaluation types;
- Provision of resources and data for evaluation execution and utilization of data and information from the monitoring system for cross-section evaluations executed and organized by the NCA, especially for strategic reports 2009 - 2012 (Article 29 par. 2 of the General Regulation) and for ex-post evaluations executed by the European Commission;
- Active joint cooperation with evaluators and evaluating staff on the NCA level and on various levels of the OP implementation, and on various levels of the Structural Funds and the Cohesion Fund implementation in the CR;
- Evaluation is executed by internal or external experts, who fulfil the condition of independent according to Article 47 par. 3 of the General Regulation;
- Obligation to publish results of evaluations, in accordance with requirements of par. 3 Article 47 of the General Regulation.

## **8.3. EVALUATION PLAN**

The OPTA evaluation plan is a framework plan of the OPTA evaluation activities for 2007-2013. It is processed for the entire programming period. Each year, the plan is updated and is worked out in detail for the upcoming calendar year. The OPTA evaluation plan is based on the NSRF evaluation plan. The OPTA evaluation plan for the entire period including annual plans and their updates is presented and approved by the OPTA Monitoring Committee. It will be approved during the 1th meeting of the Monitoring Committee in the first quarter of 2008. This plan will be updated and amended by the concrete activities for each year starting since 2008, at the end of each year.

### **Contents of the evaluation plan**

The OPTA evaluation plan contains a list and description of indicative activities including the individual types of evaluation and analysis, including a timeframe and financial resources, as well as a description of the management structure responsible for programme evaluation. Evaluation plan of the OP TA approves the Monitoring Committee annually.

Planned evaluation activities:

a) strategic evaluation

- Ex-ante and SEA evaluation of the programme 2007-2013
- Ex-ante and SEA evaluation of the programme 2014-2020
- Ex-post evaluation of the programme 2007-2013
- Strategic evaluation as a basis for the strategic report

b) operative evaluation

- Annual programme evaluation
- Thematic evaluation
- Evaluation of the implementation and monitoring system in mid term
- Evaluation of absorption capacity
- Ad hoc evaluation studies for example for area of administrative capacity or monitoring system.

**On going evaluation within the implementation environment – on going and ad hoc evaluation**

Managing Authority will evaluate continuously progress of the realisation of the programme and fulfilment of its goals on the basis of outputs of the monitoring system and other data of the monitoring. Following to the situation and problems found and identified, especially in case of risks which were specified by the monitoring programme as diverting substantially from the given goal, or if proposals for revision of the programme are submitted from the initiative of the Commission (Article 33 of the General Regulation), then concrete evaluations will be conceived and implemented. Their results will be presented to the Monitoring Committee and the EC.

Working group for evaluation NSRF (includes also evaluation of OP TP) defines a significant departure from the goals initially set (Article 48). In case the significant departure is identified on the basis of continuous evaluation of the monitoring process (e.g. when the diversion ranges between 10-20 % from the set goals of indicators), the work group will secure realisation of the evaluation study ad hoc, and subsequently the reception of the corrective measures in compliance with results of this study.

The evaluation at the level of the OPTA will concern functioning of the administrative structures and quality of implementation mechanisms which influence significantly the whole performance level of the OPTA. The evaluation judges whether the OP TA follows its set goals.

The evaluation at the NSRF level will concern contribution of the SF and consider consistency of the strategy at the national and programme level. Evaluation aims at the specific themes which are of strategic importance either for OP or for horizontal priorities (equal opportunities, environment).

## **8.4. EVALUATION BACKUP WITHIN THE OPTA MA FRAMEWORK**

Article 48 par. 1 of the General Regulation requires creation of conditions for evaluation execution. On the OPTA level, the evaluation tasks are executed by the entrusted evaluation workers with relevant knowledge of the programming cycle, evaluation processes, able to provide the preparatory stages of evaluations and organization activities in realization stages of evaluations, including utilization of the opponent function of professional groups and publication of results of evaluations.

Evaluation workers will provide:

- Evaluation plan proposal (proposal of evaluation activities), revisions and updating;
- Realization of evaluation activities:
  - Production of evaluation subjects;
  - Assignment for selection of external evaluators;
  - Assignments of tenders for evaluation project realization;
  - Creation of optimum conditions for realization of evaluation projects and their coordination, using professional groups.
- Assessment of the evaluation plan fulfilment;
- Submitting results of the evaluation plan fulfilment to the OPTA Monitoring Committee and the NSRF Monitoring Committee (via the NCA evaluation unit);
- Development of evaluation capacity for the operational programme;
- As wide presentation of results of evaluation activities as possible to responsible subjects;
- Wide publicity of results of evaluation activities and spreading experience acquired from evaluations;
- Commentaries to materials submitted during cooperation with other evaluation units, including the NCA.

Depending on the number of evaluation workers, monitoring output analyses or process procedure analyses in particular may be performed internally using the participation methods.

The evaluation workers of the OPTA MA supports activities of the NCA evaluation unit by means of its representatives participating in the work and consulting bodies of the NCA evaluation unit (a working group, professional groups) or by direct cooperation, especially when creating source documents for strategic reports, in accordance with Article 29 par. 2 of the General Regulation.

## **8.5. THE WORKING GROUP FOR THE OPTA EVALUATION**

Members of the work group for the evaluation of the OP TA are the representatives of the MA, IB, MF, MRD and in case of need an independent expert for the given field of expertise.

The working group for evaluation of OPTA will be included in the framework of the activities of the working group for evaluation of NCA which fulfils the task of an advisory and coordinating body for framework evaluation activities such as putting together an evaluation plan, developing the activities of evaluation capacity, making use of evaluations results and presenting them to the NCA Monitoring Committee.

The working group within the framework of NCA ensures and monitors:

- proposes the project assignment (assignment conditions of the evaluation activities);
- proposes members of the Evaluating Committee to select the processor of the evaluation project;
- the preparation of the public tender for the assignment of public procurement for an evaluation activity
- the preparation of the evaluation plan;
- the updating of the evaluation plan for the following calendar year;
- the progress in carrying out the evaluation plan;
- the assessment of fulfilling the plan;
- the reports for the OPTA Monitoring Committee;
- processing the outputs of the programme evaluations.

Working group meets as needed, especially in the following cases:

- during preparing, updating and assessing the evaluation plan;
- during preparing a public tender for the assignment of public procurement for an evaluation activity

## 9. PUBLICITY

It follows from the provisions of Article 69 of the General Regulation that the Managing Authorities of the operational programmes are obliged to ensure publicity for the co-financed programmes in accordance with the Implementing Regulation (part 1 Information and publicity, Articles 2-10).

The OPTA Managing Authority is responsible for writing an OPTA Communication Plan (CoP) for the managing level NSRF and for presenting this plan to the EC within four months at the latest after OPTA has been approved.

The OPTA Communication Plan contains a framework communication strategy for the national level of implementation of EU funds programmes (that is NSRF level) which will be further detailed into annual plans of communication activities. These will be presented at the meeting of the OPTA Monitoring Committee for approval.

The Monitoring Committee will also be kept informed of CoP activities and their results and impacts; this information will be an integral part of annual reports and the final report on the implementation of the OP.

### **Indicative definition of general strategy of OPTA CoP 2007–2013**

The specific objectives of Publicity priority axis are integrated to the global objective of CoP OPTA for the level of management of NSRF in the CR in the period 2007-2013.

The specific objective is to ensure that aid provided from EU funds and concentrated in operational programmes is transparent for broadly conceived target groups of the public, regional development actors and other target groups, and to emphasize the positive role played by the Economic and Social Cohesion Policy and its instruments in the Czech Republic.

Partial specific objectives:

- to create and implement a unified system of informing the public about EU funds in order to improve the level of public knowledge about the existence, purpose and objectives of the ESC policy in CR in general and to initiate further interest in opportunities and real benefits resulting from implementation the individual programmes of EU funds in CR;
- to create and develop conditions for implementation consistent and successful communication strategy of the ESC policy in the CR for the period 2007–2013 and period 2014+ at the national level, which will support the creation of absorption capacity and will ensure publicity and transparency of the process of providing assistance form EU funds.

### **Coordination of implementation the CoP at national and programme level**

The OPTA Communication Plan envisages a coordinated and synergistic communication activities at the national level and at the level of each OP. Coordination in the area of communication follows also from NSRF, chapter 11 “Management and Coordination of the Economic and Social Cohesion Policy” and from Government Resolution No 620/2007 on ending negotiations between NSRF and the EC.

Chapter 11 of NSRF set out the responsibility of NCA for publicity, information and coordination activities of the Managing Authorities in this area. "

The instrument of coordination is working group for information and publicity of EU funds, with representatives of communication officers of all OP in the CR.

It is also envisaged that an information system for management and coordination of communication plans at all levels of implementation (i.e. national and programming) will be created and will be connected to the information system for monitoring implementation EU funds in 2007 – 2013.

### **Responsibility for CoP OPTA 2007–2013**

Within the OPTA MA a delegated person is responsible for fulfilment of the OPTA publicity requirements. A section within a department responsible for managing NCA will also deal with carrying out the CoP activities.

### **Financing of CoP OPTA 2007–2013**

Activities of OPTA CoP 2007–2013 are further specified in OPTA annual communication plans of OPTA. Activities are financed from OPTA funds, priority axis Publicity.



## 10. LIST OF ABBREVIATIONS

AFCOS	Anti-Fraud Co-ordination Structure
AA	Audit Authority
AAS	Authorized Audit Subject
B	Beneficiary
CBA	Cost Benefit Analysis
CBC	Cross Border Cooperation
CESCD	Central Evidence of Subsidies Common Database
CF	Cohesion Fund
CHU	Central Harmonization Unit for Financial Control
CNB	Czech National Bank
CP	Communication Plan
CR	Czech Republic
CRD	Centre for Regional Development
CSF	Community Support Framework
CSG	Community Strategic Guidelines
CZK	Czech Crown
DMS	Department for Monitoring System
EC (the)	The European Commission
EC	European Community
ERDF	European Regional Development Fund
ESC	Economic and Social Cohesion
ESF	European Social Fund
EU	European Union
EUR	Euro
FU	Financial Unit
IAAAED	Internal Audit and Authorised Audit Entity Department
IB	Intermediate Body
ICT	Information and communication technologies
IOP	Integrated Operational Programme
IPDC	Integrated Plan of Development of Cities
IRAP	Accounting and Information System of MRD
IRIS	Integrated Regional Information System
IS	Information system
ISOP	Information system of operational programme
IS-SC-OPPI	Information System
JROP	Joint Regional Operational Programme
MA	Managing Authority Operational Programme
MA	Ministry of Agriculture
MC	Ministry of Culture
MCC	Management and Coordination Committee
MCE	Methodology of Certification of Expenses
MC OPTA	Monitoring Committee OPTA
ME	Ministry of the Environment
MEYS	Ministry of Education, Youth and Sports
MF	Ministry of Finance
MFFC	Methodology of Financial Flows and Control
MH	Ministry of Health
MI	Ministry of Informatics
MI	Ministry of Interior

MIT	Ministry of Industry and Trade
MLSA	Ministry of Labour and Social Affairs
MM2007	Monitoring Methodology
MRD	Ministry for Regional Development
MSC2007	Monitoring System for the Structural Funds for the programming period of 2007-2013
MSSF	Monitoring System for the Structural Funds for the programming period of 2004-2006
MT	Ministry of Transport
NCA	National Coordination Authority of the NSRF
NDP	National Development Plan
NF	National Fund
NSRF	National Strategic Reference Framework
NUTS	Nomenclature des unités territoriales statistiques
OP	Operational Programme
PA	Priority Axis
PCA	Paying and Certifying Authority
PPP	Public Private Partnership
PR	Public Relations
RCE	Regional Competitiveness and Employment
ROP	Regional Operational Programme
SAP	Information System of Intermediate Body of State Agricultural Intervention Fund
SB	State Budget
SDAS	Statistical Data Analysis Software
SEA	Strategic Environmental Assessment
SF	Structural Funds
SFC2007	Structural Funds Common Database
SFMS	Structural Funds Monitoring System
SIS	Subsidy Information System of the Ministry of Regional Development
SPD	Single Programme Document
TA	Technical Assistance
VIOLA	Information and Accounting System